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30 MAY 2024

WASCO MAINTAINS MULTIBILLION-RINGGIT ORDERBOOK, ON TRACK TO BETTER FY2023 RESULTS

Reports Improved Performance in Q1FY2024

KUALA LUMPUR, 30 May – Wasco Berhad (“Wasco” or the “Company”) is set to surpass its 2023 financial performance after successfully securing several significant contracts boosting its orderbook to RM 3.2 billion as at 31 March 2024.

These major contracts, including Rosmari-Marjoram, Crux Pipeline, Schneider Electric France pre-fabricated buildings for a project in Africa, Carbon Capture Storage Project (Porthos) for Nederlandse Gasunie, Bindu Project, Rosebank Surf Project, Qatar’s Comp1 and North Field Expansion Project, underscoring Wasco’s prominent position in the energy sector.

During the virtual Twenty-fourth Annual General Meeting (“24th AGM”), **Wasco’s Managing Director/Group Chief Executive Officer, Gian Carlo Maccagno**, reiterated the Company’s strategic initiatives aimed at transforming Wasco into a resilient and agile organisation. These initiatives, announced last year, have already begun yielding tangible outcomes, driving both financial performance and sustainability goals.

Addressing the evolving energy landscape, Gian Carlo highlighted the critical need to balance the energy trilemma of affordability, reliability, and cleaner energy solutions. Wasco’s proactive stance on this global climate issue is clear, aligning with its commitment to sustainability.

A significant milestone during FY2023 was Wasco’s successful bid for its first Carbon Capture Pipeline Coating Project. This landmark project not only establishes the Company’s track record in the Carbon Capture & Storage market, but also positions Wasco to leverage industry advancements and opportunities.

“Our exemplary performance in the pipe coating project for Qatar’s North Field Production Sustainability (“NFPS”) Offshore Compression Complexes Project has enabled us to secure two additional projects in Qatar valued at approximately RM771 million, ensuring a busy schedule for our operations in 2024 into 2025,” said Gian Carlo.

Wasco's financial performance for FY2023 performance showcased significant improvements, with revenue reaching RM2.60 billion. Profit Before Tax ("PBT") more than doubled to RM218.3 million, while Profit After Tax ("PAT"), nearly tripled year-on-year to RM154.8 million. This growth was driven by a substantial orderbook of RM3.14 billion, with the Energy segment contributing 92%.

Wasco's earnings before interest, taxes, depreciation, and amortisation ("EBITDA") for FY2023 rose by 66.7% to RM350.0 million, showcasing significant growth from the same period in FY2022. The success is attributed to strategic initiatives fortifying the Company's balance sheet and positioning it for long-term growth.

"Over the past year, we have made significant progress in our sustainability initiatives, including a 20% reduction in greenhouse gas emission intensity compared to FY2022, and increasing female representation within Senior Management to 15%. Additionally, our proactive community engagement in education and infrastructure projects continues to positively impact the communities we serve. These efforts have enhanced our sustainability disclosure scores, earning a 4 out of 5 on Bursa Malaysia's FTSE4Good index," he added.

Q1FY2024 Performance Highlights

Wasco also released its unaudited first quarter results ("Q1FY2024"), ended 31 March 2024, which saw the Company registering a revenue of RM644.0 million, marking a 21.1% year-on-year ("Y-o-Y") increase compared to RM531.6 million in the same quarter of FY2023.

PBT for Q1 FY2024 stood at RM101.1 million, more than doubled compared to the same quarter in Q1 FY2023. This increase was driven by higher revenue recognition as a result of a higher number of projects executed. The improved project mix, featuring better margins, played a crucial role in achieving higher profitability. PAT stood at RM69.9 million, an increase of 87.9% from RM37.2 million recorded in Q1 FY2023.

In comparison to the immediate preceding quarter, revenue declined by 19.6% from RM801.0 million in Q4 FY2023, as the Company's revenue recognition is dependent on project execution timelines. Wasco remains confident in its strong project pipeline and the anticipated revenue and profit growth in the coming quarters.

Notwithstanding the decline in the revenue, Wasco's Q1 FY2024 PBT and PAT increased by 17.7% and 22.4%, respectively, from RM85.9 million and RM57.1 million in Q4 FY2023. Similarly, this improvement was due to portfolio optimisation and better project mix with higher margins.

The Company's orderbook remained robust at RM3.2 billion, with RM2.9 billion attributed to the Energy Services segment and RM260.7 million to the Bioenergy Services segment. Wasco

is confident of its ability to replenish its orderbook at healthy levels and this is expected to drive positive financial outcomes for the Company in the upcoming quarters.

In Q1FY2024, the **Energy Services segment** reported revenues of RM592.3 million, an increase from RM474.3 million in the same period in 2023. The segment's PBT nearly doubled to RM83.3 million, compared to RM46.7 million the previous year, driven by the execution of high-revenue and high-margin projects from its substantial orderbook.

The **Bioenergy Services segment's** revenue for Q1 FY2024 stood at RM51.6 million, a slight decline from RM56.2 million in Q1 FY2023. The segment's recorded improved PBT in Q1 FY2024 of RM34.0 million, however, the PBT included a one-off gain on the disposal of assets held for sale amounting to approximately RM30.5 million.

Outlook for FY2024

Looking ahead, Wasco remains poised for continued growth and value creation, leveraging expertise, resources, and partnerships to capitalise on emerging opportunities in the global energy landscape. With a clear vision and dedicated team, Wasco is cautiously confident in its ability to deliver long-term value for shareholders, customers, and the communities.

"We are pleased with the acquisition of these significant contracts and our improved Q1FY2024 performance, which further solidify Wasco's position as a leader in the energy sector," said Gian Carlo.

While thanking the shareholders at the AGM for their support, Gian Carlo concluded, "The future is very promising for us. Together, we will redefine the future of energy, inspire positive changes, and build a better world for generations to come. Thank you for joining us on this exciting journey."

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About Wasco Berhad

Wasco Berhad (wascoenergy.com), established in 1999, is a prominent provider of energy solutions with a global presence across 16 countries. The Company's core strengths lie in two distinct divisions. The **Energy Services Division** specialises 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 emphasises sustainability and environmental responsibility. The organisation has set a bold target to achieve net-zero carbon emissions throughout its operations by 2026. Wasco's decarbonisation strategy begins with reducing emissions in its operations and supply chains, coupled with the ability to offset emissions.

Wasco recognises the crucial importance of investing in the protection and restoration of the natural ecosystems, particularly forests, which play a vital role in sequestering carbon. 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.

Beyond this dedication to environmental responsibility, Wasco is resolute in its commitment to energy transition within the oil and gas sector. Recognising that a successful transition necessitates collaboration between the public and private sectors, Wasco actively seeks strategic partnerships. The Company 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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