

**DATE** : 29 JULY 2017  
**PUBLICATION** : FOCUS MALAYSIA  
**SECTION** : MARKETS  
**HEADLINE** : SERBA DINAMIK HOLDINGS BHD  
**CATEGORY** : COMPANY  
**MEASUREMENT** : 35.8CM<sup>2</sup>  
**TONE** : NEUTRAL  
**REMARKS** : NIL

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Current Price: **RM2.04 (July 27)**

Target Price: **RM2.85 BUY**

**PublicInvest Research**

SOME of Serba Dinamik's subsidiaries have secured six operations and maintenance (O&M) contracts worth RM522.9 mil. The awards consist of various scopes in the United Arab Emirates (UAE) and Malaysia with three new and three extension tenures. We have accounted for sufficient contract replenishment in our assumptions and thus have no effect on our estimates. We also note that the nature of O&M contracts are on a call-out basis, hence only valued on work order amounts. The total contract value is only an internal estimation based on historical records of similar projects. Nevertheless, we view this positively as it reflects Serba Dinamik's ability to replenish its order book.

We like the company for its engineering solutions to the oil & gas and power generation industries, supported by its core O&M services and engineering, procurement, construction and commissioning works. Growth prospects are from both domestic and international markets while leveraging on its expertise to expand into the power generation sector as an asset owner, contractor and operator. Maintain buy with target price of RM2.85.