



MARC RATINGS BERHAD

P R E S S A N N O U N C E M E N T

FOR IMMEDIATE RELEASE

MARC RATINGS AFFIRMS ALAM FLORA'S MARC-1_{IS}/AA_{IS} RATINGS

MARC Ratings has affirmed its **MARC-1_{IS}/AA_{IS}** ratings on Alam Flora Sdn Bhd's RM700 million Islamic Commercial Papers/ Islamic Medium-Term Notes (ICP/IMTN) Programmes with a **stable** outlook.

The affirmation reflects Alam Flora's stable cash flows under its 22-year waste collection and public cleansing concession agreement with the government (ending 31 August 2033), strong liquidity, and proven operational performance, while also considering the execution risks associated with the expansion of its non-concession businesses.

Alam Flora's company-level revenue declined by 0.3% to RM787.7 million in 2024, primarily due to the expiry of a contract in June 2023. This impact was partially offset by growth in the concession business, supported by new developments within existing scheme areas. Alam Flora anticipates this segment to grow by 1%-2% annually. Additionally, a scheduled fee revision in 2025 — conducted every seven years to align with current cost structures — is expected to support revenue growth in 2026.

Alam Flora has reduced its previously planned capex, particularly in non-concession areas such as building renovations, thereby lowering its financing needs. It has earmarked RM272.5 million over the next three years for concession-related asset replacements, which are expected to be internally funded. With strong liquidity and RM334.2 million in cash as of end-2024, Alam Flora is well-positioned to meet these requirements. Capital needs for new non-concession projects are also expected to decline, as several pre-development initiatives have been scaled back or deferred.

As of end-2024, Alam Flora had no borrowings, maintaining a clean balance sheet. Based on current borrowing plans, the consolidated net debt-to-equity ratio is projected to rise moderately to 0.17x by 2028.

Contacts:

Ahmad Kamal Syauki, +603-2717 2958/ kamal@marc.com.my

Umar Abdul Aziz, +603-2717 2962/ umar@marc.com.my

Sharidan Salleh, +603-2717 2954/ sharidan@marc.com.my

5 August 2025

[This announcement is available on MARC's corporate website at www.marc.com.my]

---- DISCLAIMER ----

This communication is provided by Malaysian Rating Corporation Berhad and any of its subsidiaries or affiliates ("MARC") based on the information, reasonably believed by MARC to be accurate and reliable to the greatest extent, derived from publicly available sources or provided by the rated entity or its agents. MARC, however, has not independently verified the source of such information and makes no representation as to the accuracy, completeness and timeliness of such information. Any assignment of a credit rating by MARC shall at all times solely be construed as a statement of opinion and not a statement of fact. A credit rating is not a recommendation to buy, sell or hold any security and/or investment.