



Scomi Group Bhd

News Release

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Scomi Group revenue rises 27%

PETALING JAYA: Scomi Group Bhd ("SGB" or "the Group") posted a revenue of RM224.6 million for the quarter ended 31 December 2016 ("Q3 FY2017"), up from RM176 million in the previous quarter ended 30 September 2016 ("Q2 FY2017"). Its Oilfield Services ("OFS") unit contributed 56% of the total revenue, while Transport Solutions and Marine Services accounted for 25% and 19% respectively.

The Group's Q3 FY2017 overall bottom-line improved compared to that of Q2 FY2017 with Transport Solutions and OFS registering profit before tax ("PBT") of RM3.1 million and RM3.1 million separately. SGB narrowed its loss before tax to RM7.1 million for the current quarter as opposed to RM30.6 million in the preceding quarter. Meanwhile, the Group's Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") hiked to RM30.1 million for the quarter under review compared to RM0.5 million in the September quarter.

Despite the slight rise in oil price from USD48 (end September 2016) to USD55 (end December 2016), OFS saw a marginal rig drop as clients deferred new investments. Q3 FY2017 revenue for Marine Services improved due to higher tonnage carried for the quarter (3,179 metric tonnes), up from 2,896 metric tonnes in Q2 FY2017. Transport Solutions also recorded increased Q3 FY2017 revenue arising from increased value of work done for both its rail and commercial vehicles units.

"Despite the impact of the prevalent oil price on our overall OFS operations, we managed to capitalise on other pockets of opportunities as we focused on production chemicals and green-based fluids. We remain active with bidding for projects and anticipate reasonable short-term growth for the division," said Mukhnizam Mahmud, SGB's Chief Financial Officer.

"On the Transport Solutions front, the Group continues to execute current projects in spite of various challenges. Phase 2 of the Mumbai Monorail project and the additional scope of work for Line 17 – Gold São Paulo monorail project is ongoing and progressing well. We are also exploring future prospects in strategic markets such in the ASEAN region, China and Turkey," he added.

For Marine Services, the strengthening of coal prices will create new opportunities for higher utilisation of vessels in Malaysia and Indonesia. The Group is also exploring possibilities to charter out unutilised vessels in Indonesia and internationally.

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About Scomi Group

Scomi Group Bhd, which is listed on the Bursa Malaysia Securities Bhd, and its Group of companies are involved in the Energy Services comprising of the Oilfield Services and Marine Services; and Transport Solutions sectors. The Group offers drilling fluids & related engineering services, drilling waste management solutions, supply of industrial and production chemicals, marine vessel services, transport engineering solutions involving special purpose vehicles, rail wagons, monorail and buses. With offices in 22 countries, the Scomi Group derives most of its business from its international operations, which is backed by over 60 years of experience in the industry servicing numerous local and multinational companies.

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