

Company Name : Destini Berhad
Date : 13 October 2015
Source : The Edge Financial Daily

Destini sees improved earnings in FY15

Its marine and aviation segments expected to offset slowdown in O&G business

BY AHMAD NAQIB IDRIS

SHAH ALAM: Destini Bhd hopes to report better performance this financial year ending Dec 31, 2015 (FY15), driven by its marine and aviation segments as the integrated engineering company continues in expansion mode.

Its net profit doubled to RM16.57 million last year from RM8.22 million in FY13, on the back of a 78.9% increase in revenue to RM166.97 million from RM93.31 million.

Destini group managing director Datuk Rozabil Abdul Rahman expects its marine and aviation segments to offset the slowdown in the oil and gas (O&G) business.

"Although we cannot go into specifics, we are generally positive of our performance this year. We hope to register better profit for FY15, driven

mainly by our marine and aviation segments," he told reporters after the group's extraordinary general meeting yesterday.

On the marine segment, Rozabil said Destini will be opening three new maintenance, repair and overhaul (MRO) workshops in Myanmar and the Middle East next year.

Currently the group's marine MRO operations are present in China, Australia, the United Arab Emirates (UAE), Saudi Arabia, Singapore and Malaysia.

Asked if the marine segment faced any slowdown as most of its clients are operating in the O&G industry, Rozabil said there has been no noticeable impact so far.

"Most of our clients come from O&G companies. But in terms of financials, we have not seen any effect yet on our marine segment,

because whether or not these companies are active in their drilling campaigns, they still need to maintain their safety equipment on their platforms and vessels," he said.

On its aviation segment, Rozabil said its component MRO operations, through its joint venture with UK-based Avia Technique Ltd, will commence operations in November this year with its new facilities in Bukit Jelutong, Selangor.

"This is part of the partnership collaboration that we signed with AirAsia Bhd previously. With AirAsia, we will start with the lines maintenance and also the component MRO," he said.

He added that Destini is eyeing to work with other airlines as well, and that the group has an advantage as there are not many competitors offering the same maintenance services in the country.

Meanwhile, despite the challenging environment, Rozabil said the group has secured maintenance contracts for five O&G wells in the UAE and Myanmar, but declined to elaborate.

Destini (fundamental: 1.7; valuation: 1.1) shares closed unchanged at 62 sen yesterday, with a market capitalisation of RM501 million.

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