

UEM Edgenta Records RM2 Bil in Revenue and Declares 2 sen Dividends

KUALA LUMPUR, 29 February 2024 - UEM Edgenta Berhad ("UEM Edgenta" or the "Company"), the region's leading Asset Management and Infrastructure Solutions company, reported an improved revenue delivery of 14.1% for the financial year ended 31 December 2023 ("FY2023"), compared to RM2.5 billion in the previous year ("FY2022") and for the Company to declare a single-tier interim dividend of 2 sen per ordinary share for FY2023.

Facing global inflationary pressure and rising operational costs, the company's profit was moderated, resulting in a profit after tax for FY2023 of RM30.1 million, a decrease of 34.1% compared to RM45.7 million in FY2022.

In the fourth quarter of fiscal year 2023, UEM Edgenta reported a revenue of RM806.9 million, an increase from the previous quarter's revenue of RM710.5 million. However, net profit declined by 92.9% QoQ resulting from headwinds driven by external inflationary environment, compared to a profit of RM21.0 million in the preceding quarter. Despite the above, UEM Edgenta maintains a healthy financial position, with a low gearing ratio of 0.3 times and cash and bank balances totaling RM644.2 million as of December 31, 2023, indicating financial stability and liquidity.

Taking stock of the prevailing market conditions, sentiment, and the Company's most recent quarterly performance, Syahrulizam Samsudin, Managing Director/Chief Executive Officer, UEM Edgenta shared, "In 2023, UEM Edgenta demonstrated robust revenue growth, highest in 6 years, driven by high contract renewals and realized workorders from strong year-on-year contract wins with maiden revenue contribution from KSA, supported by strengthening of SGD. Due to the cost-push inflation with persistent rising cost of raw materials and labour that directly impact our cost structure and flow-through impact from subcontractor/vendor rising costs, profit margin was moderated across businesses. The impact was partially mitigated by our multi-sector, multi-geography portfolio diversification strategy, supported by savings driven through stringent cost management, operational efficiency initiatives and optimisation of supply chain management. As we navigate through the challenges, we continue to remain steadfast in executing our long-term strategy underpinned by EOTF 2025, driven by investments in tech and new markets and optimize the way we operate."

"Significant headway was realized in executing technology, sustainability and market pivots through Edgenta's differentiation in execution capabilities, reputation in upholding international quality standard and good customer relationships, the Company remains committed to enhancing efficiency and driving sustainable profitability," added Syahrulizam.

2023 in Review: Navigating Growth and Innovation

As we enter 2024, UEM Edgenta celebrates a year of significant achievements and strategic progress on various fronts. Domestically, our dedication to innovation and sustainability has established OPUS as a leader in promoting sustainability solutions within the built environment. Our successes also extend to securing long-term contracts for state and rural roads in Selangor, Johor, and Sarawak, reaffirming our commitment to infrastructure development in Malaysia. Additionally, the launch of Net Zero Targets demonstrates our commitment to environmental responsibility, with goals set to reduce operational GHG emissions by 26% by 2030 and achieve net-zero emissions by 2050.

Internationally, mature markets like Singapore and Taiwan, our diversification strategy goes beyond healthcare support services. Leveraging our strong reputation and track record, we are intensifying efforts to explore opportunities in the manufacturing and hospitality sectors to diversify revenue sources. In the dynamic Middle East market, we recognize significant potential driven by rapid growth and untapped opportunities, particularly in emerging smart city developments; prioritising facilities management services to capitalise on these opportunities. UEM Edgenta expanded its footprint in the Middle East with recent acquisitions, further enhancing our real estate services platform and expanding our client base.

UEM Edgenta has reached 82% of its RM100 million savings target for EoTF 2025, with 43% of its new wins attributed to technology-driven strategies, highlighting its resilience and innovation in facing industry challenges. The company's shift towards global leadership in long-term asset management and its focus on markets that appreciate this expertise reflect its adaptability. Despite facing challenges, UEM Edgenta's commitment to execution excellence, international standards, and strong customer relationships has reinforced its industry position. By focusing on strategic resilience, technological advancement, and talent development, UEM Edgenta aims for sustained growth, leveraging its global presence to overcome obstacles, capitalize on opportunities, and ensure long-term value creation for stakeholders.

For further information on UEM Edgenta and its other initiatives, logon to <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.

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