



NZX Release

30 May 2023

WasteCo Group achieves record revenue and EBITDA results for its first reporting period as a listed company for the year to 31 March 2023

WasteCo Group Limited (NZX:WCO) today announces its unaudited financial results for the 12 months to 31 March 2023.

Highlights for the 12 months to 31 March 2023

- Revenue growth of 83% to \$34.4m
- Operating EBITDA growth of 83% to \$5.9m
- Continued strong revenue and new customer growth
- Completion of acquisition of Central Suction Cleaners in Nelson in March 2023 and the addition of more services in the region
- Continued development in customer relationships resulted in new long term contracts for services in central and northern Christchurch
- Christchurch sort centre volumes increased substantially during the year resulting in increased volumes of waste diverted from landfill
- Completion of a large project for Christchurch City Council at the Bromley waste water treatment plant
- Waste sorting and diversion services at Sail GP, Coca Cola Christmas in the Park, South Island Fieldays and many other events resulted in large volumes of waste being diverted from landfill
- Medical and quarantine (M&Q) waste treatment facility completed its first full year of operation showing positive growth, providing only the second option in New Zealand for treatment, remediation and disposal of M&Q waste
- Completion of reverse listing transaction (RTO) on the NZX on 5 December 2022

Financial Performance Summary

RESULTS OVERVIEW

\$ THOUSANDS

	FY23 (unaudited)	FY22 (audited)
Revenue	34,392	18,777
Operating EBITDA	5,907	3,223
Operating EBITDA %	17%	17%
Reverse acquisition - share based payment	1,239	-
Reverse acquisition - listing expenses	403	-
Employee benefits expenses - Share Options	405	-
EBITDA	3,860	3,223
Net Loss After Tax	(1,991)	(4)

WasteCo Group Ltd (“WasteCo”) is pleased to announce an 83% increase in revenue to \$34.4m with strong growth across all operations.

Despite ongoing pressures on costs and margins we have achieved an 83% increase in operating EBITDA to \$5.9m. Our net loss after tax included the accounting treatment of the RTO transaction (\$1.24m) and other adjustments, resulting in a loss of \$1.99m. As a reverse listing into a non-trading shell company, the accounting rules under NZ IFRS require the difference between the fair value of the consideration paid to purchase the listed shell company (through the transfer of shares) less its net assets acquired, to be expensed as a share-based payment.

The business continues to take advantage of opportunities in the waste industry. Our ability to provide innovative waste solutions in partnership with our customers is a key driver. We pride ourselves on exceeding the expectations of our customers and the public with our efforts to deal with waste as sustainably and responsibly as possible. This means constantly challenging ourselves to find more solutions to remove as much volume from landfill as possible.

The transition to NZX listing was an excellent opportunity to enhance the governance and financial reporting required to support of our ongoing drive to grow revenue and the resulting demands on our business, customers and people.

All comparative figures shown relate to the financial performance of the WasteCo business for the year ended 31 March 2022, which is prior to the RTO transaction.

Acquisition post balance date – Cleanways Group

As previously disclosed to the market the acquisition of the Cleanways Group will settle on 1 June 2023. This is an exciting development for the group and extends our coverage of the South Island with operations in Invercargill and Cromwell. Cleanways Group has a strong presence in Southland providing liquid waste solutions as well as providing both liquid and solid waste solutions in Central Otago. We plan to extend our range of services in the region once successfully integrated.

Outlook

We have started the new financial year with exciting opportunities in front of us and are at various stages of discussions on a pipeline of new contracted partnerships as well as day to day growth in existing customer services. These are for customers that are focused on finding sustainable solutions to meet the demands that the current environment expects. With new environmental regulatory changes being phased in this creates new opportunities that we are well positioned to capitalise on as they arise. There are also more acquisition opportunities to be considered as the year progresses.

Our mission is to make a difference to the world by diverting as much waste away from landfill, and this drives the delivery of all our services and solutions.

The health, safety and wellbeing of our approximately 290 people is paramount to our success and we are working to ensure that the WasteCo team has sufficient training and opportunities to grow within our business.

Dividend Policy

The directors have not declared any dividend for the 2023 financial year. In the medium term, the opportunities for growth in the business are expected to be the priority for any surplus funds. The Board will review the dividend policy as revenue and cashflows allow.

About WasteCo

WasteCo is a leading South Island waste solution company, processing and diverting liquid and solid waste from landfill. It provides comprehensive solutions for household, commercial, industrial and local authority customers.

WasteCo is New Zealand's only diamond certified Toitū Enviromark waste solutions provider and delivers outcomes that ensure its customers are at the leading edge of the sustainability frontier.

The company provides waste and sorting options as well as waste remediation, sweeping and industrial cleaning services – all delivered using leading edge technology and highly trained customer-focussed staff.

The Christchurch-based business was established in 2013.