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WASCO BERHAD REVEALS STRONG Q3 FY2023 PERFORMANCE: 75% PROFIT BEFORE TAX SURGE AND SECURED FIRST CARBON CAPTURE PIPELINE PROJECT

- In Q3 FY2023, PAT soared to RM35.4 million, marking an impressive 41.3% Y-o-Y increase.
- Q3 FY2023 Revenue and PBT reached RM783.9 million and RM48.6 million, witnessing a robust 12.6% surge in revenue and a doubling of PBT compared to Q3FY2022.
- Cumulative nine months performance showcased significant improvements with revenue at RM2.1 billion, PBT at RM137.5 million, and PAT at RM97.8 million, driven by a substantial order book of RM3.62 billion.

KUALA LUMPUR, 28 November – Wasco Berhad (“Wasco” or the “Group”), (formerly known as Wah Seong Corporation Berhad), a prominent provider of energy solutions, reported strong financial results for the third quarter ended 30 September 2023 (“Q3 FY2023”), underlining a commendable 75% surge in Profit Before Tax (“PBT”) to RM48.6 million.

In Q3 FY2023, Wasco achieved a remarkable year-on-year (“Y-o-Y”) Profit After Tax (“PAT”) growth of 41.3%, totaling RM35.4 million, accompanied by a 40.1% rise in profit after tax and minority interest (“PATAMI”) reaching RM27.4 million. The impressive performance was supported by robust revenue and PBT of RM784.0 million and RM48.6 million, respectively, marking a 12.6% increase in revenue and a substantial surge in PBT compared to the corresponding quarter in FY2022 (“Q3 FY2022”). This growth was primarily attributed to the successful execution of projects in the existing order book.

The additional project wins in Q3 FY2023 propelled the Group’s order book, inclusive of RM3.3 billion in the Energy Services segment, RM277.1 million in the Bioenergy Services segment, and RM42.2 million in the Trading segment, to a significant 22% surge, reaching RM3.62 billion. This robust order book strategically positions Wasco for future quarters.

Opportunities in Carbon Capture Pipeline Projects globally are estimated to be worth close to RM4.6 billion in the next three to five years. Recently, the Group secured its first Carbon Capture Project in Europe, valued at RM63.0 million, which will be executed at their plants in Greece and the United Kingdom. In addition, the Group announced that its Engineering and Fabrication division, under its Energy Services segment, secured a contract to supply pre-fabricated buildings to Schneider Electric France, worth RM162.0 million, for a project in East Africa. The recent surge in orders showcases Wasco’s global reach and its expansion of solutions to include energy transitioning projects.



Q3 FY2023 PBT stood at RM48.6 million, showcasing an impressive 75% surge from Q3 FY2022. Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) amounted to RM77.5 million, reflecting a substantial 28.0% increase from Q3 FY2022.

Energy Services Segment reported Q3 FY2023 revenue and PBT of RM608.6 million and RM41.9 million, respectively, marking a Y-o-Y growth of 9.8%. Bioenergy Services Segment demonstrated revenue and PBT growth of 16.2% and 41.2%. Trading Segment reported higher Q3 FY2023 revenue and PBT of RM92.7 million and RM1.3 million, respectively, driven by increased activities in the construction market.

For the cumulative nine months (“9M FY2023”), Wasco’s revenue and PBT stood at RM2.1 billion and RM137.5 million, respectively, reflecting a growth of 11.0% and 12.1% from the cumulative nine months in FY2022 (“9M FY2022”). Net profit for 9M FY2023 stood at RM97.8 million, a significant increase from the previous year’s RM85.5 million.

Wasco’s balance sheet continues to improve with net assets per share at RM1.00 and a net gearing ratio of 0.85x. Return on equity improved to 11.3% as of 9M FY2023, highlighting the Group’s financial strength.

Giancarlo Maccagno, Managing Director/Group Chief Executive Officer (“MD/GCEO”) of Wasco Berhad, commented on the financial performance, stating, “Our improved financial performance is a direct result of strong demand for our products and services, coupled with enhancements in our operational efficiencies. This progress, alongside the ongoing strengthening of our balance sheet, positions us well for growth in a dynamic market. Our commitment to sustainability is fundamental in this journey, enabling us to effectively capitalize on emerging opportunities and advance our strategic objectives.”

Wasco’s commitment to environmental stewardship includes ambitious goals such as achieving net-zero emissions for both Scope 1 and Scope 2 by 2026, increasing the energy mix from renewable sources, planting 160,000 trees across 100 hectares, and enhancing the percentage of recycled and harvested water in its operations.

In tandem with these accomplishments, Wasco’s transformation plan is well underway. “We have strategically divested assets, including the recent sale of a non-core asset valued at RM40 million, with further divestments planned. These strategic moves are aimed at reorienting our focus on our core businesses, ensuring sustainable growth,” said Giancarlo.



Wasco's success and strategic initiatives align with an optimistic market outlook. With a solid financial foundation, commitment to sustainability, and ongoing transformative efforts, Wasco remains focused on continued leadership and innovation.

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About Wasco Berhad (formerly known as Wah Seong Corporation Berhad)

Wasco Berhad (www.wascoenergy.com), established in 1999, is a prominent provider of energy solutions with a global presence across 17 countries. The Group's core strengths lie in two distinct divisions. The **Energy Services Division** specializes in advanced pipe coating, corrosion protection, engineering, and EPC project delivery. Complementing this, the **Bioenergy Services Division** focuses on biomass energy generation, catering to a varied sector including plantations, petchem, oleochemicals and large industrial players.

As a Main Market-listed entity on Bursa Malaysia Securities Berhad (KLSE: WASCO), Wasco emphasizes sustainability and environmental responsibility. The organization has set a bold target to achieve net-zero carbon emissions throughout its operations by 2026. Wasco's decarbonization strategy begins with reducing emissions in its operations and supply chains, coupled with the ability to offset emissions.

Wasco recognizes the crucial importance of investing in the protection and restoration of the natural ecosystems, particularly forests, which play a vital role in sequestering carbon dioxide through photosynthesis. These efforts not only contribute to the preservation of the natural world and its rich biodiversity but also serve as a medium-term solution for offsetting emissions. Nature-based projects generate carbon credits, which are instrumental in our journey to achieve net-zero emissions by 2026.

A significant part of this commitment revolves around the 'Wasco Forest' initiative. Launched in 2021, this tree planting program in Malaysia is designed to generate carbon removal offsets, effectively reducing emissions from the Group's activities.

Beyond this dedication to environmental responsibility, Wasco is resolute in its commitment to energy transition within the oil and gas sector. Recognizing that a successful transition necessitates collaboration between the public and private sectors, Wasco actively seeks strategic partnerships. The Group envisions driving growth within regional green value-chains, leveraging local expertise and capabilities to shape a more sustainable future for the energy industry.