

Company Name : Destini Berhad
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Destini 4Q Profit Up 26% As Demand Grows For MRO, Marine Manufacturing Services

KUALA LUMPUR (Feb 27): Destini Bhd's net profit for the fourth quarter ended Dec 31, 2016 (4QFY16) grew 26% to RM11.99 million from RM9.53 million a year ago, with higher demand for its maintenance, repair and overhaul (MRO) and marine manufacturing services.

Revenue climbed almost in tandem by 27% to RM115.44 million from RM90.86 million, Destini said in a bourse filing today.

For its full year, Destini's net profit climbed 57% to RM33 million from RM21.08 million in FY15, as revenue gained 31% to RM354.43 million from RM270.06 million.

In a separate statement, group managing director Datuk Rozabil Abdul Rahman said the efforts throughout the previous years, which have been put in place for the growth of the group, is bearing fruit.

"In FY16, we can see that our venture into shipbuilding has helped boost not only the group's earnings but also widened its capabilities in marine manufacturing," he said.

Rozabil added that Destini is now able to take on the fabrication of a wide array of paramilitary vessels, apart from providing MRO services to these vessels.

With an order book of RM1.67 billion which will last the group for four years, Destini will constantly strive to expand its business domestically and internationally in the sectors it is involved in, he said.

Going forward, Destini plans to further strengthen its aviation business by expanding its MRO capabilities to include servicing defence aircraft body frames, engines, telecommunication systems, avionics and weapon systems.

The acquisition of Halaman Optima Sdn Bhd (HOSB), a company that is in the business of helicopter supply and maintenance, has also enabled it to supply six reconnaissance helicopters to the Ministry of Defence, for the Malaysian Army Air Wing for RM321.9 million, he noted.

From May onwards, Destini said it will start to deliver the 35 units of motor trolley to Keretapi Tanah Melayu Bhd (KTMB). It also plans to secure more jobs in relation to wagon supply and is currently exploring the potential of MRO works for KTMB too.

With the slight bounce in work orders in its oil and gas (O&G) business, the group is confident of securing more contracts this year, with its new services and capabilities that were acquired in the previous year that would enable it to work on existing work demand such as decommissioning and "fishing services".

"We intend to continue to focus on niche business areas with high entry barriers to minimize competition in the market," he added.

Destini's stock closed three sen or 3.85% lower at 75 sen for a market capitalisation of RM889.53 million.