

BURSA INSTI CORPORATE SERIES

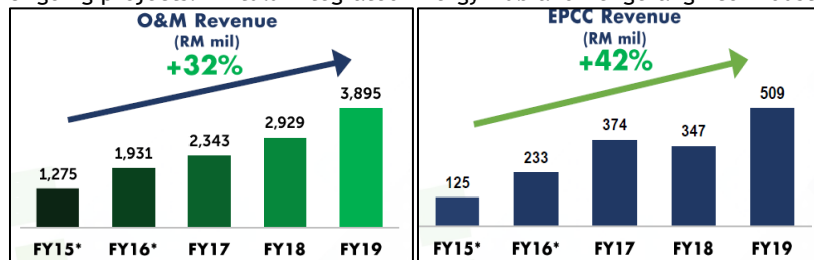
Serba Dinamik Bhd

Bursa Malaysia, together with Daiwa and Affin Hwang Malaysia recently invited Serba Dinamik to share some updates on the company. Key takeaways below.

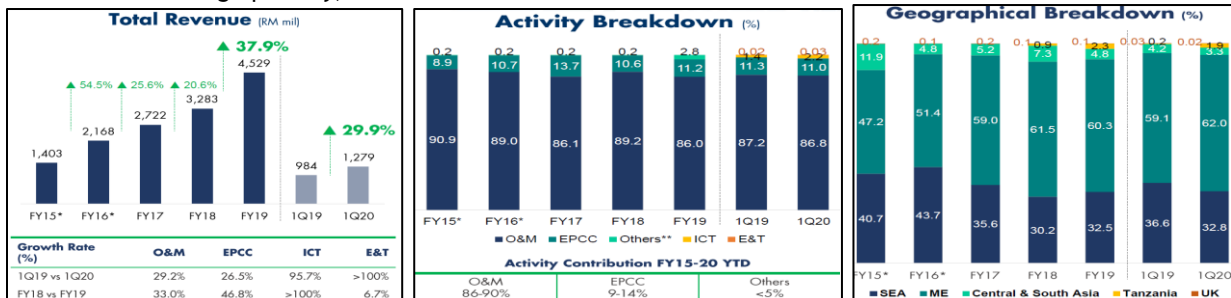
#bursainsti #bursamalaysia #serbadinamik

- Serba Dinamik has four main divisions: Operation and Maintenance (O&M), EPCC, Information Technology (ICT) and Education and Training. It has presence in six regions and 25 countries.
- Its orderbook stands at RM17bn as at May 2020, composing of 45% Oil & Gas, 40% Others and 5% each in Power Plants, Water & Utilities, and Chemicals. 55% of its orderbook comes from Middle East and 30% from Malaysia.
- O&M: Strong orderbook growth trends is driven by replenishment of existing contract renewals as well as new tender wins. Serba's position as an independent service provider or an alternative to OEM service providers enables it to price their services more cost effectively.

- Ongoing projects: Bintulu Integrated Energy Hub and Pengerang Eco-Industrial Park



- EPCC: There is a huge industry need both locally and regionally to support O&G related, power generation, water supply and water treatment developments. It is working on six internally owned asset ownership projects and focusing on EPCC+ICT Synergy approach such as Innovation Hub, Smart City and Technology Park. It is expanding into international markets such as Nepal, Maldives and UAE. Current project: Awarded Block 7 Innovation Factory/Hub valued at RM7.71bn in Abu Dhabi, UAE on 12 April 2020.
- ICT: It is focusing on acquiring and collaborating with technology companies to enhance on R&D. It is expanding into international markets such as Indonesia, Qatar, India, United States and China. Its two target markets are consumer/retail and institutional. For consumer, it is looking at mobile applications such as Qwik Pay or GCE Exchange, e-commerce platform like easybuybye and digital themepark/virtual park via esports and online games. For institutional, it aims to provide smart maintenance platform and customise software development.
- Education and Training: It has numerous joint training programmes to develop talents.
- Total revenue grew by 29.9% YoY in 1QFY20, and it is largely driven by O&M activities at 86.8% in 1Q20, while EPCC is at 11%. Geographically, 62% of its revenue is from Middle East and 32.8% is from Southeast Asia.



- Its PAT margins have been stable, hovering between 11% to 12% from FY15 to FY19.
- However, net gearing ratio have increased from 0.6x to 1.0x from FY15 to FY19 due to sukuk raised for refinancing purpose and project working capital.
- It has a dividend payout policy of at least 30% of PAT.