

PRESS RELEASE

SEDANIA strengthens with 5th consecutive profitable quarter

Key highlights:

- Profit after tax of RM510,000 on the back of RM9.04 million in revenue
- Stronger topline contributions from Sustainable Healthcare and Fintech segments slightly offset lower revenue generated from other segments

KUALA LUMPUR, 30 MAY 2022 - SEDANIA Innovator Berhad (“SEDANIA” or the “Group”) marked its fifth consecutive profitable quarter with a profit after tax of RM510,000 in the first quarter ended 31 March 2022 (1Q22), on the back of RM9.04 million in revenue.

Compared with the previous corresponding quarter, the Group recorded a profit after tax of RM4.89 million on a revenue of RM17.07 million. The subdued performance in 1Q22 was mainly due to lower contributions from the Sustainable Energy segment, with stronger revenue generated from the Group’s Sustainable Healthcare and FinTech segments helping boost its bottomline.

Commenting on SEDANIA’s financial performance, Founder and Managing Director Datuk Azrin Mohd Noor said, “In 1Q22, we managed to maintain the positive momentum from our commendable financial performance in the recently concluded financial year ended 31 December 2021 (FY21). This speaks volumes about the resilience of our diversified, sustainable-centric business model.”

SEDANIA’s Sustainable Energy division recorded a revenue of RM56,000 in 1Q22 versus RM10.16 million a year ago as there were no installations completed during this period for buildings on project sites under its energy performance contracts. Consequently, the segment incurred a RM50,000 loss before tax versus a profit before tax of RM3.67 million previously.

The Group’s other core segment, Sustainable Healthcare, registered a 37% increase in topline contributions to RM7.32 million in 1Q22 from RM5.34 million a year ago, driven by overall higher sales from the majority of its markets. Profit before tax decreased 43% to RM883,000 from RM1.54 million in the preceding year due to higher operating expenses incurred from Offspring’s participation in the TCE Baby Expo held in March 2022, as well as overall higher staff compensation to support business growth.

The FinTech segment’s revenue increased 19% to RM1.15 million on higher traffic from its Tawarruq platform compared to one year ago. This resulted in profit before tax for the segment almost tripling to RM413,000 in 1Q22 from RM142,000 a year ago.

Moving forward, the Group is optimistic it will be able to register better performance in the current financial year spurred by anticipated higher growth from both its core businesses, Sustainable Healthcare as well as Sustainable Energy.

On the lower profits from its Sustainable Energy segment, Chief Executive Officer Daniel Ruppert commented: “As our Sustainable Energy business is project-based in nature, revenue recognition can fluctuate across different periods in the year depending on the completion of installations for each building under our projects. For instance, we could be very active with project works in certain months and yet end up not completing installations for any single project site, which would then result in lower recognition of profits in that particular period. With a large existing pipeline of projects for the rest of the year and beyond, we are confident about exceeding our growth momentum from last year.”

In the meantime, SEDANIA’s Sustainable Healthcare and FinTech segments are forging ahead with exciting breakthroughs.

“Our Sustainable Healthcare subsidiary, Offspring Inc Sdn Bhd recently penetrated Togo and Nigeria, and has been aggressively looking to expand beyond the 23 countries we are currently present in. On the FinTech front, our expertise in providing digital solutions for Islamic financing positions us strategically to support future digital infrastructure upgrades required by the recently announced digital banking license holders,” said Datuk Azrin.

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About SEDANIA Innovator Berhad

SEDANIA Innovator Berhad is an investment holding company with a focus in sustainability-enabling businesses. Since its listing in 2015 on the ACE Market of Bursa Malaysia, SEDANIA has invested in innovative businesses which lead to the reduction of carbon emissions and enable sustainability.

SEDANIA invests in its corporate clients' future energy sustainability by financing and deploying energy efficiency solutions and renewable energy systems which to date saved over 66 gigawatt-hours and RM30 million in clients' energy cost.

For consumers, SEDANIA offers preventive healthcare products which reduce carbon emissions through the selection of eco-friendly ingredients and biodegradable material. Over 150 products are sold under the brand Offspring online and through selected retail stores in over 20 countries worldwide.

We are Innovators. We improve lives sustainably. Log onto www.sedaniainnovator.com to find out more about our Sustainable innovations.

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