

UEM Edgenta Delivers Resilient Performance in 1H 2024, Achieves Strategic Milestones

KUALA LUMPUR, 28 August – UEM Edgenta Berhad (UEM Edgenta), a leading Asset Management and Infrastructure Solutions company in the region, today announced its unaudited financial results for the first half of 2024, ending 30 June 2024 (1H FY2024).

UEM Edgenta reported a revenue of RM1.44 billion for 1H FY2024, marking a 6.4% increase compared to the RM1.35 billion recorded in the same period last year. The net profit for the second quarter of 2024 (Q2 FY2024) also saw an uptick, rising by 2.1% to RM12.8 million from RM12.5 million in Q2 FY2023. These results underscore UEM Edgenta's commitment to delivering consistent financial performance amidst a dynamic global economic landscape.

A total of RM2.0 billion in new contracts were secured in 1H FY2024, matching the total new wins in FY2023. More than 90% of these wins came from its international business in Singapore, Taiwan, and the Middle East. In Singapore, continued execution excellence has driven strong and healthy order book replenishment of RM1.2 billion in healthcare support services and integrated facility management contracts with clients beyond the healthcare sector. The operations in the Kingdom of Saudi Arabia successfully secured their first hospital contract, further expanding their footprint in the region. Domestically, the Asset Consultancy division is making significant strides with more than RM67.7 million in new wins, the majority of which are Energy Efficiency (EE) projects, reaffirming its RM200 million zero-capex commitment made in September 2023. UEM Edgenta is bolstered by a solid order book of approximately RM10 billion as of 30 June 2024, providing long-term earnings visibility and positioning the company to navigate potential challenges while maintaining financial stability.

UEM Edgenta's optimism is strengthened by the significant progress made in realising our targeted cost savings, initially set at RM100 million over five years under EoTF2025, which we are on track to achieve by the end of 2024—a year ahead of schedule. These savings have been driven by operational excellence, optimized procurement, and a leaner business structure. Building on this momentum, the Company is targeting an additional RM150 million in savings over the next five years, focusing on key cost optimisation areas, including spend prioritisation, simplifying the organisation and corporate structure, supply chain management, contract renegotiation, and streamlining operations through automation and technology. The Company is on track to achieve its Phase 1 target of a 10% improvement in addressable costs by the end of the 2024 financial year.

In Asset Management Services, the company is focused on maintaining its market leadership by advancing Smart and Green Facilities Management, emphasizing cutting-edge technology for efficient and sustainable asset management. Additionally, our strategic acquisition of the Kaizen Group in the UAE, completed in 1H FY2024, further strengthens our market position and drives financial growth through a cohesive integration with our existing operations in the Middle East, which is certain to unlock new business opportunities in the region.

With a robust order book extending beyond 2030, the Infrastructure Services Division enjoys strong earnings visibility. Concurrently, it is broadening its capabilities beyond road maintenance to include areas such as solar photovoltaic system maintenance and expanding its presence in Indonesia's infrastructure services market. Additionally, the Recycled Asphalt Pavement (RAP) premix plant in Perak is now fully completed and operational, positioning the business within the pavement products value chain.

Syahrudin Samsudin, Managing Director/Chief Executive Officer of UEM Edgenta, said, "We are committed to optimizing our resources and refining our operational model to enhance efficiency across all levels. Our strong and steadily replenishing order book not only provides clear visibility into long-term earnings and financial stability but also underscores our resilience in navigating market fluctuations."

"As we advance with our Edgenta of The Future 2025 (EoTF2025) strategies, we are confident that our resilience and focus on both business preservation and growth will empower us to overcome challenges and deliver outstanding performance throughout the year. Our ability to adapt and persevere positions us strongly to meet future demands and achieve sustained success," he added.

Looking ahead, UEM Edgenta remains committed to exploring new possibilities and advancing industry standards. By steadily integrating innovation and prioritizing sustainable growth, the company continues to create value for its stakeholders while striving to deliver practical and forward-thinking solutions.

For further information on UEM Edgenta, visit <https://www.uemedgenta.com>.

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About UEM Edgenta Berhad

UEM Edgenta (www.uemedgenta.com) is a leading Asset Management and Infrastructure Solutions company in the region and is a subsidiary of the UEM Group. Listed on the Main Market of Bursa Malaysia Securities Berhad (KLSE: EDGENTA), our expertise covers Healthcare Support and Property & Facility Solutions, and Infrastructure Services covering Expressways and Rail, including project management & engineering design capabilities via our Opus Consultants business arm.

Guided by our 'Edgenta of the Future 2025' vision, UEM Edgenta's full suite of business services is driven by technological advancements throughout the business assets' life cycle including consultancy, procurement & construction planning, operations & maintenance, as well as optimisation, rehabilitation and upgrades. Digital solutions across multiple industries positions UEM Edgenta as a powerhouse to become a Technology-Enabled Solutions Company with a focus on healthcare by 2025.

UEM Edgenta has operational presence in Malaysia, Singapore, Indonesia, Taiwan, United Arab Emirates and The Kingdom of Saudi Arabia.