Company: Wasco Greenergy Berhad

Date: 17 May 2026

Source: The Sun

Wasco Greenergy posts profitable first-quarter FY2026

Lee says Q1 FY2026 reflects the timing of project deliveries and execution milestones across Wasco Greenergy's business segments.

PETALING JAYA: Wasco Greenergy Bhd, a renewable energy systems provider in Malaysia, reported a profitable quarter underpinned by resilient gross profit margins, a growing order book of RM244.7 million, and strong cash and cash equivalents of RM126.7 million for the first quarter ended March 31, 2026 (Q1'26).

For Q1’26, the group recorded revenue of RM54.4 million, compared with RM61.4 million in the corresponding quarter last year. The variance was primarily driven by the timing of steam turbine deliveries (13 units in Q1’26 compared with 22 units in Q1’25) and softer contributions from after-sales services. This was partially offset by increased project activities from the engineering, procurement, construction and commissioning of biomass steam energy systems.

Against this backdrop, the group preserved its gross profit margin at about 24.5%, compared with 24.3% in Q1’25, reflecting disciplined project execution and cost management. Gross profit stood at RM13.3 million, compared with RM14.9 million in the corresponding quarter last year.

Profit before tax was RM4.9 million, compared with RM6.3 million in Q1’25. Profit after tax was RM4.1 million, compared with RM4.9 million in the corresponding quarter last year.

This was primarily attributable to the revenue variance, partially mitigated by improved tax efficiency and a higher interest income of RM900,000.

The renewable energy segment remained the group’s largest contributor, generating revenue of RM49.1 million in Q1’26, compared with RM56.4 million in Q1’25. Its continued role in anchoring the group’s revenue base in the quarter was underpinned by its biomass steam energy systems portfolio. The industrial energy and equipment segment contributed RM5.2 million, broadly in line with the RM5.1 million recorded in Q1’25.

The industrial energy and equipment segment demonstrated improved performance year-on-year, contributing revenue of RM5.2 million, compared with RM5.1 million in Q1'25. Gross profit improved to RM1.3 million from RM900,000 in the corresponding quarter, showing better project margins, while segment profit doubled to RM600,000 from RM300,000 in Q1'25.

As at March 31, 2026, the group's order book strengthened to RM244.7 million, comprising RM220.7 million from the renewable energy segment and RM24 million from the industrial energy and equipment segment. This reflects continued order book growth from the RM241.3 million recorded at the close of FY2025, underpinned by healthy and robust new order inflows during the quarter, thereby providing strong revenue visibility for the coming quarters.

The group maintained a strong financial position with cash and cash equivalents of RM126.7 million as at March 31, 2026. Of the RM75 million raised through its December 2025 initial public offering, RM67.3 million remains available for deployment, earmarked for initiatives including investments in biomass steam power plant ownership, expansion into Indonesia and digitalisation of business systems.

Group CEO Lee Yee Chong said: "Q1 FY2026 reflects the timing of project deliveries and execution milestones across our business segments. While the quarter recorded a more moderate revenue performance compared with the corresponding quarter last year, the group remained profitable and continued to maintain healthy gross profit margins through disciplined project execution and ongoing contributions from our biomass steam energy systems business."

He added, “Built on more than four decades of engineering expertise, we continue to strengthen our execution capabilities, expand our engineering capacity and maintain operational discipline across our projects. Backed by an order book of RM244.7 million and healthy cash reserves of RM126.7 million, we remain well-positioned to deliver industrial energy solutions to customers across the palm oil and process industries.”

Looking ahead, the group expects demand for efficient and sustainable steam energy systems to remain supported by industrial decarbonisation initiatives, energy efficiency requirements and continued investments within the palm oil and process industries in Malaysia and the broader Asean region.

Wasco Greenergy said it will continue to advance project execution, technology enhancement and digitalisation initiatives while actively pursuing new contract opportunities across selected key markets.

Separately, Wasco Greenergy held its second annual general meeting last Friday, at which shareholders approved all resolutions tabled. Notably, shareholders approved the proposed share buyback mandate of up to 10% of the company’s issued shares, reflecting the board’s confidence in the group’s long-term value. Additional resolutions approved included directors’ fees and meeting allowances, re-election of directors and reappointment of auditors.