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Daya Materials to secure RM1b O&G contracts, says analyst

KUALA LUMPUR: [Public Invest Research](#) is maintaining its Outperform call on [Daya Materials](#) and target price of 28 sen as it had earlier factored in some order book replenishment.

The research house said on Tuesday its valuation of Daya was based on 12 times multiple over FY13 EPS of 2.34 sen.

"We like Daya for its strong strategic business model, expanding capabilities and sound financials," it said.

Last Friday, Daya received a letter of award and a letter of intent from B Braun Medical Industries for about RM228mil and RM75mil respectively, to build an extension to the current plant on an approximately 75,500 square metre built-up area in Penang for 30 months (February 2013 to July 2015).

Public Invest Research said based on the outstanding order book worth RM460mil from O&G and RM1.34bil from its technical services segment, the outlook of Daya remains bright.

"Going forward, we anticipate Daya to secure at least RM1bil worth of contracts in 2013 for the O&G related jobs hence skewing the order book towards O&G segment," said the research house.

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