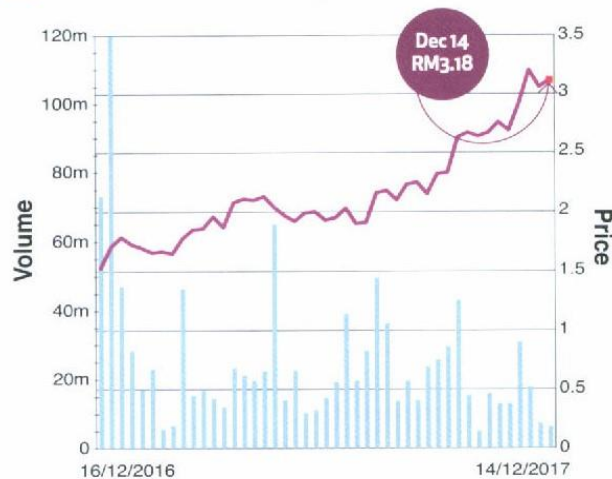


DATE : 16 DEC 2017
PUBLICATION : FOCUS MALAYSIA
SECTION : MARKETS
HEADLINE : SERBA DINAMIK HOLDINGS BERHAD
CATEGORY : COMPANY
MEASUREMENT : 126CM²
tone : NEUTRAL
REMARKS : NIL

Compiled by **Tew Mun Shean**

Serba Dinamik Holdings Bhd



Current Price: **RM3.18 (Dec 14)**

Target Price: **RM4 BUY**

AffinHwangCapital Research

SERBA Dinamik Holdings highlighted that engineering, procurement, construction, and commissioning (EPCC) will be a key piece of the puzzle to drive FY18 earnings growth. The company will also look out for potential acquisition targets which will allow it to strengthen its presence and penetrate new markets. Its strategy to expand into the asset ownership business will continue to provide decent investment returns as total investment costs can generally be recovered by the early EPCC contract secured. To-date, Serba Dinamik has invested about RM70 mil in equity, and in return has secured RM1.3 bil worth of EPCC jobs.

Contrary to some expectations of a lower Qatar contribution, work activities from the region remain unaffected and even surpassed the company's expectations. In Q3FY17, Qatar's contribution to total revenue increased to 23% from 18% in Q2FY17. The management foresees higher work opportunities going forward as the company continues to fill the vacuum left by contractors who have pulled out of the region, thus providing a boost to FY18E earnings. Maintain buy with higher target price of RM4 (previously RM3.60).