



UMS
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COMPANY NAME: AWC BERHAD

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COMPANY INTRODUCTION

AWC Berhad was founded in 2002 and is headquartered in Malaysia. AWC Berhad is an investment holding company specialising in Quality Engineering Services. AWC Berhad has become a leading Engineering Services Group in Malaysia with a regional presence in Asia and the Middle East. AWC Berhad committed to delivering sustainability in what they do as one of the top engineering services company in Malaysia. A sustainable level of business operations and growth will be balanced with protecting the environment and capitalizing on new green technologies and methods in providing this business with a competitive advantage. AWC Berhad are committed to contributing towards a resourced efficient, green and more sustainable future as a part of their responsibility. This is all in line with their corporate responsibility of developing new and more sustainable business operation models. AWC Berhad provide asset management services such as integrated facilities management and engineering services to building owners. AWC Berhad also an international leader in the design and supply of automated pneumatic waste collection system (AWSC) with a proven track record in Malaysia, Singapore and the Middle East.

AWC Berhad has three things that are practiced which is vision, mission, and core values. First, AWC Berhad's vision is to creating a better environment for our communities by providing total engineering and facilities solutions. Meanwhile their mission is to provide valuable and sustainable solutions to all that they serve by developing and nurturing their people, adopting the most appropriate systems and technologies, and lasty to delivering excellence in all that they do. Finally, there are five core values AWC Berhad aim to demonstrate in everything they do which is practice professionalism with duty of care , take pride to do their best, demonstrate respect like treating all with respect and dignity, pursue continuous improvement people and systems, and last but not least embrace teamwork with collaborating and partnering.

AWC Berhad has Integrated Facilities Management System maintained by the Division for Government, Commercial and Healthcare sectors. This extensive portfolio in facility services and integrated facilities management has solidified position as one of the top facilities management companies in the country. Many services in these Integrated Facilities Management System including Biomedical Engineering Maintenance Services. Modern medical technology has made it possible for us to enjoy the latest medical treatment and diagnosis. It is a

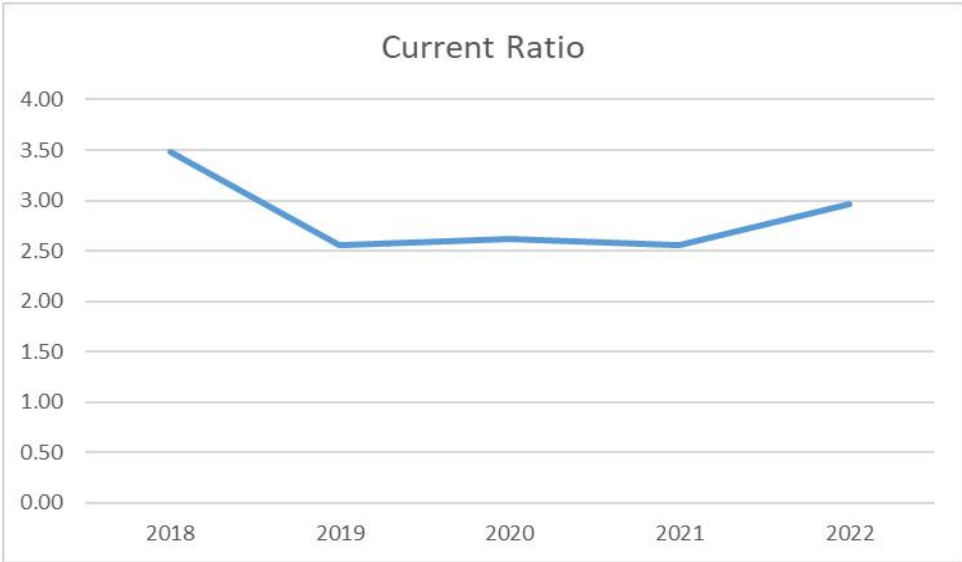
combination of technological innovation and human biology which allows useful medical equipment to be developed and deployed in various hospitals, clinics and health institutions. AWC Berhad provide this facilities for biomedical equipment and assets. Their professional technicians are well-trained to make sure that each medical equipment is properly maintained via our Biomedical Engineering Maintenance services. Next service is Healthcare Waste Management Services. AWC Berhad's Healthcare Waste Management Services offer proper sustainable waste management that is in compliance with regulatory requirements in order to take precautionary measures to prevent spillage and minimize any risk of contamination. In addition, to ensure systems are running at optimal performance, AWC Berhad provide Facilities Engineering Maintenance Services. Besides, disinfectant and sanitization (Infectious Disease). AWC Berhad have experience maintaining large and high-volume hospitals in Malaysia and G7 certified by the Malaysian Ministry of Works. They strictly apply the most state-of-the-art procedures when it comes to disease cleanup and disinfection. Lastly, Building and Facility Management. AWC Berhad also Making sure that your systems are properly maintained is a key component in making sure that your operations go smoothly. They provide building facilities management solutions to keep your building systems at optimal efficiency. AWC's services include building management, facilities management, industrial facilities management and commercial facilities management.

AWC Berhad is a professional waste management company in Malaysia as well as one of the leading environmental engineering companies in the country. Rubbish and other solid waste are significant by-products in any building or facility. Due to its varied composition, proper waste management is required to ensure that your premises remain clean and sanitary at all times. Therefore, AWC plays a role in ensuring a sustainable tomorrow by solving the waste management system in Malaysia for customers. All projects are delivered accordance to industry-standard requirements. AWC's waste management system in Malaysia conforms to environmental health and safety regulations. A notable example of a projects ever carried out by AWC Berhad are Wisma Mahmud, Menara Celcom, Bank Negara, Proton Edar, and last but not least Hospital Shah Alam.

TREND ANALYSIS

LIQUIDITY RATIOS

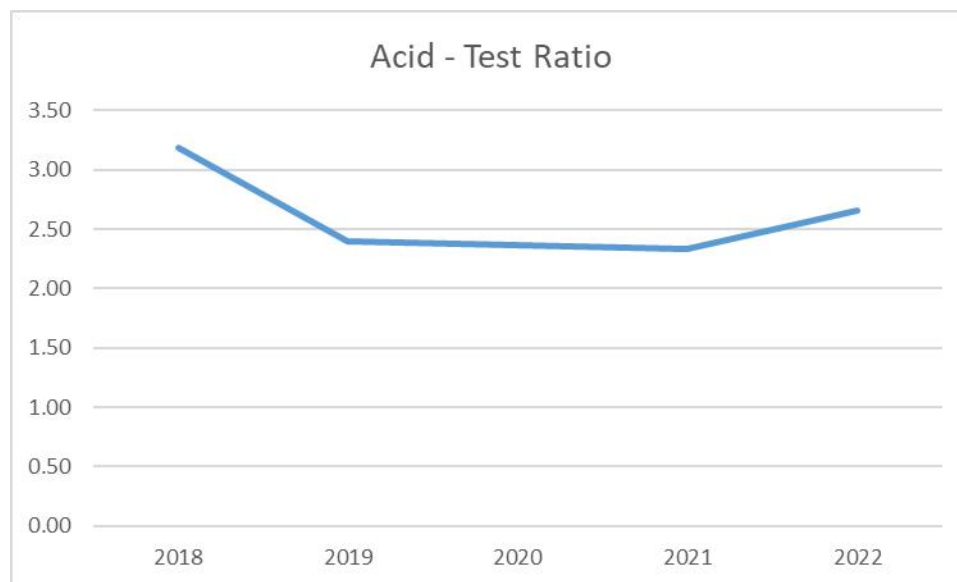
CURRENT RATIO



YEAR	2018	2019	2020	2021	2022
Current Ratio	3.48	2.55	2.62	2.55	2.97

The current ratio for AWC Berhad from 2018 to 2022 is displayed on the graph. According to AWC Berhad's 2018 current ratio analysis, the company had a strong ability to meet short-term obligations, demonstrating a high liquidity position with a ratio of 3.48 times. Nevertheless, there was a drop in liquidity between 2019 and 2021, as indicated by the current ratio falling to 2.55 times, which may make it more difficult to pay short-term obligations. In 2022, the ratio experienced a slight improvement, rising to 2.97 times, suggesting some progress in resolving liquidity issues. The current state of affairs is to blame for this. AWC Berhad's current ratio suffered as a result of the global economic downturn that started in 2019 when the Covid 19 virus stuck. This made it difficult for businesses worldwide to operate.

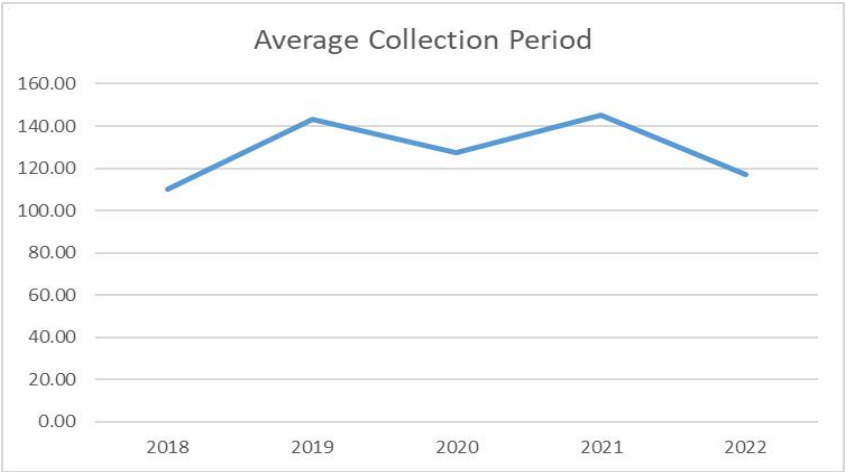
ACID TEST RATIO AWC BERHAD'S



YEAR	2018	2019	2020	2021	2022
Acid test ratio	3.19	2.40	2.37	2.33	2.66

In the graph, the Acid Test Ratios for the years 2018, 2019, 2020, 2021, and 2022 are displayed. In 2018, the acid test ratio for AWC Berhad was 3.19 times. Then, in 2019, it dropped to 2.40 times from 0.79 times. The acid test ratio fell to 2.37 times in 2020 and then to 2.33 times in 2021. The increase was 2.66 times, or 0.33 times, in 2022. To sum up, the acid test ratio dropped from 2.40 to 2.33 between 2019 and 2021, suggesting that AWC Berhad struggled to maintain its short-term liquidity during that period. The lower ratio shows that there were less liquid assets available for the corporation to pay its current liabilities. The acid test ratio of 2.66 times in 2022, however, is noteworthy because it is a slight improvement over 2021. This could imply that AWC Berhad was able to adapt its business strategies or recover in order to capitalize on the changing economic environment, which enhanced its liquidity position.

AVERAGE COLLECTION PERIOD

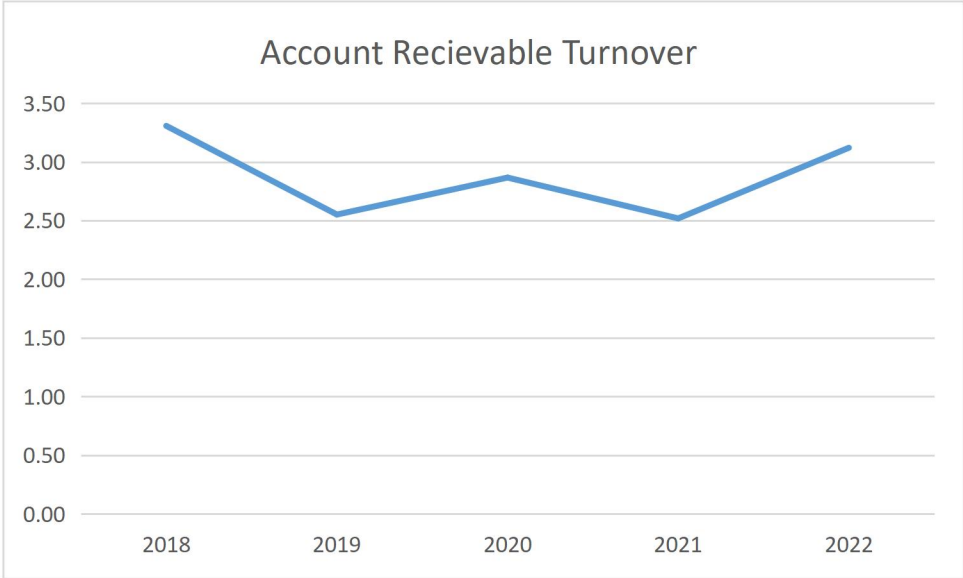


YEAR	2018	2019	2020	2021	2022
Average Collection Period	110.36	143.05	127.33	144.92	116.96

The graph shows AWC Berhad's average collection period from 2018 to 2022. The average collection period is a financial metric that determines how long it usually takes a company to receive payment from customers after making a sale. In 2018, AWC Berhad's average collection period was 110.36 days. This shows that the company's average time to collect payment from customers following a sale is 110.36 days. In 2019, the average collection period increased to 143.05 days. This suggests that the company is receiving payments from its clients later this year compared to last. In 2020, the average collection period decreased to 127.33 days. This suggests that compared to the previous year, the company was able to collect payments from customers faster. The year of 2021 saw an increase in the average collection period to 144.92 days. This suggests that the company is receiving payments from its clients more slowly than it did the previous year. In 2022, the collection time average falls to 116.96 days. This suggests that compared to the previous year, the company was able to collect

payments from customers faster. The average collection period for AWC Berhad generally varies from year to year, being longer in some years and shorter in others.

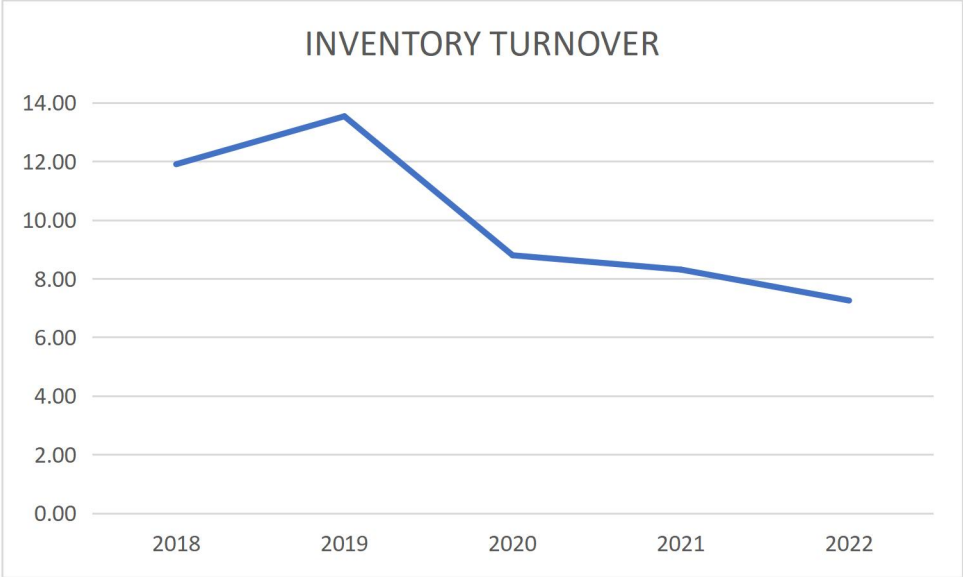
ACCOUNTS RECEIVABLE TURNOVER



YEAR	2018	2019	2020	2021	2022
Accounts Receivable Turnover	3.31	2.55	2.87	2.52	3.12

The accounts receivable turnover from 2018 to 2022 is depicted in the graph. Account receivable turnover ratios can be analyzed to see how they change over time and reveal changes in the effectiveness of accounts receivable collection. This indicates a fluctuation in AWC Berhad's ability to obtain payments from clients. From 3.31 times in 2018 to 2.55 times in 2019, and then to 2.52 times in 2021, was the decline in the accounts receivable turnover ratio. This suggests that, in contrast to the prior year, AWC Berhad's took longer to obtain payments from clients in 2019. In 2020 and 2022, the ratio of accounts receivable to total outstanding increased from 2.87 and 3.12, respectively. This indicates that during these years, the company's ability to collect payments from customers has improved.

INVENTORY TURNOVER

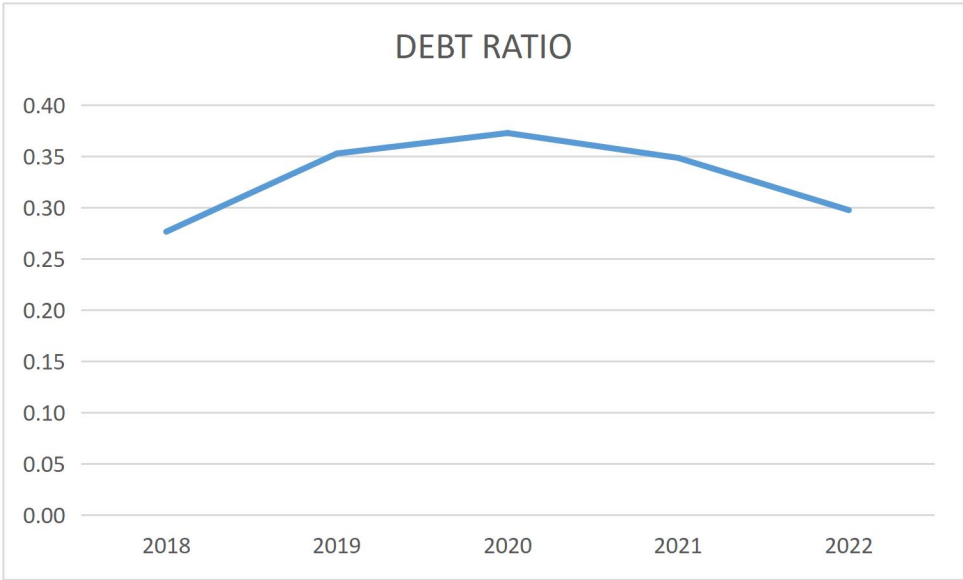


YEAR	2018	2019	2020	2021	2022
Inventory Turnover	11.90	13.53	8.79	8.31	7.25

Inventory Turnover for the years 2018, 2019, 2020, 2021, and 2022 is displayed on the graph. Based on the AWC Berhad inventory turnover ratio data provided, we can observe the following patterns the inventory turnover increased from 11.63 times in 2018 to 13.53 times in 2019, followed by a declining pattern. The inventory turnover ratio has decreased over time. In 2022, the ratio decreased from 13.53 times in 2019 to 7.25 times in 2022. This may indicate that the company is taking longer to sell out of its inventory and restock it. Based on the data, it can be inferred that AWC Berhad is experiencing difficulties in effectively managing its inventory, as evidenced by the decreasing inventory turnover ratio. Issues like overstocking occur.

CAPITAL STRUCTURE RATIOS

DEBT RATIO

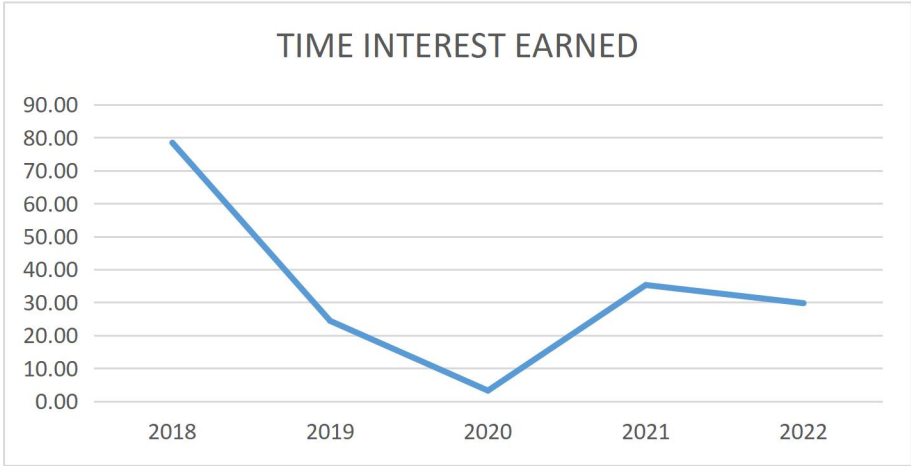


YEAR	2018	2019	2020	2021	2022
Debt Ratio (%)	0.28	0.35	0.37	0.35	0.30

The graph above shows that AWC Bhd debt ratio for 2018,2019,2020,2021 and 2022.AWC The debt ratio representing the proportion of a companys total liabilities to its total assets,fluctuates over the observed period. AWC Bhd shows that the company debt ratio start at 0.28 % in 2018 indicating that 0.28% of its total assets were financed by debt.In 2019,there was an increase to 0.35%, suggesting a higher reliance on debt for financing. The debt ratio peaked at 0.37%,signaling a significant proportion of financing coming from debt sources.It is because in that year ,our country was facing the Covid-19 pandemic .This pandemic has caused losses to the company. While in 2021,it slightly decreased to 0.35%,reflecting a partial reduction in debt

reliance. In 2022, the debt ratio declined to 0.30% ,indicating a shift towards a more conservative capital structure. This shows that the AWC company is effective in their financing decision and decreased their dependency in debt.

TIMES INTEREST EARNED



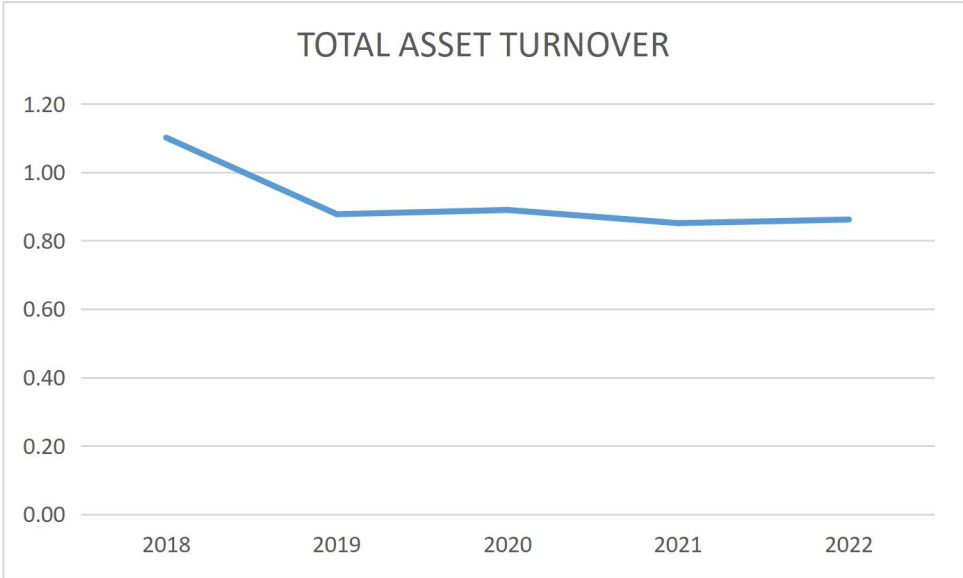
YEAR	2018	2019	2020	2021	2022
Time Interest Earned (Times)	78.44	24.34	3.21	35.25	29.74

The graph above shows that AWC Bhd time interest earned for 2018,2019,2020,2021 and 2022. The times interest earned (TIE) is about the company abilities to cover interest expenses with operating income. The data\graph shows significant variations for 2018-2022 can decreased and recovery in subsequent years. In 2018, the times interest earned was start at 78.44 times shows the company ability to cover interest payments but then decreased to 24.36 times in 2019 . This indicating a potential challenge for company in covering interest expense. In 2020, the times interest earned has plummeted to 3.21 times highlighting a critical period where the company has been struggled to cover its interest expenses. This causes by a pandemic that has occur un that year that makes company facing the losses. However the times interest earned for AWC Bhd recovered from 3.21 times to 35.25 times in 2021. This signifying an improvement in the company’s ability to cover interest expenses. Then in 2022, the times interest earned remained

relatively stable at 29.74 times, indicating a sustained recovery in interest coverage. This significant fluctuations trend in times interest earned reveal the company’s responsiveness to changes in its operating environment.

ASSET MANAGEMENT EFFICIENCY RATIOS

TOTAL ASSET TURNOVER

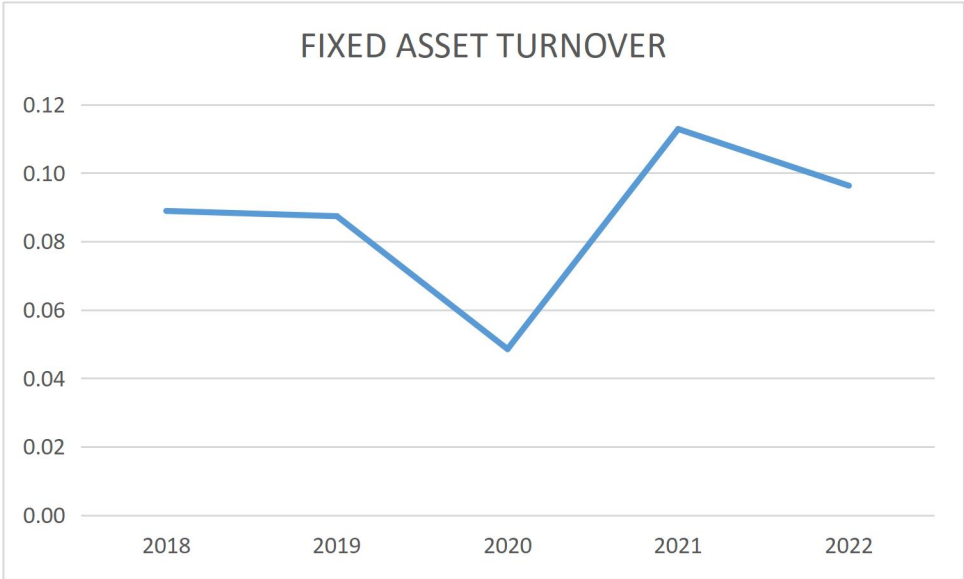


YEAR	2018	2019	2020	2021	2022
Current Ratio (Times)	1.10	0.88	0.89	0.85	0.86

The graph above shows that the total assets turnover for AWC Bhd in 2018 until 2022. This ratio assesses how effectively the company utilizes its total assets to generate sales. In 2018, the total asset turnover was 1.10 times ,indicating that the company generated \$1.10 in sales for every money of total assets. Meanwhile in 2019, the ratio decreased to 0.88 times ,shows that the decreased of efficiency of asset utilization for generating sales. Futher decline to 0.85 times has been occur in 2021, indicating a continued challenge in optimizing total asset utilization. Then the ratio stabilized at 0.86 times in 2022, suggesting a modest improvement in the company’s

ability to generate sales from its total assets. This data reveals that the company’s struggle to maintain optimal efficiency in using total assets to increased sales.

FIXED ASSET TURNOVER



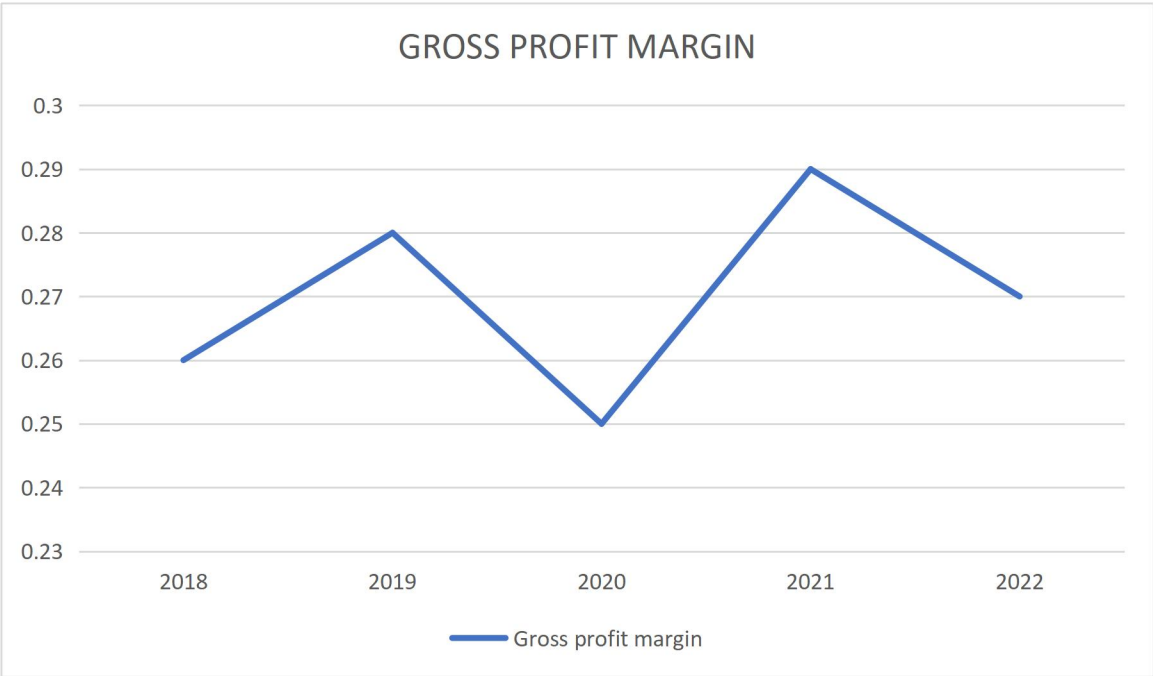
YEAR	2018	2019	2020	2021	2022
Current Ratio (Times)	0.09	0.09	0.05	0.11	0.10

From the graph above, this graph shows fixed asset turnover of AWC Bhd from year 2018 until 2022. The company had turned over their fixed assets from 0.09 times to 0.10 times in 2018 and 2022. For example, in 2018, the fixed asset turnover was 0.09 times, revealing that the company generated 0.09 sales for every money of fixed assets. It remained at 0.09 times in 2019, this indicating a consistent level of efficiency in using fixed assets for revenue generation. In 2020, the fixed asset turnover decreased to 0.05 times, suggesting a challenge in effectively utilizing fixed assets during this period. However, the AWC Bhd company had a rebound in 2021, where they had 0.11 times fixed assets turnover. This reveals that the company

have an improvement in using fixed assets for generating sales. Then the ratio stabilized at 0.10 times, indicating a sustained but modest improvement in fixed asset turnover. Hence, this data shows the company's efforts to enhance the efficiency of its fixed assets utilization over the observed period even though they only have a small growth in fixed assets turnover within 4 years.

PROFITABILITY RATIOS

GROSS PROFIT MARGIN

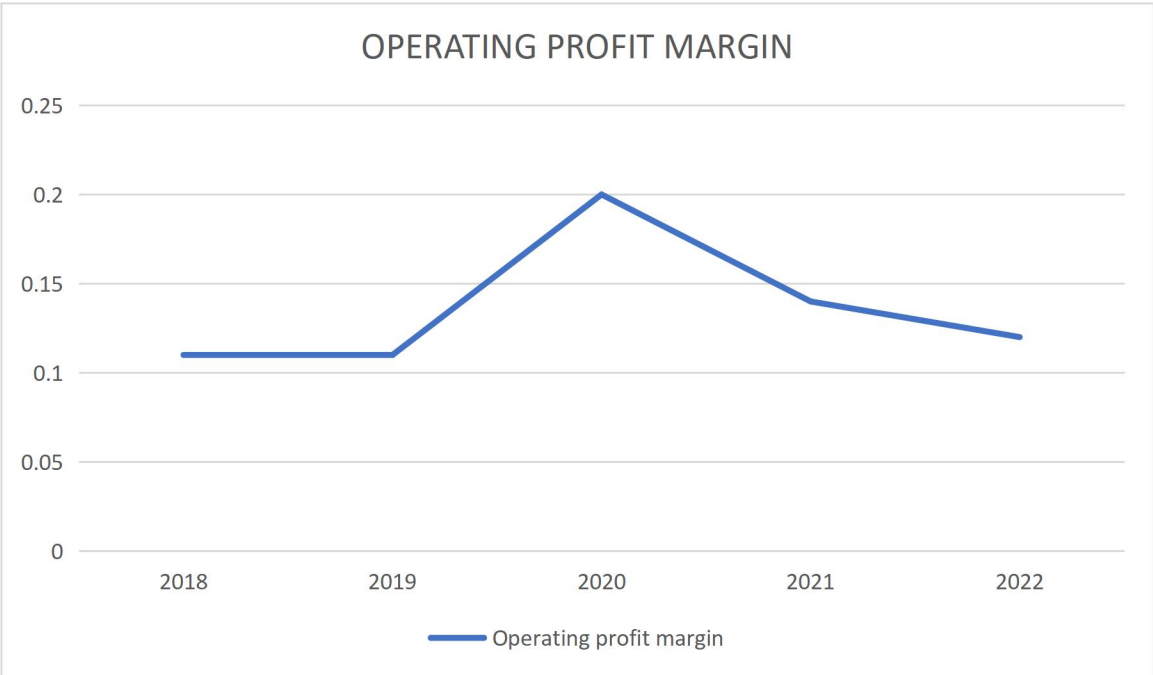


YEAR	2018	2019	2020	2021	2022
Gross profit margin	0.26	0.28	0.25	0.29	0.27

The Gross Profit Margin Analysis graph illustrates changes in gross profit margin from 2018 to 2022. In 2018, the margin was 0.26, experiencing an increase in 2019 to 0.28. There was a decline in 2020 to 0.25, followed by an increase in 2021 to 0.29, and then a subsequent decrease in 2022 to 0.27. The overall trend shows fluctuations in gross profit margin during this period.

Further analysis is needed to understand the factors influencing these changes and the potential business implications.

OPERATING PROFIT MARGIN

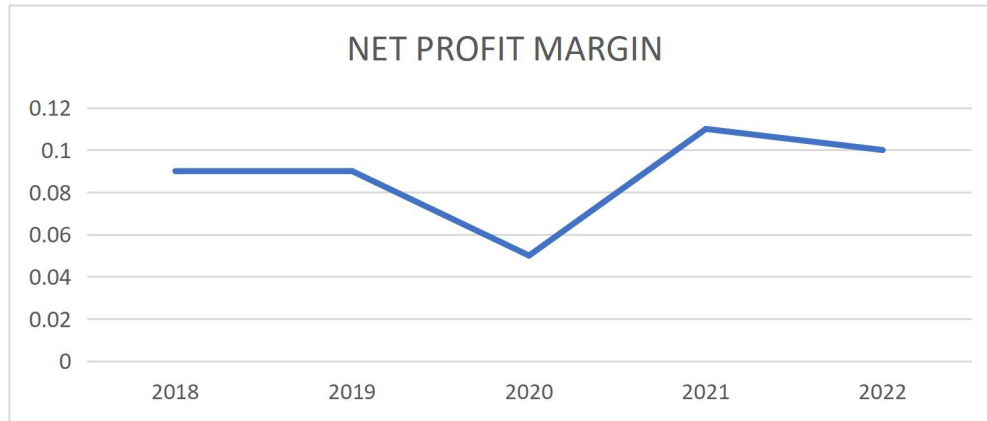


YEAR	2018	2019	2020	2021	2022
Operating Profit Margin	0.11	0.11	0.2	0.14	0.12

The analysis of Operating Profit Margin from 2018 to 2022 reveals significant fluctuations. Stability is evident in 2018 and 2019 with an operating profit margin of 0.11. A remarkable increase occurs in 2020, reaching a margin of 0.2. However, there is a decline in 2021 to 0.14, followed by a further decrease in 2022 to 0.12. The graph analysis depicts dynamic changes in

the company's operational performance. It is crucial to investigate the factors behind these fluctuations, including market conditions, operational costs, or changes in business strategy, to understand their impact on the financial and operational health of the company. Efforts to evaluate and address the causes of these changes can help the company formulate more effective strategies moving forward.

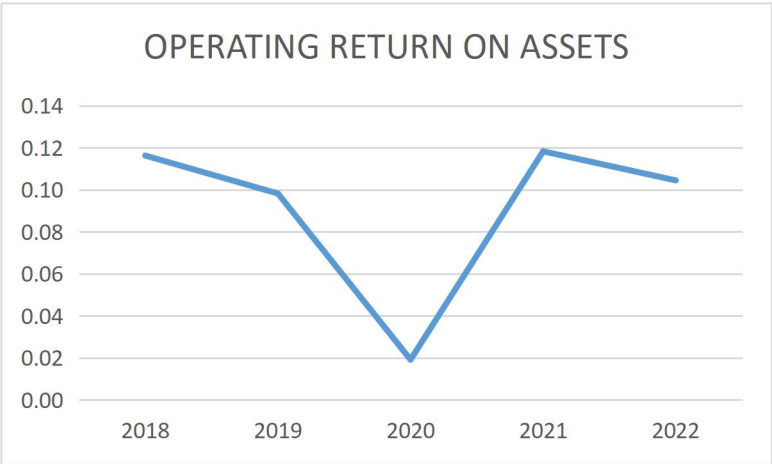
NET PROFIT MARGIN



YEAR	2018	2019	2020	2021	2022
Net profit margin	0.09	0.09	0.05	0.11	0.10

In 2018 and 2019, the net profit margin remained stable at 0.09. There was a decrease in 2020 to 0.05. 2021 showed an increase to 0.11. However, in 2022, there was a decrease again to 0.10. These fluctuations reflect changes in the efficiency and profitability of the company during that period. It is crucial to analyze the factors influencing these changes, such as sales, operational costs, or changes in capital structure, to understand their impact on the financial health of the company and plan future strategies.

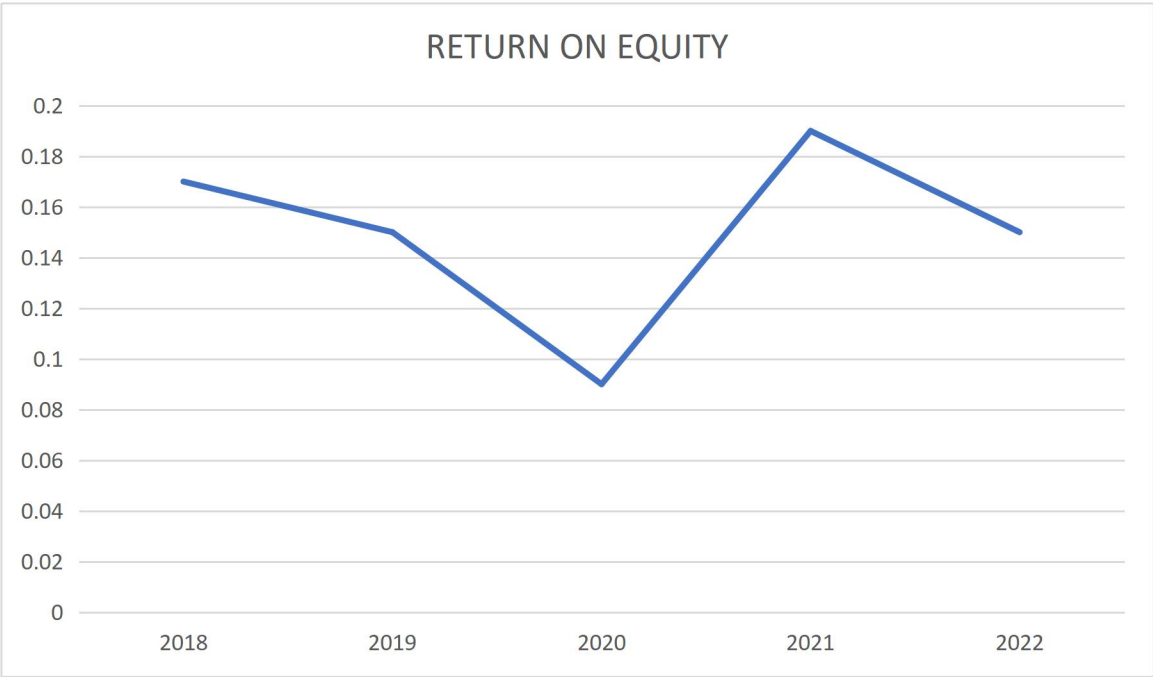
OPARETING RETURN ON ASSETS



YEAR	2018	2019	2020	2021	2022
Operatings return on assets	0.12	0.10	0.02	0.12	0.10

Based on the provided data. In 2018, the operating return on assets (ROA) was 0.12. There was a decrease in 2019 to 0.10. A significant decrease occurred in 2020, reaching 0.02. 2021 showed an increase back to 0.12. However, in 2022, there was a decrease again to 0.10. These fluctuations indicate significant variations in the efficiency of using operational assets over the period. Further analysis is needed to understand the factors influencing these changes, such as shifts in business strategy, improvements in operational efficiency, or changes in market conditions, to plan appropriate strategies for the future.

RETURN ON EQUITY

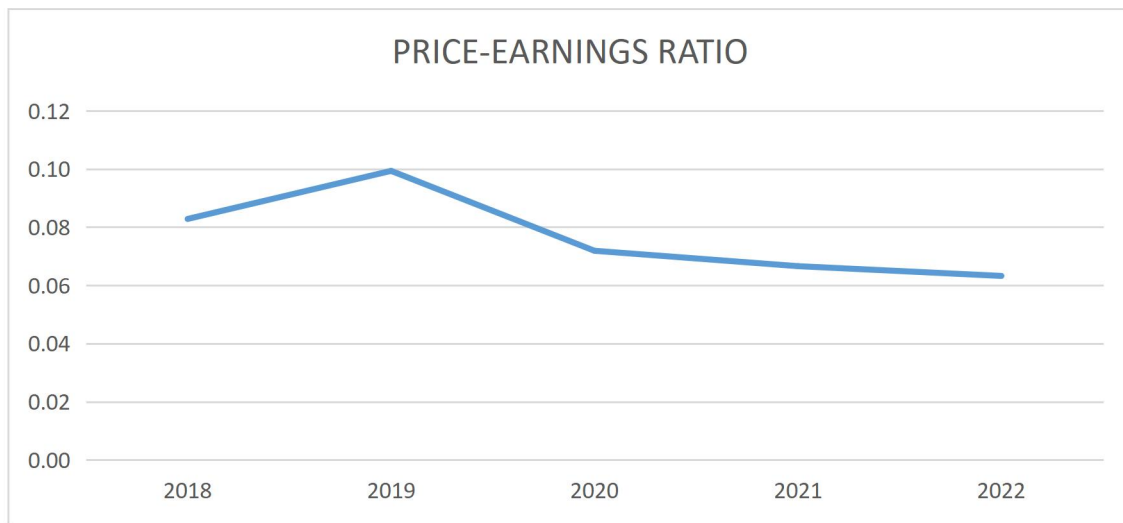


YEAR	2018	2019	2020	2021	2022
Return on equity	0.17	0.15	0.09	0.19	0.15

Based on the provided data. In 2018, the return on equity was 0.17. There was a decrease in 2019 to 0.15. A significant decrease occurred in 2020, reaching 0.09. 2021 showed an increase to 0.19. However, in 2022, there was a decrease again to 0.15. These fluctuations reflect variations in the company's efficiency in generating profits based on shareholder equity. Further analysis is necessary to understand the factors influencing these changes, such as financial management, debt levels, or changes in market conditions, in order to plan appropriate measures to maximize value for shareholders.

MARKET VALUE

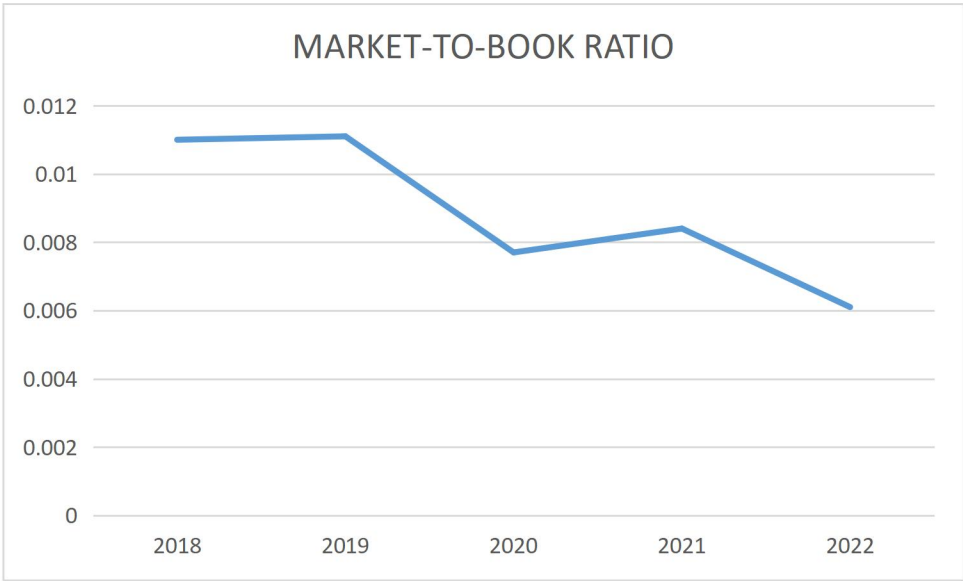
PRICE-EARNINGS RATIO



Price Earnings Ratio	2018	2019	2020	2021	2022
	0.08	0.10	0.07	0.07	0.08

The graph shows the Price Earnings Ratio for AWC BERHAD for the year 2018, 2019, 2020, 2021, and 2022. In the year of 2019 shows the highest Price Earnings Ratio which is 0.10%. In the year of 2020 and 2021 shows the lowest Price Earnings Ratio which is 0.07%. In the year of 2018 show the Price Earnings Ratio for AWC BERHAD is 0.08% increase to 0.10 at the year of 2019. After the year of 2019 the pandemic of COVID-19 hit the world and the global economy at the year of 2020 that make the Price Earnings Ratio for AWC BERHAD is 0.07%. In the year of 2021 shows that the Price Earnings Ratio for AWC BERHAD is maintained that which is 0.07% . After the 2 years of maintained Price Earnings Ratio, in the year of 2022 show the increased of the Price Earnings Ratio for AWC BERHAD is the 0.08%.

MARKET TO BOOK RATIO



Market to Book Ratio	2018	2019	2020	2021	2022
	0.0110	0.0111	0.0077	0.0084	0.0061

The graph shows the Market to Book Ratio for AWC BERHAD for the year 2018,2019,2020,2021, and 2022. In the year of 2018, the Market to Book Ratio for AWC BERHAD, shows 0.0110%. Besides, the year of 2019 show that the Market to Book Ratio for AWC BERHAD shows 0.0111%. After the year of 2019, the year of 2020 shows the Market to Book Ratio for AWC BERHAD is 0.0077%. During the year 2021, the Market to Book Ratio for AWC BERHAD is 0.0084%. The next year is year 2022, the Market to Book Ratio for AWC BERHAD is 0.0061%

RECOMMENDATION

For recommendation, AWC Berhad need to maintain or can raise their liquidity ratio more to gain investor trust to the company by showing them that this company have an ability to pay off their current debts with its current assets. One way AWC Berhad can quickly improve their liquidity ratio is by using sweep accounts that transfer funds into higher interest rate accounts when they're not needed, and back to readily accessible accounts when necessary. Paying off liabilities also one of the way to quickly improves the liquidity ratio, as well as cutting back on short-term overhead expenses such as labor, and marketing. Besides, to increase more income, AWC Berhad need to manage their capital structure and asset management efficiency more efficiently. There is several ways to make it happen. The first one by increasing sales revenue. This can be achieved by raising prices, increasing sales, or reducing costs. The extra cash generated can then be used to pay of existing debt. The other one is by restructuring existing debt to optimize the capital structure. This might involve negotiating better terms, extending repayment periods, or refinancing at lower interest rates.

AWC Berhad also need to make sure profitability ratios is always in good condition to maintain a good financial health of the company. The way AWC Berhad can improve their profitability is by conducting market research to help them identify target audiences and understand their motivations to purchase this company services. Reducing costs is the other way AWC Berhad can increase their profitability by evaluating their current processes and making changes where necessary or reducing unnecessary costs and expenditures. The last one is AWC Berhad should increase market value ratio as this ratio is one of the most popular ratio among the potential investor to see and decide if they want to invest to this company or not. It also indicates that investors believe the company has excellent future prospects for growth, expansion, and increased profits.

SUMMARY

It is to be concluded for this study that, the results of the study analyzing the financial statements of AWC Berhad we were able to evaluate the company performance. Based on this study has proven that AWC Berhad has a stable financial statement even though in 2020 it has experienced a slight decrease but it increase again in 2022. There are many financial ratios used in doing this study to evaluating AWC Berhad's company performance , among them are liquidity ratios, capital structure ratios, asset management efficiency ratios, profit ratios, and market value All the formulas and functions are applied to attain an specific requirement of the company as the part of the AWC Berhad's financial strategy.

First, we analysis of liquidity ratios that measures the availability of the AWC Berhad's company liquid resources. There are five ratios we analysis which are current ratio, asid test ratio, average collection period, accounts receivable turnover, and inventory turnover. Secondly, we analyse capital structure ratios. In these analysis we analyse two types of capital structure which is debt ratio and times interest earned. Thirdly, we also analyze the asset management efficiency ratios of AWC Berhad. We use two formula in while analysing this ratios which is total asset turnover and fixed asset turnover. In addition, we also analyse AWC Berhad company's profitability ratios. In this evaluating, five formulas that have been used which are gross profit margin, operating profit margin, net profit margin, operating return on asset, and return on equity. Lastly, we analyse AWC Berhad market value. We use two formula to evaluate this company market value. As a whole, the results of the study analyzing the financial statements of AWC Berhad we were able to evaluate the company performance. Based on this study has proven that AWC Berhad has a stable financial statement even though in 2020 it has experienced a slight decrease but it increase again in 2022.

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