

MALAKOFF

A Member of  MMC Group

ANALYST BRIEFING *2Q FY2020 Results Announcement*

19 August 2020



CONFIDENTIAL

energy & utilities

Table of Content

2Q 2020 Performance Highlights	3
2Q 2020 Financial Results	5
Review of Operations	17
Corporate Updates	22



2Q 2020 PERFORMANCE HIGHLIGHTS

Key Highlights of 2Q 2020 Financial Results



RM m

	2Q 2020 vs 2Q 2019			1H 2020 vs 1H 2019		
	2Q 2020	2Q 2019*	YoY Change	1H 2020	1H 2019*	YoY Change
Revenue	1,506.2	1,814.8	▼ 17.0%	3,280.1	3,822.1	▼ 14.2%
Results from Operating Activities	254.4	289.2	▼ 12.0%	495.1	579.8	▼ 14.6%
PBT	162.5	122.8	▲ 32.3%	302.7	254.3	▲ 19.0%
PATMI	105.0	52.3	▲ >100%	194.1	119.3	▲ 62.7%
EBITDA	604.2	572.7	▲ 5.5%	1,192.8	1,162.5	▲ 2.6%
Basic/Diluted EPS (sen)	2.15	1.07	▲ >100%	3.97	2.44	▲ 62.7%

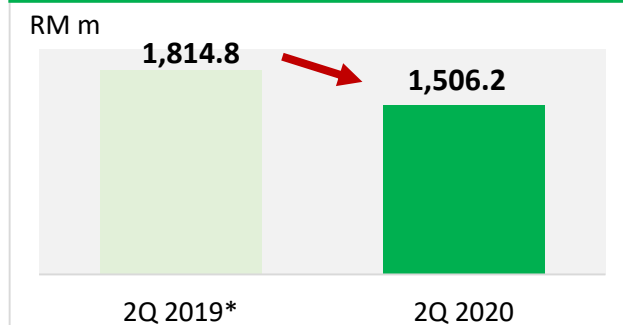
*2Q and 1H 2019 results include Malakoff Australia Pty. Ltd. ("MAPL") group financial results which is presented as discontinued operations in the interim financial results.



2Q 2020 FINANCIAL RESULTS

Revenue, PBT & PATMI (2Q 2020)

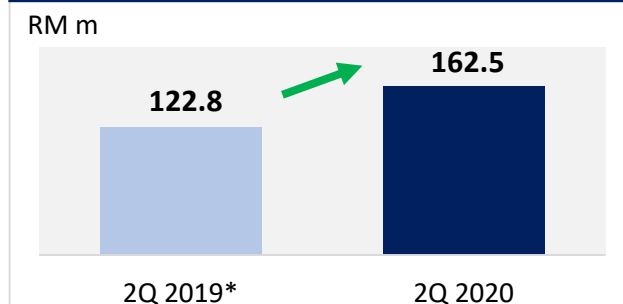
REVENUE



Revenue : ▼ 17.0% YoY

- Primarily due to **lower energy payment from TBP** given the decline in Applicable Coal Price (“ACP”) and lower despatch factor.
- **Lower energy payment from SEV** due to decrease in despatch factor in line with lower demand.
- **Lower daily utilisation payment (“DUP”) at TBP** in line with scheduled reduction in tariff and **absence of revenue contribution from Macarthur**.
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019 as well as **higher energy payment from TBE** given shorter duration of plant outage.

PBT



PBT : ▲ 32.3% YoY

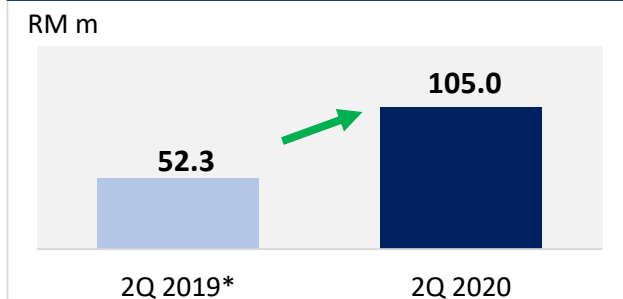
PATMI : ▲ >100% YoY

- **Higher contribution from TBE** following shorter duration of plant outage and settlement agreement with GE.
- **Contribution from AFSB**.
- **Higher contributions from associates/JVs**, mainly from:
 - Shuaibah following the completion of the acquisition of a 12% additional interest in September 2019.
 - Absence of share of losses from KEV following impairment of the carrying amount of investment in December 2019.

These were partially offset by:

- **Lower DUP at TBP** upon scheduled reduction in tariff.
- **Absence of contribution from MAPL** following its disposal in December 2019.

PATMI

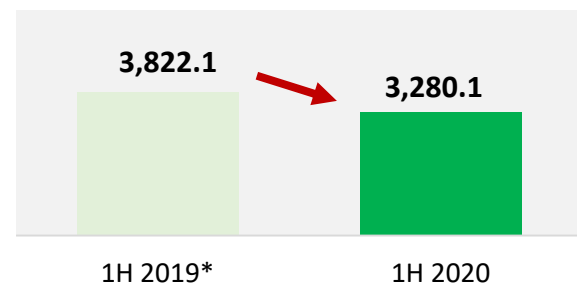


*2Q 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Revenue, PBT & PATMI (1H 2020)

REVENUE

RM m

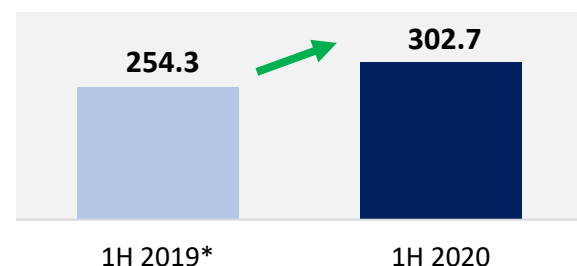


Revenue : ▼ 14.2% YoY

- Primarily due to **lower energy payment from TBP** given the decline in ACP and lower despatch factor.
- **Lower energy payment from SEV** due to decrease in despatch factor in line with lower demand.
- **Lower DUP at TBP** in line with schedule reduction in tariff and **absence of revenue contribution from Macarthur**.
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019.

PBT

RM m



PBT : ▲ 19.0% YoY

PATMI : ▲ 62.7% YoY

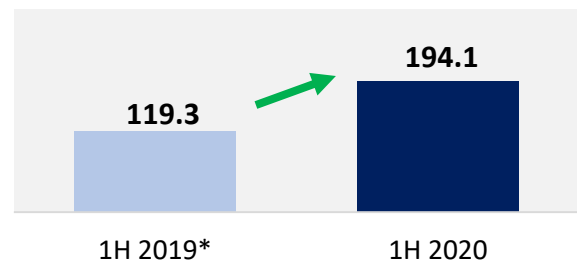
- **Higher contribution from TBE** following shorter duration of plant outage and settlement agreement with GE.
- **Contribution from AFSB.**
- **Higher contributions from associates/JVs**, mainly from:
 - Shuaibah following the completion of the acquisition of a 12% additional interest in September 2019.
 - Absence of share of losses from KEV following impairment of the carrying amount of investment in December 2019.

These were partially offset by:

- **Lower DUP at TBP** upon scheduled reduction in tariff.
- **Absence of contribution from MAPL** following its disposal in December 2019.

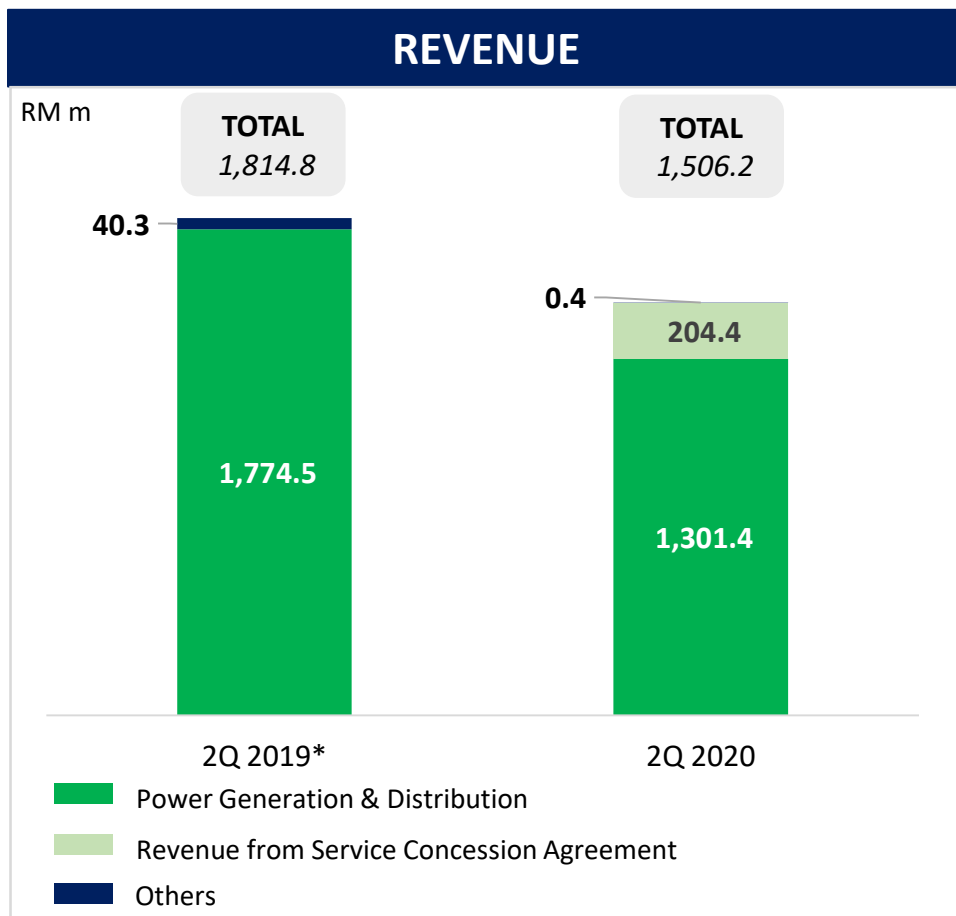
PATMI

RM m



*1H 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

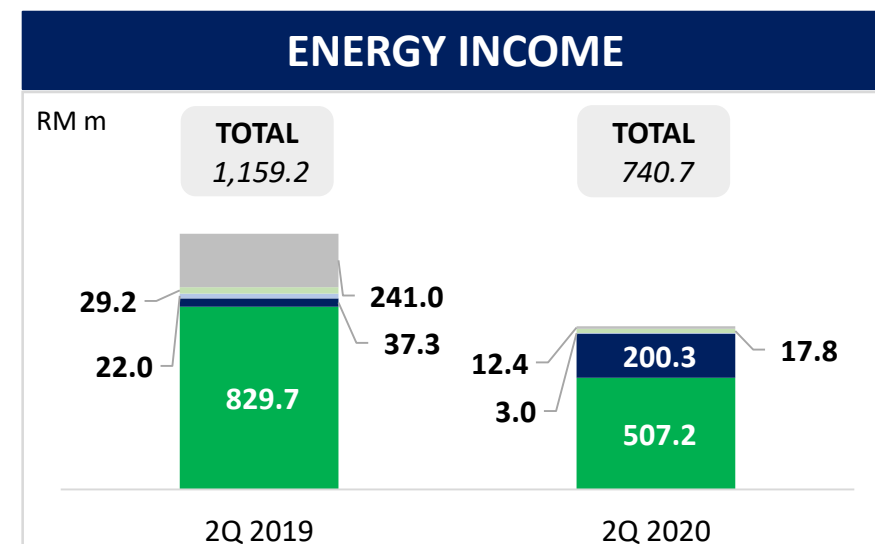
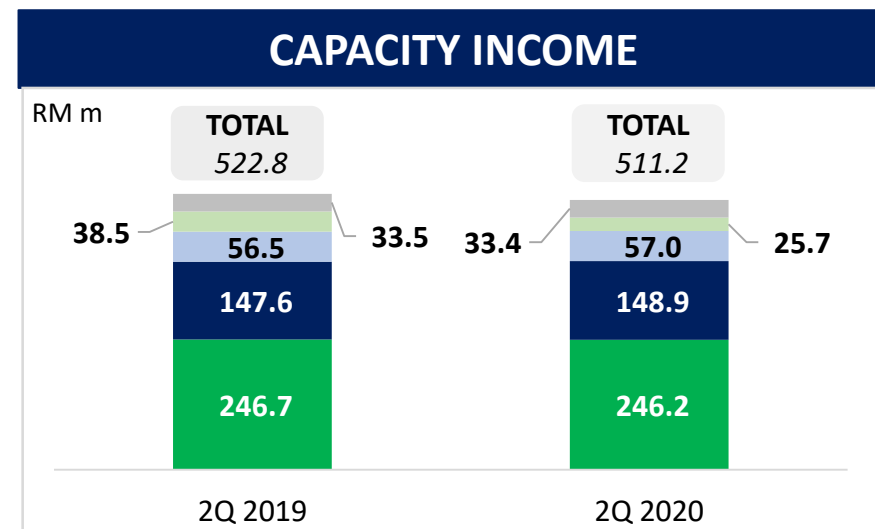
2Q 2020 Revenue Mix



POWER GENERATION & DISTRIBUTION	<i>Capacity income + Energy Income + Daily Utilisation Payment + Malakoff Utilities Sdn. Bhd. ("MUSB")</i>
OTHERS	<i>Finance Lease Income + Rental Income + Project Management Fees + O&M Fees</i>

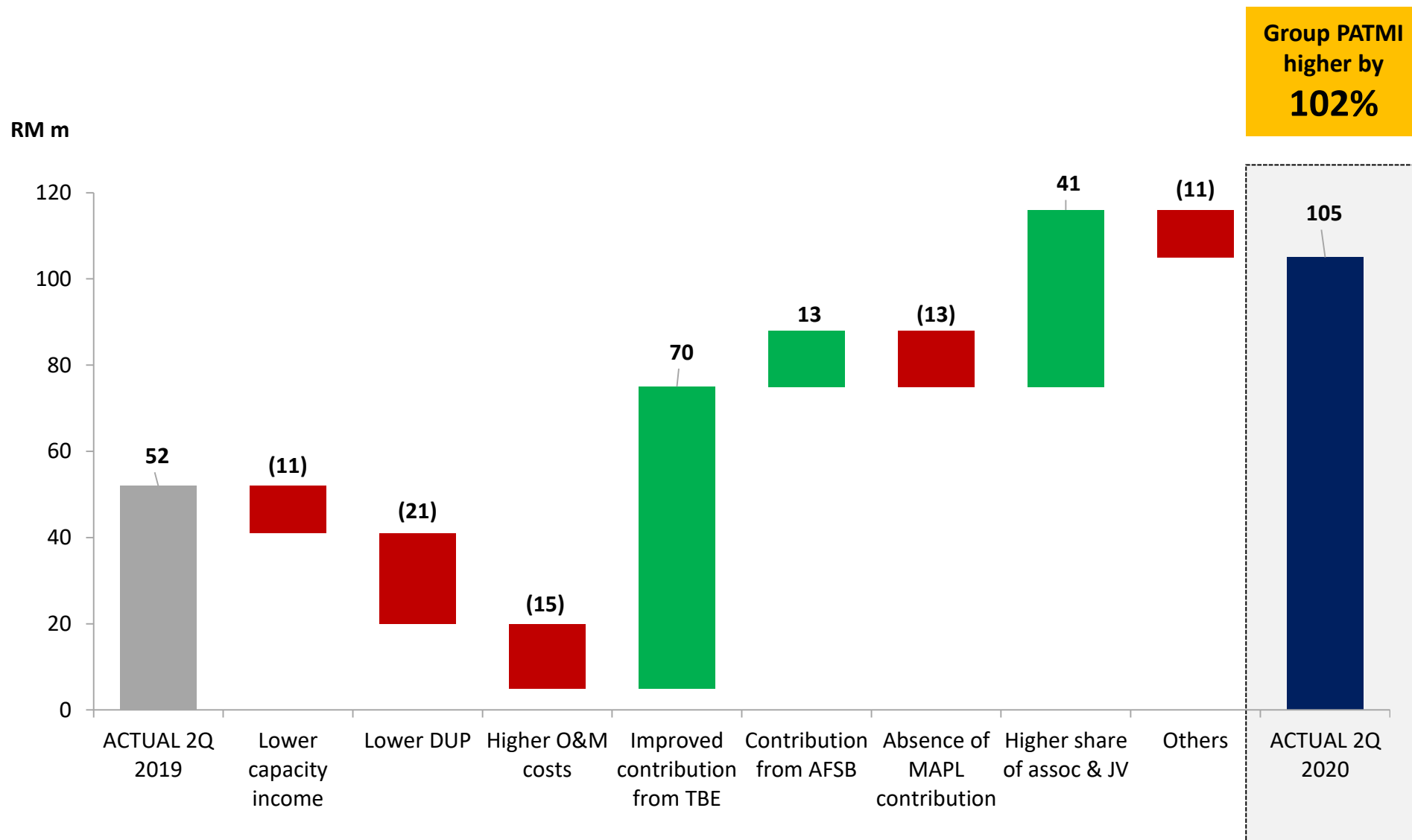
*2Q 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Electricity Generation revenue includes:

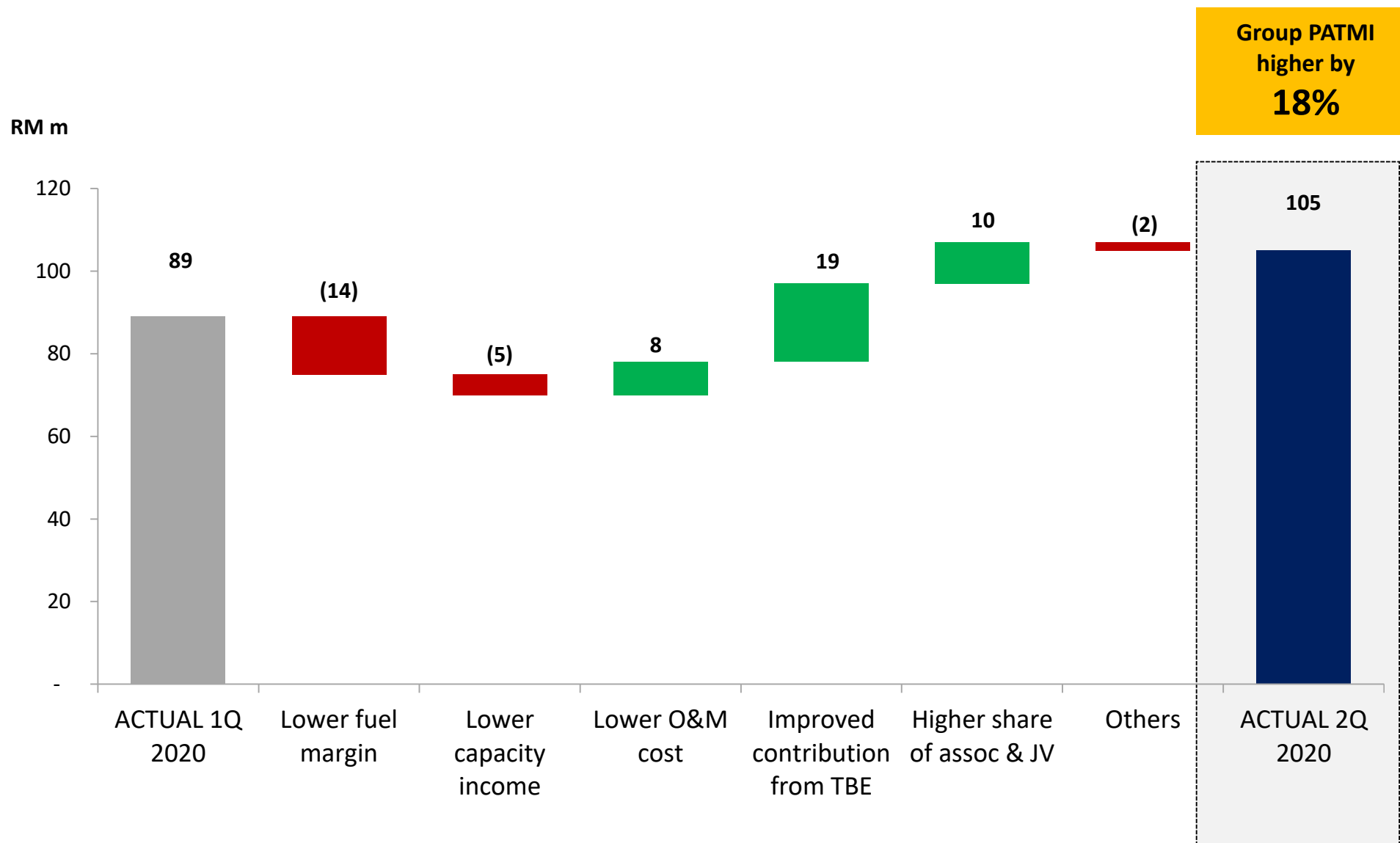


Legend: ■ TBP ■ TBE ■ GB3 ■ PPP ■ SEV ■ PDP

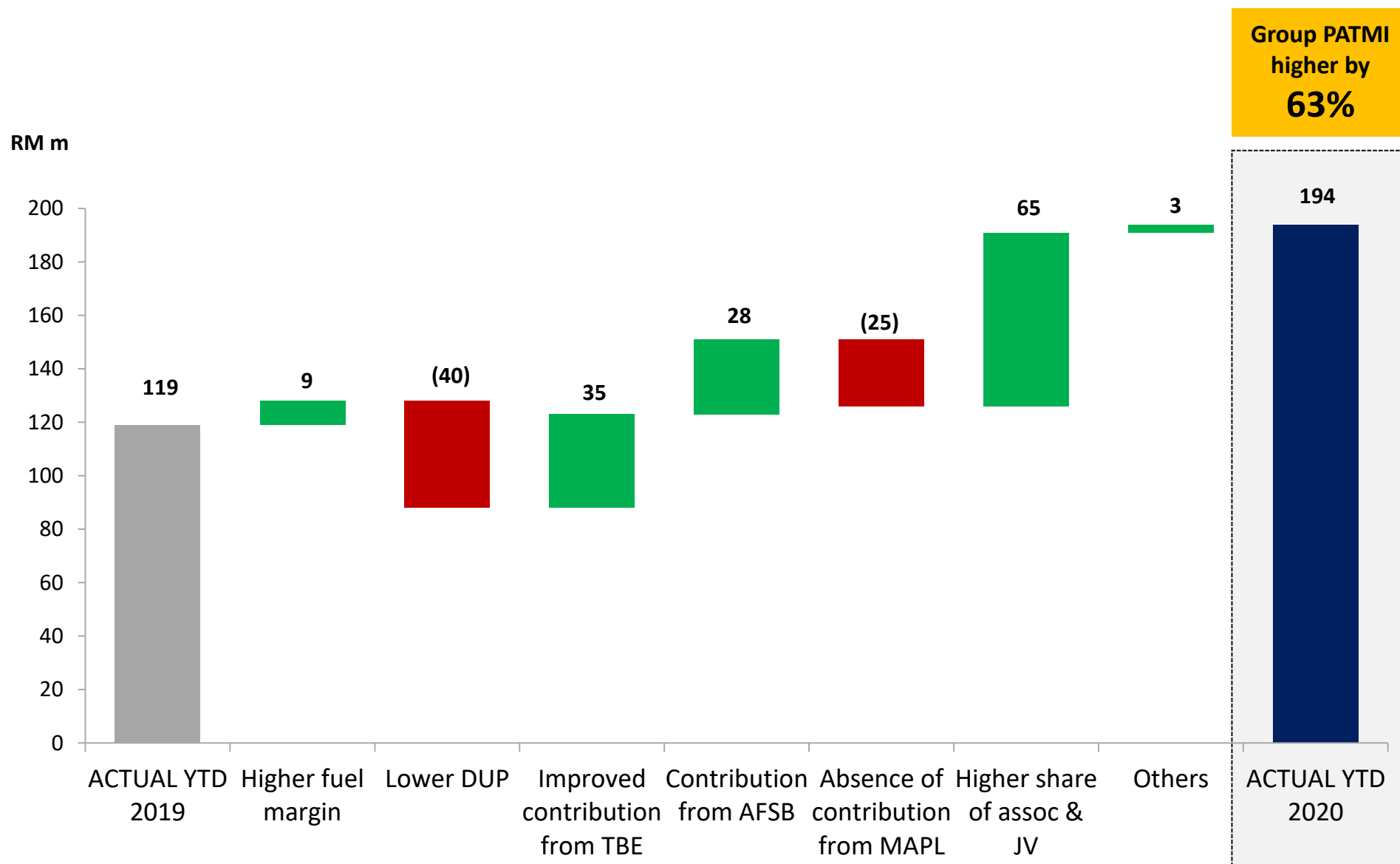
Group PATMI – 2Q 2020 vs 2Q 2019



Group PATMI – 2Q 2020 vs 1Q 2020



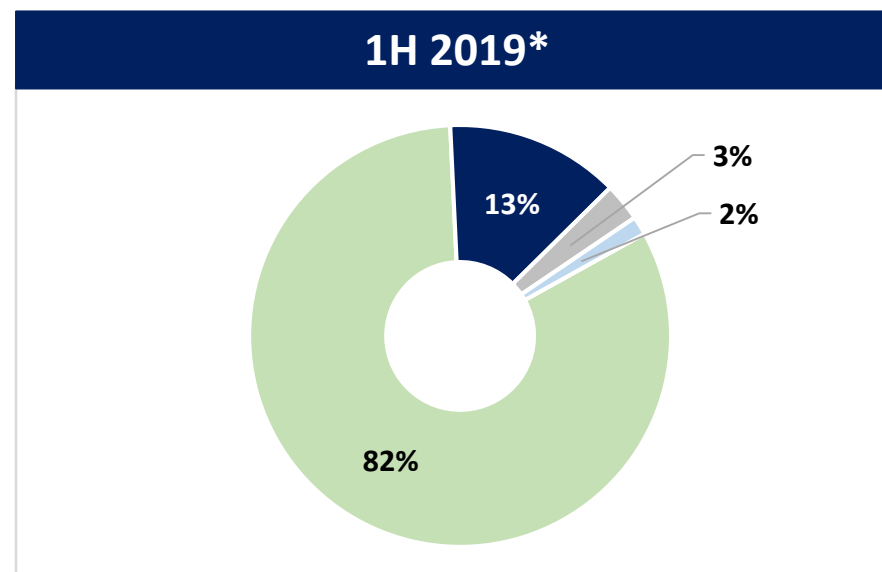
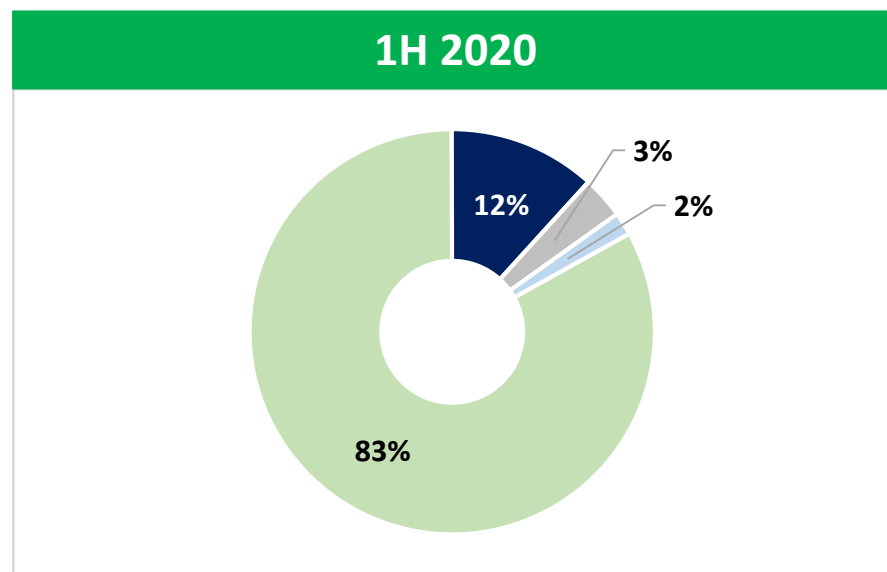
Group PATMI – 1H 2020 vs 1H 2019



Share of Profit from Associates/JVs

RM m	2Q 2020	2Q 2019	% Change (Remarks)	1H 2020	1H 2019	% Change (Remarks)
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	-	(19.8)	Absence of share of losses following impairment of the carrying value of investment in December 2019.	-	(26.8)	Absence of share of losses following impairment of the carrying value of investment in December 2019.
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.8	1.2	+50%	3.2	2.4	+33%
Shuaibah Water & Electricity Company (SWEC) (Saudi Arabia) Shuaibah Expansion Project Company Limited (SEPCO) (Saudi Arabia) <i>(Previous: MCB effective equity 12% & 11.9% respectively)</i> <i>(Current: MCB effective equity 24% & 23.8% respectively)</i>	25.0	9.3	+ >100% Higher contribution subsequent to the completion of 12% additional interest in September 2019.	49.8	19.7	+ >100% Higher contribution subsequent to the completion of 12% additional interest in September 2019.
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	21.7	17.6	+23% Higher contribution due to lower plant outage.	35.6	28.7	+24% Higher contribution due to lower plant outage.
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	2.0	1.4	+43%	2.8	2.2	+27%
TOTAL	50.5	9.7	>100%	91.4	26.2	>100%

Breakdown of Costs (1H 2020)



■ Cost of Sales
 ■ Finance Costs
 ■ Administrative Expenses
 ■ Other Operating Expenses

Cost of Sales Breakdown (RM m)

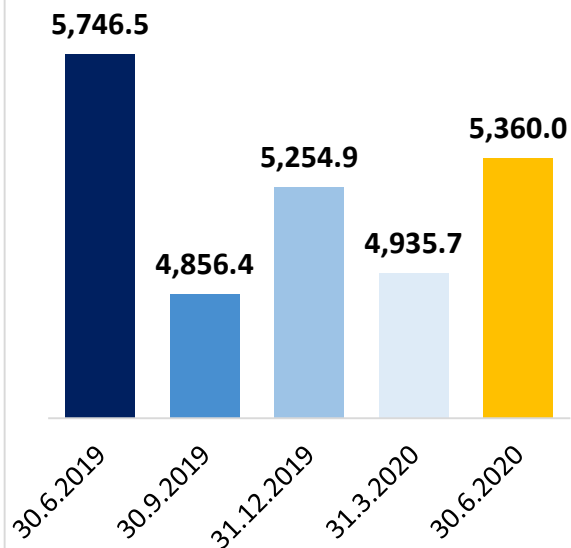
	1H 2020	1H 2019*
Fuel	1,578.3	2,302.7
Depreciation and Amortisation of Inspection Costs	422.5	409.9
Amortisation of Intangible Assets	160.4	138.6
Operations and Maintenance Costs	121.3	151.0
Costs from Service Concession Agreements	328.3	-
Others	63.2	114.0
TOTAL	2,674.0	3,116.2

*1H 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Cash & Gearing as at 30 June 2020

TOTAL CASH & BANK BALANCES

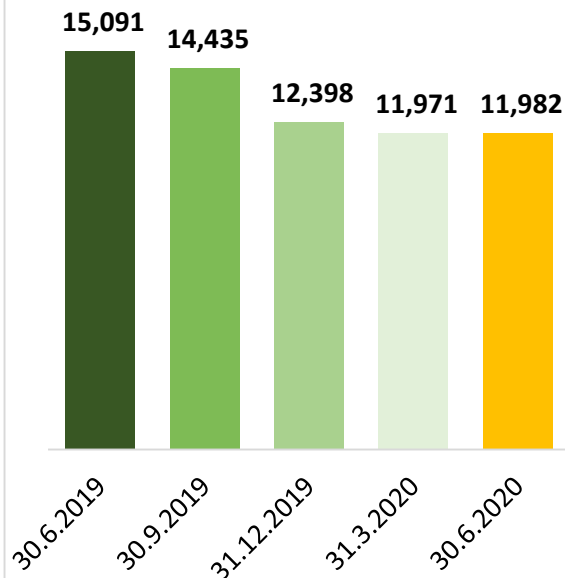
RM m



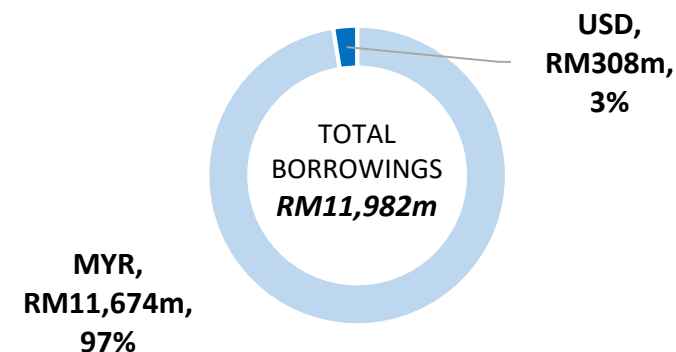
TOTAL BORROWINGS & GEARING RATIO

RM m

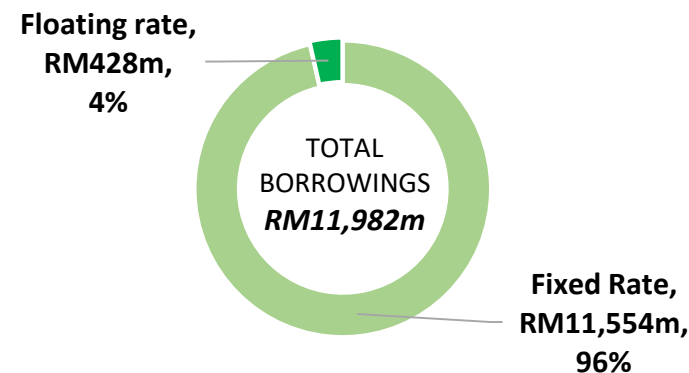
2.3x Gross	2.2x Gross	1.9x Gross	1.8x Gross	1.8x Gross
1.4x Net	1.4x Net	1.1x Net	1.1x Net	1.0x Net



DEBT PROFILE BY CURRENCY



DEBT PROFILE BY FIXED / FLOATING RATE

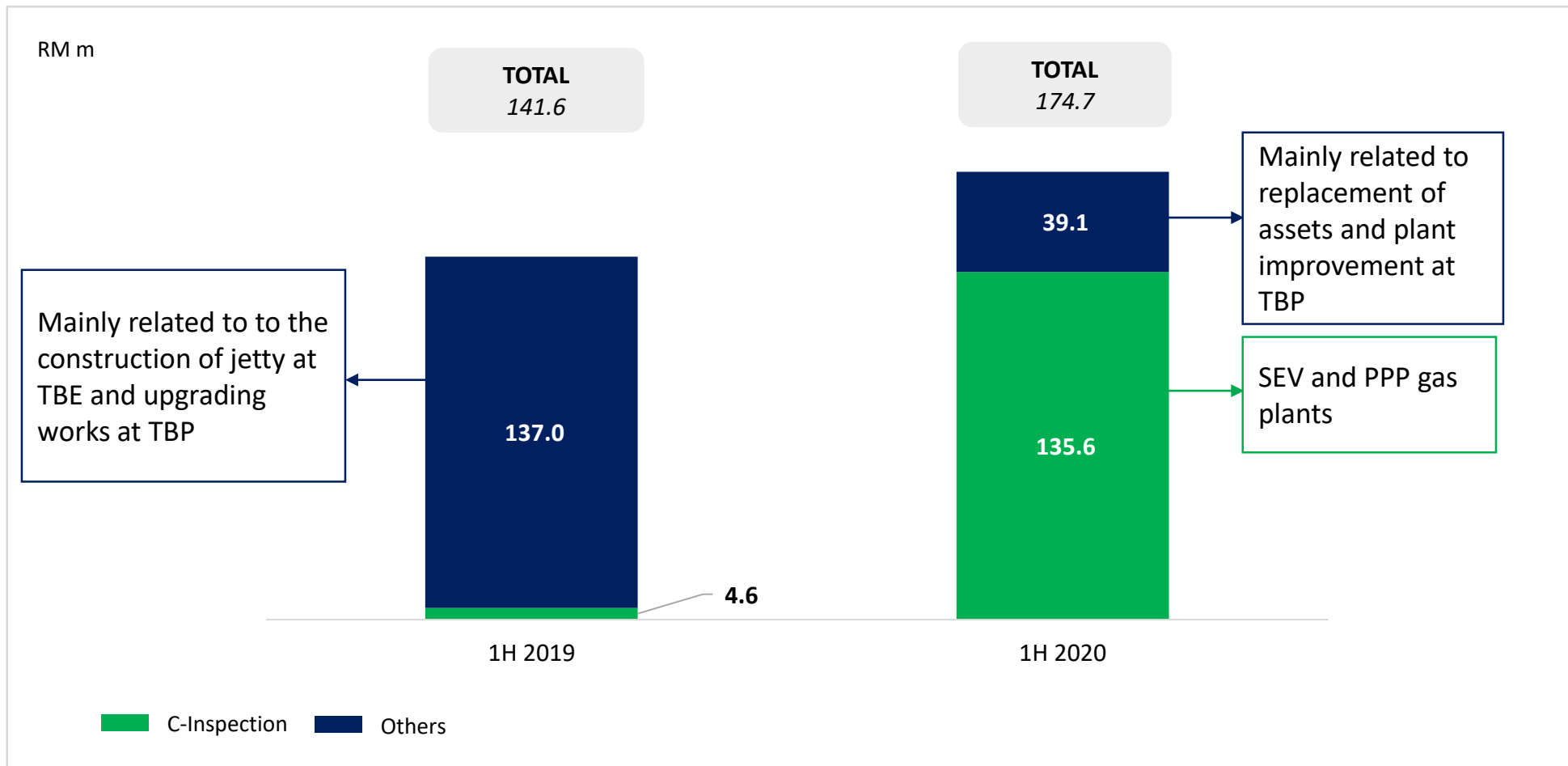


*includes Cash categorised as Other Investments

The Group continues to embark on stringent capital management, maintaining gearing at a healthy level and sustaining a cash balance of ~RM5 billion.

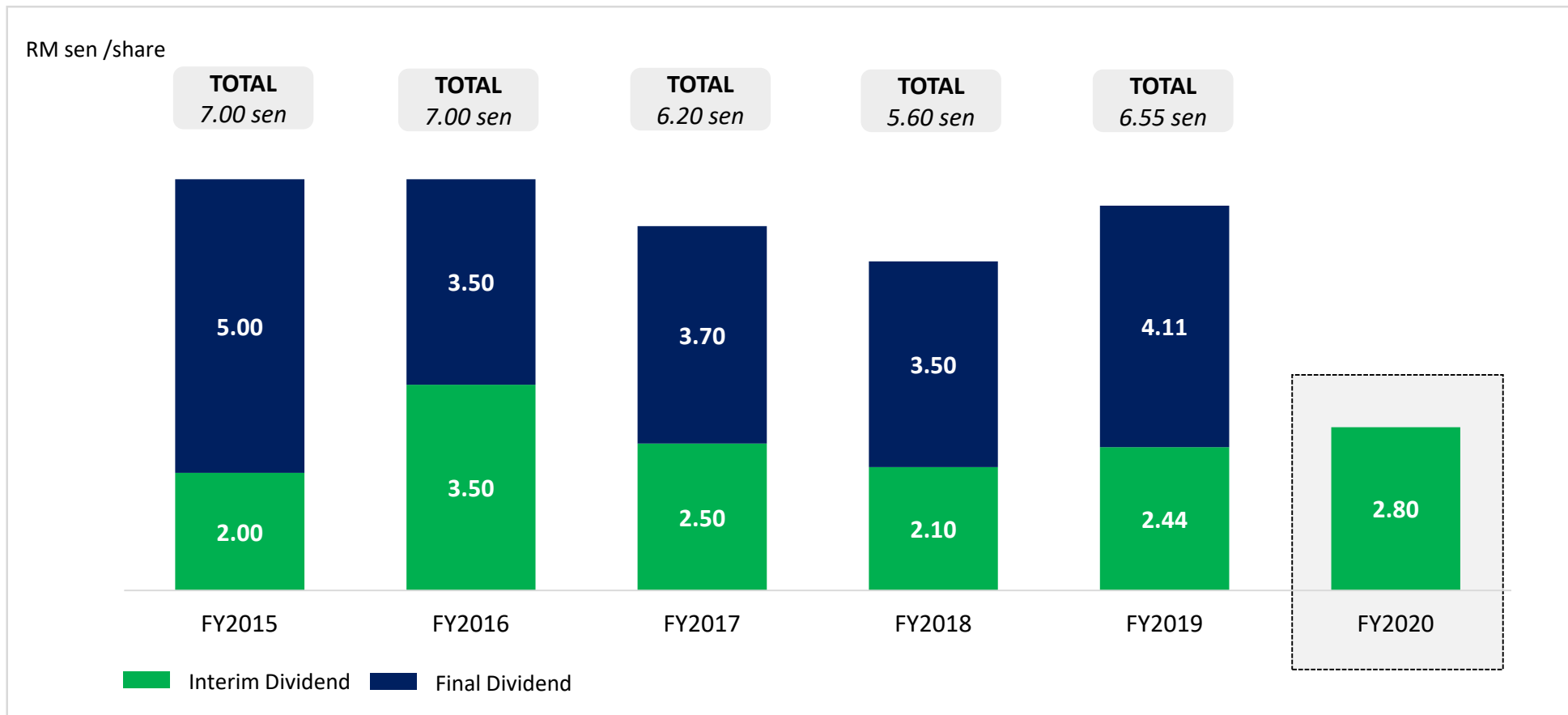
Capital Expenditure as at 30 June 2020

CAPEX (as at 30 June 2020)



Interim Dividend of 2.80 sen per Share for FY2020

INTERIM AND FINAL DIVIDEND (FY2015 – FY2020)



Malakoff is committed towards maintaining its dividend policy of distributing not less than 70% of its consolidated PATMI.



REVIEW OF OPERATIONS

Performance Review of Local Assets – 2Q 2020



COAL-FIRED POWER PLANTS

- TBP continues to demonstrate higher stability and reliability after completion of the improvement work done in previous years. Small decline in plant Equivalent Availability Factor (“EAF”) from 99% in 1Q 2020 to 94% in 2Q 2020 due to maintenance outage.
- TBE has observed a slight rise in EAF from 92% in 1Q 2020 to 94% in 2Q 2020 due to lower unplanned outage.

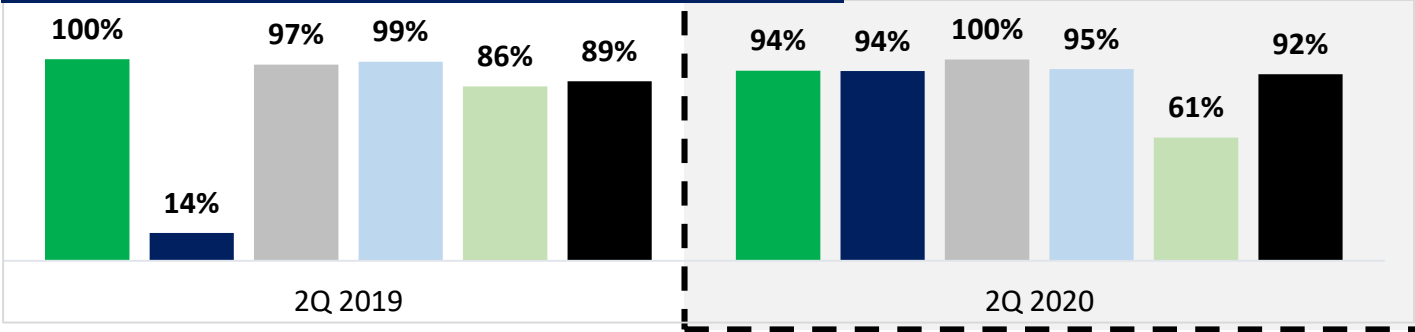


GAS-FIRED POWER PLANTS

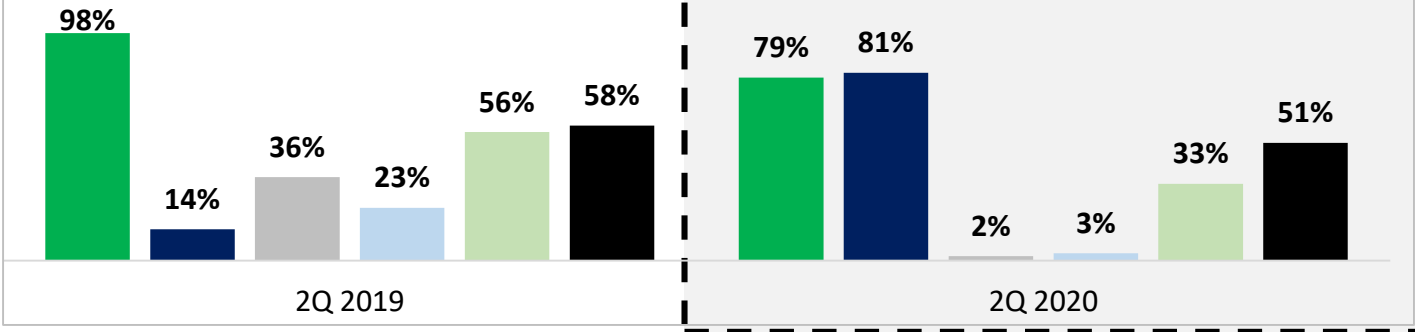
- Gas fired power plants recorded a generally high EAF during the quarter under review, except for PPSB due to extension of outage.
- Significant drop in energy demand from SEV and GB3 resulted from the Movement Control Order (“MCO”) period from 18 March 2020. Following the reopening of several industrial and public sectors in June 2020, the energy demand from the off-taker for both plants has seen some increase.

2Q 2020 Plant Performance (Local Assets)

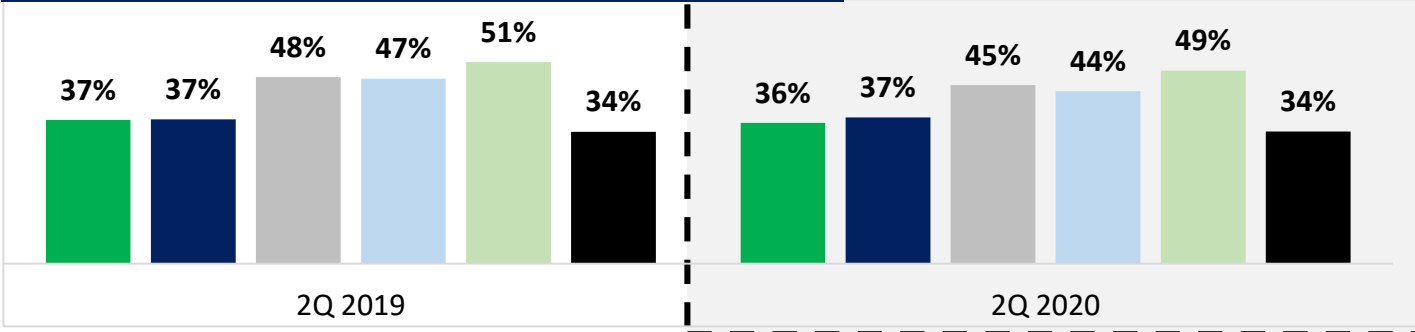
Equivalent Availability Factor



Capacity Factor



Thermal Efficiency



■ TBP
 ■ TBE
 ■ GB3
 ■ PPP
 ■ SEV
 ■ KEV

2Q 2020 vs 2Q 2019

- TBP**
- Lower EAF recorded due to Unit 30 maintenance outage.
- TBE**
- Higher EAF recorded due to low planned and unplanned outage.
- SEV**
- Higher EAF recorded due to low unplanned outage.
- GB3**
- Slight decline in EAF due to minor unplanned outage events.
- PPP**
- Lower EAF recorded due to major inspection outage extension.
- KEV**
- High EAF due to low planned and unplanned outage.

EAF: Equivalent Availability Factor
SO: Scheduled Outage
FO: Forced Outage

2Q 2020 - Electricity Generated and Sold

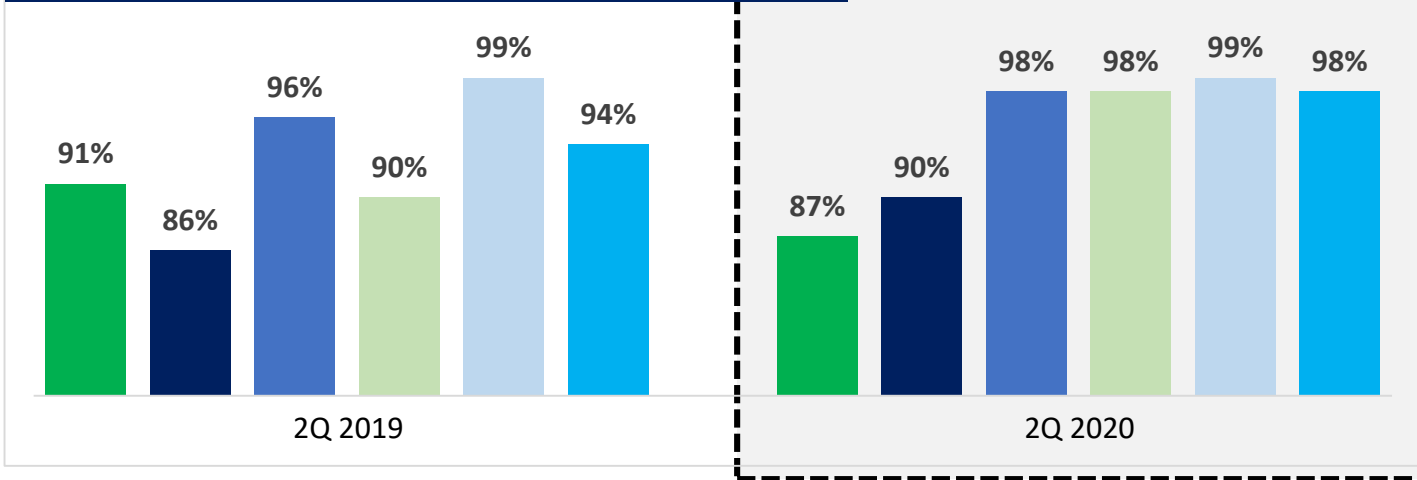


PLANT

	2Q 2020		2Q 2019	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBP)	3,816.16	3,622.45	4,784.13	4,510.53
Tanjung Bin Power (TBE)	1,871.31	1,774.29	305.17	291.71
Segari Energy Ventures (SEV)	57.17	54.39	1,034.62	1,024.60
GB3	44.63	43.11	328.79	320.16
Prai Power Plant (PPP)	258.57	254.13	427.63	422.52
Total (Excluding KEV)	6,047.84	5,748.37	6,880.34	6,569.52
Kapar Energy Ventures (KEV)	2,454.22	2,285.52	3,090.49	2,894.61
Total (Including KEV)	8,502.06	8,033.89	9,970.83	9,464.13

2Q 2020 - Plant Performance (International Assets)

Equivalent Availability Factor



2Q 2020 vs 2Q 2019

SIWPP

- Slight drop in power availability due to schedule outages, deration and generator repair work.

SIWEP

- Sustainable performance throughout 2019 and 2020.

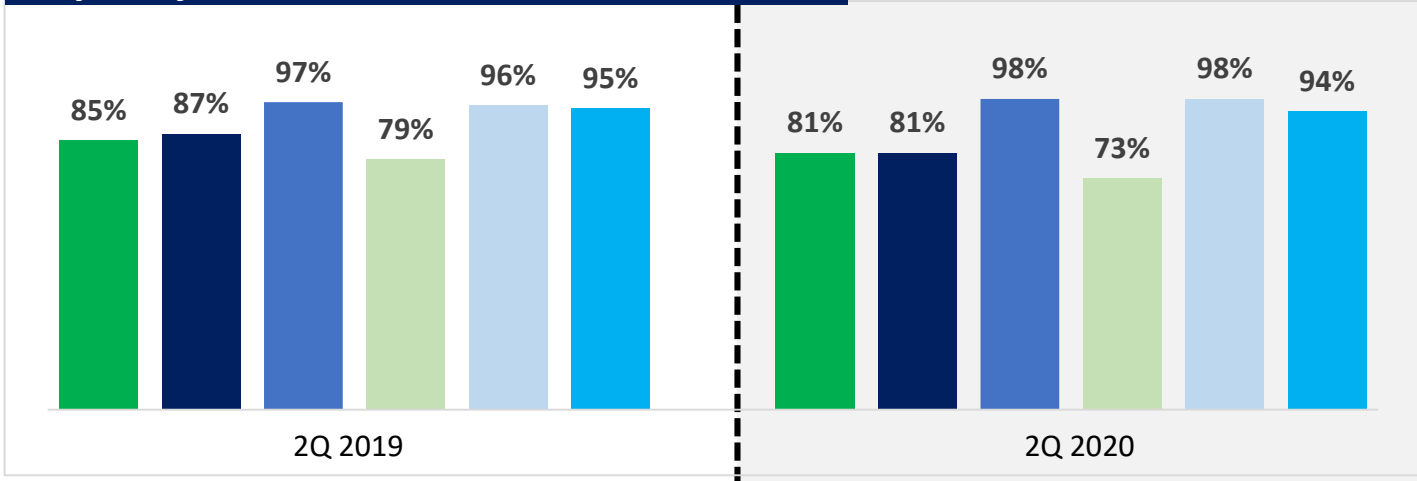
AL HIDD

- Sustainable performance throughout 2019 and 2020.

AL GHUBRAH

- Sustainable performance throughout 2019 and 2020.

Capacity Factor



- SIWPP – Power (S.Arabia)
- SIWPP – Water (S.Arabia)
- SIWEP – Water (S.Arabia)

- AL-HIDD – Power (Bahrain)
- AL-HIDD – Water (Bahrain)
- AL GHUBRAH – Water (Oman)



CORPORATE UPDATES

2Q 2020 Update – Corporate Development



Johor Port Rooftop Solar

Description	Johor Port Berhad
Location	Johor
Total Capacity	2.6MWp

- Solar Power Purchase Agreement (SPPA) was signed with Johor Port on 10 June 2020 to develop a rooftop solar project.
- Finalization of Engineering Procurement Construction Commissioning (“EPCC”) Contract with Solarvest Energy Sdn. Bhd.
- Kick-off meeting with Johor Port on the development of the project – **early August 2020.**
- Project development activities such as license/permits approval and site audit are ongoing.
- **Target COD – February 2021.**

2Q 2020 Update – Corporate Development



55MW Small Hydro Power Project

SPVs	Capacity	Tariff (RM/kwh)
Batu Bor Hidro Sdn. Bhd.	30MW	RM0.29
Lubuk Paku Hidro Sdn. Bhd.	25MW	RM0.29

- **Project development activities** such as finalizing EPCC contract, land matters, financing, EIA study, obtaining development order and Water Rights Agreement (“WRA”) are ongoing.
- **Submitted REPPAs** between Batu Bor and TNB, and between Lubuk Paku and TNB **to SEDA for registration** as part of the condition precedent for REPPA effectiveness.
- Increased share capital to RM1m each for both SPVs.
- Obtained approval in principal from TNB on the proposed Interconnection Facility site.
- Effective date of REPPAs: **19 June 2020**.
- Expected to meet **financial close** in **November 2020**.
- **Target COD – December 2024**.

2Q 2020 Update – Corporate Development



LSS4

Description	4 th Cycle of Large-Scale Solar
Location	Peninsular Malaysia
Total Capacity	1,000 MW

- The bid is only open to wholly owned local companies with at least 75% local shareholding for companies listed on Bursa Malaysia.
- Preliminary critical preparatory work is ongoing, particularly on securing land, PSS, EPCC quotations, financial model.
- **Deadline for submission: 2 September 2020.**



Waste-to-Energy

Description	Waste-to-Energy (“WTE”) Public Private Partnership Project
Location	Bukit Payong Sanitary Landfill, Johor
Total Capacity	800 tpd





- Department of National Solid Waste Management under the Ministry of Housing and Local Government had launched a Request for Proposal for a WTE Public Private Partnership (“PPP”) Project at Bukit Payong, Batu Pahat, Johor.
- **Deadline for submission: 7 January 2021.**

Alam Flora's Fasiliti Inovasi Kitar Semula (FIKS)

"Come with a Purpose, Leave with a Plan"

- FIKS is the first recycling education centre in Malaysia for the public to learn about the recycling process and waste recovery.
- Launched in July 2020.
- Aims to promote 3R (reduce, re-use and recycle) and to reduce recyclable waste sent to landfills.
- To support government's goal in achieving recycling rate of 30% in 2020.

Objectives

-  To educate the public on total Waste Management process managed by Alam Flora.
-  To promote Alam Flora's services to the public.
-  To create awareness on Material Recovery Facilities ("MRF") and recycling activities.
-  To support *Perbadanan Putrajaya's* mission towards Green City 2025.

Alamflora
Appreciating LIFE

FIKS Facilities

Integrated Recycling Facilities

Buy Back Centre

3R Boutique

Creative Coach

Anaerobic Digester

Reward S@S Bin

Education Centre

Library



Disclaimer

These materials have been prepared by Malakoff Corporation Berhad (“Malakoff” or “MCB” or the “Company”) solely for informational purposes, and are strictly confidential and may not be taken away, reproduced or redistributed and disseminated either verbally or documented to any other person. By attending this presentation, participants agree not to remove this document from the conference room where such documents are provided without express written consent from the Company. Participants agree further not to photograph, copy or otherwise reproduce these materials at any point of time during the presentation or while in your possession. By attending this presentation, you are agreeing to be bound by the foregoing restrictions. Any failure to comply with these restrictions may result in a violation of applicable laws and commencement of legal proceedings against you.

It is not the Company’s intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial position or prospects. The information contained in these materials has not been independently verified and is subject to verification, completion and change without notice. The information contained in these materials is current as of the date hereof and are subject to change without notice, and its accuracy is not guaranteed. The Company is not under any obligation to update or keep current the information contained in these materials subsequent to the date hereof. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors and affiliates or any other person, as to, and no reliance should be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, the information contained in these materials. Neither the Company, its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of these materials or their contents or otherwise arising in connection therewith.

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results. These materials may also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company’s current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company, and the forecast financial performance of the Company is not guaranteed. No reliance should be placed on these forward-looking statements, if any.

Thank You

Investor Relations Contact

Malakoff Corporation Berhad
Level 11, Block 4 Plaza Sentral
Jalan Stesen Sentral 5
50470, Kuala Lumpur

T: +603 2263 3388

F: +603 2263 3377

E: ir@malakoff.com.my

W: www.malakoff.com.my