

WasteCo strategic reset gains pace and on track to deliver results in FY26

- **Revenue:** \$36 million, up 43% on HY25 \$25 million.
- **Operating EBITDA** uplift from 30 September 24 \$1.9 million to \$3.8 million at 30 September 2025, a \$1.9 million increase (before one-off costs of \$1.36 million)
- One-off costs include the health and safety reset (\$810,000) and restructuring (\$554,000)
- **Net loss before tax:** -\$4.97 million. This is an improvement compared to our position in the previous year, even with one-off costs factored in.

WasteCo Group Limited (NZX:WCO) today announced its half-year results for the six months ended 30 September 2025, reporting strong revenue growth and continued progress in the company's transformation into a national waste and industrial services provider.

Interim Chief Executive and Chair Roger Gower said the first half of FY26 represents a decisive shift in WasteCo's trajectory.

Gower says WasteCo has experienced a challenging period, but the company is on the right track. "The major changes we have implemented are steering our company towards profitability.

"We've built a national platform, secured our largest contract win, and reset our operations for sustainable growth. The 43% revenue growth and the 102% increase in operating EBITDA (before health and safety reset project costs and restructuring costs) reflects the strength of our strategy," says Gower.

"In our recently released Investor Update, we projected revenue of \$70-72 million and operating EBITDA of \$7-8 million for FY26, excluding health and safety reset project costs of \$1.5 million and restructuring costs of \$754,000. The half-year result is incorporated into these forecasts which are underpinned by strong revenue growth, higher levels of asset utilisation, and margin control."

"We are confident that lower interest rates and improving business confidence will drive waste volumes higher, as construction builds out of the recessionary conditions of the past year. WasteCo is well-positioned to benefit as market conditions strengthen through 2026," Gower said.

In May 2025, WasteCo secured a nine-year, \$40 million Solid Waste Management contract with Ashburton District Council, with an option to extend. Beginning in September 2026, the contract will create 22 new roles, require 10 new collection vehicles, and deliver kerbside, resource recovery and drop-off services across the district.

This is WasteCo's first major regional contract in Canterbury and a key step in its national growth strategy. Gower said that this contract validated the company's capability to compete for major regional tenders. "As a national operator, we're now positioned to pursue opportunities that were previously out of reach."

Gower described the acquisition of Civic Waste Limited in December 2024 as transformational, establishing WasteCo's first North Island operations across Auckland, Hamilton, and Wellington.

Civic Waste Limited, being re-branded WasteCo, contributes approximately \$20 million in annualised revenue and \$4 million in annualised operating EBITDA.

Over the past 18 months, WasteCo has completed four strategic acquisitions – Cleanways and related companies, Central Suction Cleaners, Bond Contracts' waste division, and Civic Waste, undertaking a disciplined consolidation strategy in a highly fragmented industry.

Since July 2025 Gower has led a comprehensive operational review focused on revenue generation, cost reduction and improving profitability. This has included the following.

- **Governance** has been strengthened with the establishment of a Capital Committee overseeing M&A and capital management, and a Health and Safety Committee supporting the operational reset.
- **Recruitment** is underway for a permanent Chief Operating Officer with strong operational and commercial experience. A recent organisational restructure has lifted capability and accountability across the business while reducing costs.
- **Sales leadership** has been reset to sharpen commercial direction, strengthen capability, and improve accountability across the sales function.
- **Operational improvements** include a company-wide asset utilisation review, assessment of a driver/owner-operator fleet model, evaluation of alternative maintenance structures, and consideration of divesting non-core assets, including the portable toilet division.
- **Investment in advanced systems** is progressing, including NetSuite within Civic Waste, alongside Teletrac Navman, FleetPro, HR Bamboo, and Biotime to support operational efficiency and automation.
- **Cost-structure initiatives** are delivering benefits, including more than \$250,000 in annual insurance savings, identified site consolidation opportunities in Christchurch and Southland, and workforce alignment following a detailed cost review.

During FY25, WasteCo strengthened its balance sheet through a:

- \$15 million convertible note facility with Empire Waste Technology Limited (Simon and Paula Herbert), supporting the Civic acquisition and working capital
- \$5 million Share Purchase Plan, with \$1.38 million subscribed by shareholders and the shortfall placed with professional investors.

Gower said the company's NZX-listed status provided a competitive advantage in accessing capital for consolidation within the fragmented waste services sector.

"Over the next 18 months, we are focused on expanding our waste diversion capability with new facilities in Cromwell and Porirua, pursuing larger multi-region tenders, and growing our share of the rural, industrial and medical waste markets. The operational improvements are bearing fruit and will deliver improved results across our network."

"These priorities combined with potential acquisitions position us well to achieve our goal of reaching \$100 million in annualised revenue during FY27 and most importantly a return to profitability," said Gower.

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About WasteCo Group Limited

WasteCo Group Limited (NZX: WCO) is a national provider of waste management and industrial services operating across New Zealand. The company delivers liquid waste, solid waste, recycling, and specialised industrial services to residential, commercial, and municipal customers.