1 2 3 4 5 6 7 8 9 HOW WE CREATE VALUE Section 4 **UEM Edgenta Berhad** Integrated Annual Report 2023

# **VALUE CREATION BUSINESS MODEL**

#### Vision

**Optimising** assets to improve lives

#### Mission

Our services, commitment to smarter thinking and improved solutions place us at the forefront of the industry

We create opportunities for clients and assets that positively influence society

#### OUR CAPITALS

#### **→** ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

#### **INPUTS**



#### **Financial**

Beginning of FY2023:

- > Shareholders' funds: RM1.58 billion
- > Cash, bank balances, deposits and short-term investments: RM706.7 million
- > Net cash position: RM247.9 million
- > Total assets: RM2.87 billion

#### **Plants and Machineries**

- Over **1,000 units** of cleaning machineries
- One (1) incinerator plant for clinical waste treatment
- > Two (2) laundry plants for processing of soiled linen
- > Revolutionised traffic management plans and emergency works with Truck Mounted Attenuator ("TMA")
- > 6 major machineries for each Pavement Team (12 competent in-house Pavement Teams)



#### **Social and Relationship Resource**

- Regular media interviews by leadership
- Regular engagements with stakeholders > 1,800 volunteering hours in various corporate responsibility programmes
- > 19 community projects
- > Supplier Financing Programme
- > Vendor Development Programme



#### Intellectual

- > UETrack™ to enhance primary healthcare support services
- > RAMS enables remote monitoring and management of roads
- > Asseto Multi-tenant SaaS solution
- > Pavement Research Centre ("PRC") to support growth strategy and sustainability agenda



#### Human

- No of employees: 17,443 (excluding KSA's MEEM and UAE's KAIZEN Group)
- > No of nationalities: **32**
- > Flexible work arrangement, allowing flexibility in terms of timing and place of work
- > Over **500** engineers

#### Natural

- > Launched UEM Edgenta's Net Zero Targets to achieve net zero GHG emission by 2050
- > Constructed Recycled Asphalt Premix Plant
- > Installed solar panels on the roof of Menara UEM
- > Sustainability solutions offered to clients > Various water management initiatives in
- collaboration with PLUS

## APPROACH TO BUSINESS VALUE CREATION

#### **FORMULATE BUSINESS STRATEGIES**

Guided by our material matters, we develop strategies that deliver shared value between our business and our stakeholders. Strategies are also aligned with our overarching EoTF2025 vision, which is geared towards transforming UEM Edgenta into a leading Technology-Enabled Solutions Company by 2025.

#### INTEGRATE INTO OUR BUSINESS MODEL

Leveraging our global resources, strategies are implemented through our business divisions



**Edaenta** 

Transforming today. Advancing tomorrow. S

# SUPPORTED BY OUR CORE VALUES



# IMAGINE NEW WAYS

# Innovation and Technology-based



**Material Matters** 

Business Ethics



## **OUTPUTS** FINANCIAL

- > Revenue: RM2.9 billion
- > RM9.3 billion order book
- > New contracts secured: **RM2.0 billion**
- > Net cash position: RM152.6 million
- > Total assets: RM2.95 billion

#### **OPERATIONAL**

- > Preserve the lifespan of more than **44.000 BEMS** assets worth over RM2.4 billion
- > Care for more than **RM850 million** worth of **FEMS** assets
- > Process over **19 tonnes** of soiled linen annually
- > Incinerate more than 8.5 metric tonnes of clinical waste annually
- > Maintain over **1.7 million m**<sup>2</sup> of cleanable area daily
- > Provide facility management services at over **500** buildings and facilities
- > Manage over **RM10 billion** worth of infrastructure assets
- > RAMS bringing over 1,500 km of expressway and state road assets online
- > More than **9,000 km** of expressways and state roads managed in
- Malaysia and Indonesia
- > Involved in over **RM110 billion** worth of infrastructure projects (including projects currently under construction) through Opus Consultants
- > Up to **52% reduction** in electricity consumption through our **Energy Efficiency Solutions**
- > Saved a total of **38.4 million kWh** per annum in electricity
- > Asseto Over **35,000 assets** under management in **363 buildings**

#### **DIVERSIFIED PORTFOLIO WITH WORLD-CLASS SERVICES**

- > Expanded our hospitality, IFM and commercial businesses in Singapore and Taiwan. Strong track record in healthcare support services market contributed to strong renewal rate:
- Singapore: Renewed 8 contracts
- Taiwan: Renewed 51 contracts
- Strengthened our presence in Peninsular Malaysia through the continuation of the Selangor State Road maintenance contract and securing contracts in new states
- Launched our hospitality business in Singapore
- > Expanding sustainability solutions contracts:
- Secured RM115 million in EPC contract value since 2017
- > Acquisition of KAIZEN Group property management-facility management integration reinforces the value proposition in the Middle East region

### **OUTCOMES**

➤ VALUE FOR OUR STAKEHOLDERS

### For Malaysia and Markets We Operate In

- > Enhanced healthcare at government and private hospitals
- > Safe and well maintained expressways and state roads, and smart buildings

#### For Shareholders

- > Shareholders' funds: RM1.62 billion
- > 2 sen dividend per share single-tier interim dividend for FY2023
- > Net assets per share: RM1.95

#### **For Our Customers**

- > Incorporation of Health, Safety and Environment system and control from conception of project
- > Established safety guidelines for safe working environments
- > Supporting client technology and sustainability agendas through our solutions

#### **For Greater Social Security**

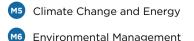
- **50%** of total workforce are women and more than 30% of senior and middle management positions are held by
- > A high performing workforce committed to excellence in service and solution delivery
- > Ability to attract and retain a talented and diverse workforce

#### For Communities

- > Projects and community engagements that impacted more than 8,805 underserved communities nationwide
- > Nurturing SME suppliers to grow into larger companies

#### For a Better Environment

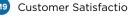
- > 20 buildings received the GBI and LEED accreditations
- > RM16.6 million total annual energy cost savings for clients through our EPC projects
- > From an enterprise perspective, we determined 17,577 tCO<sub>2</sub> as baseline emission across Scope 1 and Scope 2 (baseline year:2022)





M8 Employment Culture







MIO Human Rights Assessment

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