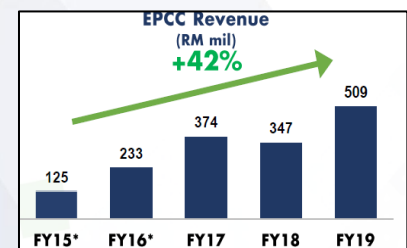
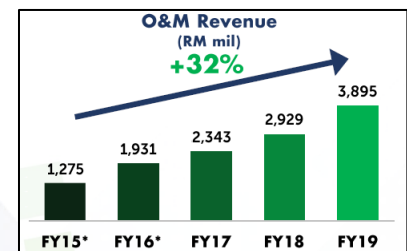


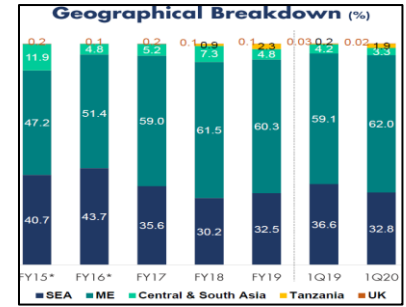
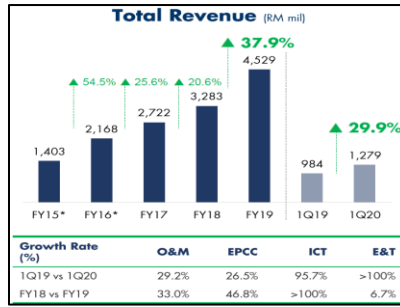
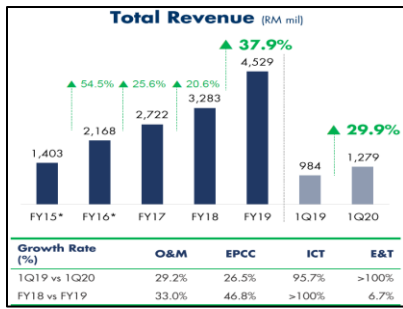
BURSA INSTI CORPORATE SERIES

SERBA DINAMIK BERHAD

Bursa Malaysia, together with Daiwa and Affin Hwang Malaysia recently invited Serba Dinamik Berhad (“Serba Dinamik”) to share some updates on the company. Here are some of the key takeaways from the session.

- Serba Dinamik has four main divisions:
 - Operation and Maintenance (“O&M”);
 - Engineering, Procurement, Construction and Commissioning (“EPCC”);
 - Information Technology (“ICT”); and
 - Education and Training.
- The company has a presence in six regions and 25 countries.
- The Company’s order book 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 order book comes from the Middle East and 30% from Malaysia.
- **O&M** - Strong order book growth trends are driven by replenishment of existing contract renewals as well as new tender wins. Serba Dinamik’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. The company 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. They are also 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** - They are focusing on acquiring and collaborating with technology companies to enhance R&D. The company has been expanding into international markets such as Indonesia, Qatar, India, the United States and China. Its two target markets are consumer/retail and institutional. For the consumer, it is looking at mobile applications such as Qwik Pay or GCE Exchange, e-commerce platforms like easybuybye and digital theme park/virtual park via esports and online games. For institutional, it aims to provide a smart maintenance platform and customise software development.
- **Education and Training** - The company is currently working on numerous joint training programmes to develop talents.





- Total revenue grew by 29.9% YoY in 1QFY20, driven mainly by O&M activities at 86.8% in 1Q20, while EPCC is at 11%. Geographically, 62% of its revenue is from the 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 has 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.