

## **WASCO REGISTERS STRONG Q4 EARNINGS TO CLOSE YEAR ON HIGH**

*Net Profit More Than Tripled To 154.8 Million, Reflecting Robust Growth*

- FY2023 performance showcased significant improvements, with revenue at RM2.60 billion, PBT at RM218.3 million, and PAT at RM154.8 million, driven by a substantial order book of RM3.14 billion, with the Energy segment contributing 92% and Bioenergy holding 8%.
- Return on equity improved over 100% to 15% compared to FY2022.
- Strong FY2023 EBITDA of RM344.8 million, a 66.7% increase from the previous year.
- Energy segment's PBT surged by 124.6%, on the back of stronger demand for our services, while Bioenergy segment's PBT increased by 29.7% from increased orders in its steam turbines and boilers.
- Energy transitioning projects contributed a notable 7%, reflecting the industry pivoting towards sustainability.

**KUALA LUMPUR, 27 February** – Wasco Berhad (“Wasco” or the “Group”), (formerly known as Wah Seong Corporation Berhad), a prominent provider of energy solutions released its unaudited fourth quarter results (“Q4FY2023”), and recorded a strong set of financial results for the year ended 31 December 2023 (“FY2023”), which saw the Group posting net profit of RM154.8mil a surge of almost tripled on a year-on-year (“Y-o-Y”) basis, compared to RM43.1 million for FY2022.

### **Q4 FY2023 Results**

The Group registered a revenue of RM801.0 million for Q4 FY2023; 2.2% higher than the immediate preceding quarter at RM783.9 million and 13.21% higher Y-o-Y than the same quarter in FY2022 of RM707.5 million.

Profit Before Tax (“PBT”) for Q4 FY2023 stood at RM85.9 million; a 76.7% increase compared to the preceding quarter at RM48.6 million, and a nearly threefold increase compared to the same quarter in FY2022. The increase in profit was attributed to higher revenue recognised in the quarter as a result of a higher number of projects executed. The synergy of these factors, coupled with a project mix boasting better margins, played a crucial role in achieving higher profitability.

The Group's order book stood at RM3.1 billion, comprising RM2.9 billion in the Energy Services segment and RM263.4 million in the Bioenergy Services segment. The order book of the Group has remained strong and it is expected to continue generating positive results for the Group in the coming quarters.



The **Energy Services Segment's** revenue for the Q4FY2023 stood at RM722.5 million compared with RM610.9 million in the corresponding period in 2022. While the **Bioenergy Services Segment's** revenue for Q4FY2023 stood at RM78.5 million compared with RM85.6 million in the corresponding period in 2022.

### **FY2023 Full Year Results & Performance**

Both of Wasco's Energy Services and Bioenergy Services business segments registered revenue and profit growth for the year, resulting in revenue of RM2.6 billion and PBT of RM218.3 million which represents a Y-o-Y increase of 10.1% and more than 100% compared to FY2022's RM 2.4 billion and RM 74.8 million respectively. In FY2023, the Group also booked in profits of RM154.8 million.

As at end-2023, Wasco's net gearing reduced to below 0.5x, which has put the Group's balance sheet on solid footing. As a result of increasing profitability for the Group, return on equity improved over 100% to 15% compared to FY2022.

The **Energy Services Segment** of the Group achieved a remarkable 12.4% Y-o-Y growth in full-year revenue, reaching RM2.3 billion. This substantial increase can be primarily attributed to the successful acquisition of new contracts secured. Additionally, the segment demonstrated commendable financial performance with a PBT surging to RM217.3 million in FY2023, marking more than 100% increase. This notable growth is attributed to higher revenue generated through efficient project execution from a robust order backlog.

Wasco's **Bioenergy Services division** recorded a respectable performance in terms of both revenue and PBT, registering a Y-o-Y increase of 8.2% to RM288.8 million and 29.7% to RM48.4 million in revenue and PBT respectively, despite challenges faced in the operating environment. The division witnessed an uptick in revenue for the year under review, primarily fuelled by the increase in biomass energy boiler projects, enhanced industrial boiler sales, and a growing demand for steam turbines and other agro-tech equipment. The synergy of these factors, coupled with a project mix boasting better margins, played a crucial role in achieving higher profitability.

### **Outlook for FY2024**

Wasco concluded the year with a robust order book across all business divisions, maintaining a work-in-hand of RM3 billion as of the end of FY2023. Emphasising its commitment to energy transition initiatives, the group has an order backlog of RM203 million in energy transitioning projects which includes the coating of pipelines for the carbon capture and storage sector. The Group recently upgraded its UK pipe coating facility at the Port of Hartlepool to offer additional coating services from the buoyant demand from this sector. This upgrade is set to conclude in March 2024, followed by a testing phase, with full-scale production commencing in April 2024. The Group recently secured the first CCS pipeline project in the UK last year, to supply coating services for the Porthos Project.

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

Wasco Berhad ([www.wascoenergy.com](http://www.wascoenergy.com)), established in 1999, is a prominent provider of energy solutions group 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.

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