Company Name **: Wasco Greenergy Berhad**
Date **: 20 July 2026**
Source **: Birch**

Wasco Greenergy Berhad: Renewable Energy Fundamentals Supported by Engineering Strength and Order Book Visibility

BIRCH

JUL 20, 2026

Wasco Greenergy Berhad stands out as a renewable energy and industrial solutions company with real operating fundamentals. Instead of being a pure concept-based green energy counter, the group has an established business in steam energy systems, biomass solutions, steam turbine generator systems and palm oil milling equipment.

Its core strength lies in providing complete EPCC steam energy systems, including biomass boilers, gas-fired boilers, heat recovery steam generators and related auxiliary systems. The group also supplies steam turbine generator systems and palm oil milling equipment. These products are important for industries that require steam, heat and power for daily operations.

From a thematic angle, Wasco Greenergy is positioned in a practical area of the energy transition. Many industries cannot fully switch to solar or battery solutions alone because they still require process heat and steam. Biomass steam systems can help industrial customers reduce emissions, recover waste and improve energy resilience, especially in sectors linked to palm oil, agriculture and manufacturing.

The latest Q1 FY2026 result remained profitable despite lower revenue. For the quarter ended 31 March 2026, Wasco Greenergy recorded revenue of RM54.4 million, compared with RM61.4 million in the previous corresponding quarter. Profit before tax stood at RM4.9 million, while net profit attributable to owners came in at RM4.1 million.

The revenue decline was mainly due to lower deliveries of steam turbine generator systems and lower after-sales revenue. However, this was partially mitigated by increased project activities relating to EPCC steam energy systems. This is an important point because it shows that the project-based business remains active, even though quarterly revenue may fluctuate depending on delivery timing.

The segment breakdown also shows that renewable energy remains the main earnings driver. In Q1 FY2026, the renewable energy segment contributed RM49.1 million of revenue and RM5.4 million in segment profit. The industrial energy and equipment segment contributed RM5.2 million of revenue and RM0.6 million in segment profit. Both segments remained profitable during the quarter.

Order book visibility is another positive factor. As at the latest quarter, Wasco Greenergy had an order book of RM244.7 million, comprising RM220.7 million from the renewable energy segment and RM24.0 million from the industrial energy and equipment segment. This provides a clearer foundation for future revenue recognition and supports the group’s earnings visibility in the coming quarters.

The balance sheet also looks strong. As at 31 March 2026, the group had cash and cash equivalents of RM126.7 million, compared with total borrowings of RM40.7 million. This means Wasco Greenergy is in a net cash position, giving it financial flexibility to fund expansion, manage working capital and pursue future growth opportunities.

Another positive signal is the dividend. The board declared an interim single-tier dividend of 2.0 sen per share for FY2025, amounting to RM10.0 million. For a newly listed renewable energy-related company, dividend payment helps show that the business is already cash-generative and not merely relying on future growth promises.

The use of IPO proceeds also supports the long-term growth story. A major portion of the public issue proceeds has been allocated for expansion through investments, acquisitions and strategic partnerships relating to the ownership and operation of biomass steam power plants. The group has also allocated funds for Indonesia expansion, new equipment and machinery, digitalisation and research and development.

This is important because it shows that Wasco Greenergy is not only building equipment for customers. Over time, the company may also move further into asset ownership or recurring energy-related income models, especially through biomass steam power plants. If executed well, this could improve earnings quality and reduce reliance on project-based revenue alone.

The Indonesia expansion angle is also worth monitoring. Indonesia has a large palm oil and agro-industrial base, which could create demand for biomass boilers, steam systems, milling equipment and energy efficiency solutions. Wasco Greenergy’s experience in biomass and steam systems may give it a relevant platform to capture regional opportunities.

Overall, Wasco Greenergy Berhad looks like a practical renewable energy counter with stronger fundamentals than the usual thematic play. Its combination of biomass steam solutions, industrial energy equipment, order book visibility, cash strength and long-term expansion plans gives the company a solid platform for future growth.

The key will be execution and consistency. If management can convert its order book into earnings, expand carefully into biomass steam power assets and grow its regional presence, Wasco Greenergy could continue to build its position as a credible beneficiary of Malaysia’s and Southeast Asia’s industrial energy transition.