

# MALAKOFF

A Member of  MMC Group

## ANALYST BRIEFING *4Q FY2020 Results Announcement*

*22 February 2021*



**CONFIDENTIAL**

energy & utilities

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# 4Q FY2020 PERFORMANCE HIGHLIGHTS

# Key Highlights of 4Q FY2020 Financial Results



RM m

## 4Q FY2020 vs 4Q FY2019

## FY2020 vs FY2019

4Q  
FY20204Q  
FY2019\*YoY  
Change

FY2020

FY2019\*

YoY  
Change

Revenue

1,513.7

1,741.1



13.1%

6,276.8

7,422.3



15.4%

Results from Operating  
Activities

186.7

365.7



48.9%

844.4

1,243.4



32.1%

PBT

74.3

137.7



46.0%

444.6

530.9



16.3%

PATMI

41.6

106.4



60.9%

286.6

320.2



10.5%

EBITDA

526.9

626.6



15.9%

2,238.7

2,412.7



7.2%

Basic/Diluted EPS (sen)

0.85

2.18



61.0%

5.86

6.55



10.5%

\*4Q and FY2019 results include Malakoff Australia Pty. Ltd. ("MAPL") group financial results which is presented as discontinued operations in the interim financial results.





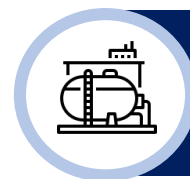
## REVIEW OF OPERATIONS

# Performance Review of Local Assets – 4Q FY2020



## COAL-FIRED POWER PLANTS

- TBP continues to **demonstrate sustainability and reliability** after completion of the improvement work done in previous years.
  - A slight **increase in plant Equivalent Availability Factor (“EAF”)** from 85% in 3Q FY2020 to **90% in 4Q FY2020** due to low planned outage.
- TBE equaled their performance as per last quarter of 3Q FY2020. The plant recorded an **EAF of 88%** in 4Q FY2020.

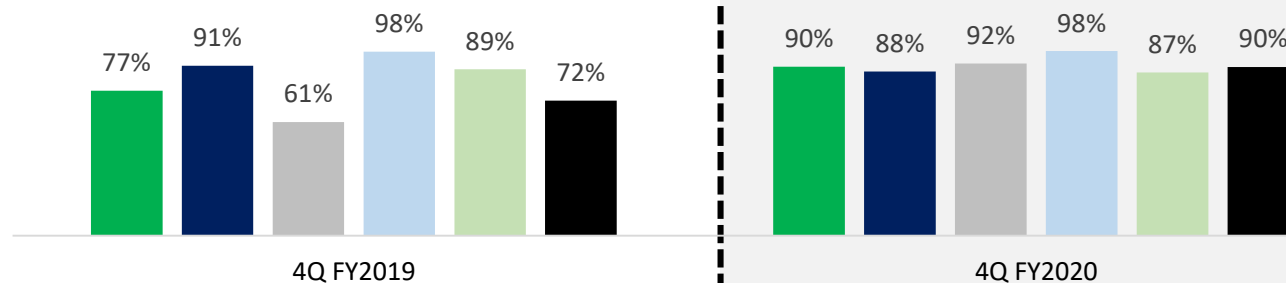


## GAS-FIRED POWER PLANTS

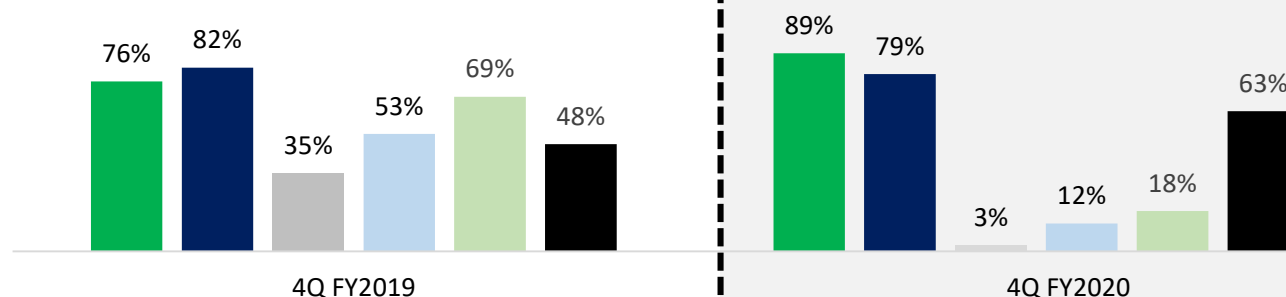
- Gas fired power plants recorded a **generally high EAF** during the quarter under review, **except for PPP due to unplanned outage.**
- Following the **reopening of several industrial and public sectors in June 2020** due to the Movement Control Order (“MCO”), the **energy demand from the off-taker for the gas fired plants has seen some increase**, however, it is still below the expected target.

# 4Q FY2020 Plant Performance (Local Assets)

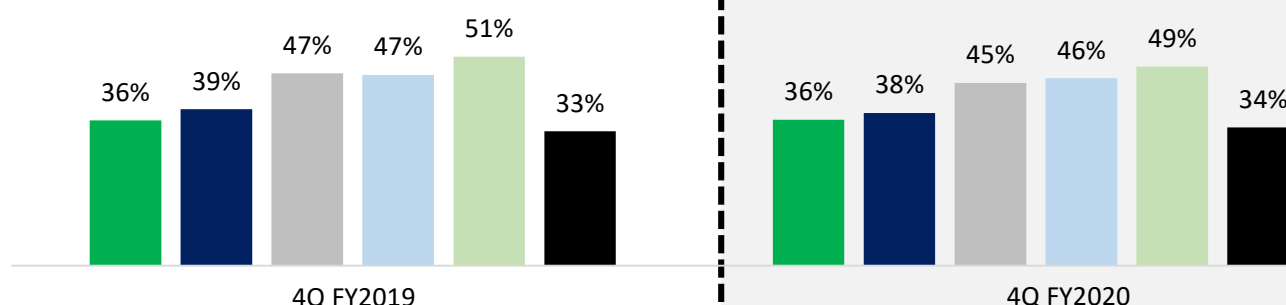
## EQUIVALENT AVAILABILITY FACTOR



## CAPACITY FACTOR



## THERMAL EFFICIENCY



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

### 4Q FY2020 vs 4Q FY2019

#### TBP

- Higher EAF recorded due to low unplanned outage.

#### TBE

- Lower EAF recorded due to planned maintenance and unplanned outage in December 2020.

#### SEV

- Higher EAF recorded due to low planned outage.

#### GB3

- High EAF level maintained.

#### PPP

- Slightly lower EAF recorded due to minor unplanned outage.

#### KEV

- High EAF due to low planned and unplanned outage.

EAF: Equivalent Availability Factor

SO: Scheduled Outage

FO: Forced Outage

# 4Q FY2020 - Electricity Generated and Sold



## PLANT

	4Q FY2020		4Q FY2019	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Power (TBP)	4,334.34	4,113.38	3,688.94	3,514.92
Tanjung Bin Energy (TBE)	1,844.23	1,750.84	1,903.54	1,816.59
Segari Energy Ventures (SEV)	83.89	79.36	1,014.09	1,004.03
GB3	183.08	177.54	757.20	741.10
Prai Power Plant (PPP)	142.28	139.69	539.57	530.14
<b>Total (Excluding KEV)</b>	<b>6,587.82</b>	<b>6,260.81</b>	<b>7,903.34</b>	<b>7,606.78</b>
Kapar Energy Ventures (KEV)	3,042.84	2,845.60	2,586.15	2,409.94
<b>Total (Including KEV)</b>	<b>9,630.66</b>	<b>9,106.41</b>	<b>10,489.549</b>	<b>10,016.72</b>



# FY2020 - Electricity Generated and Sold

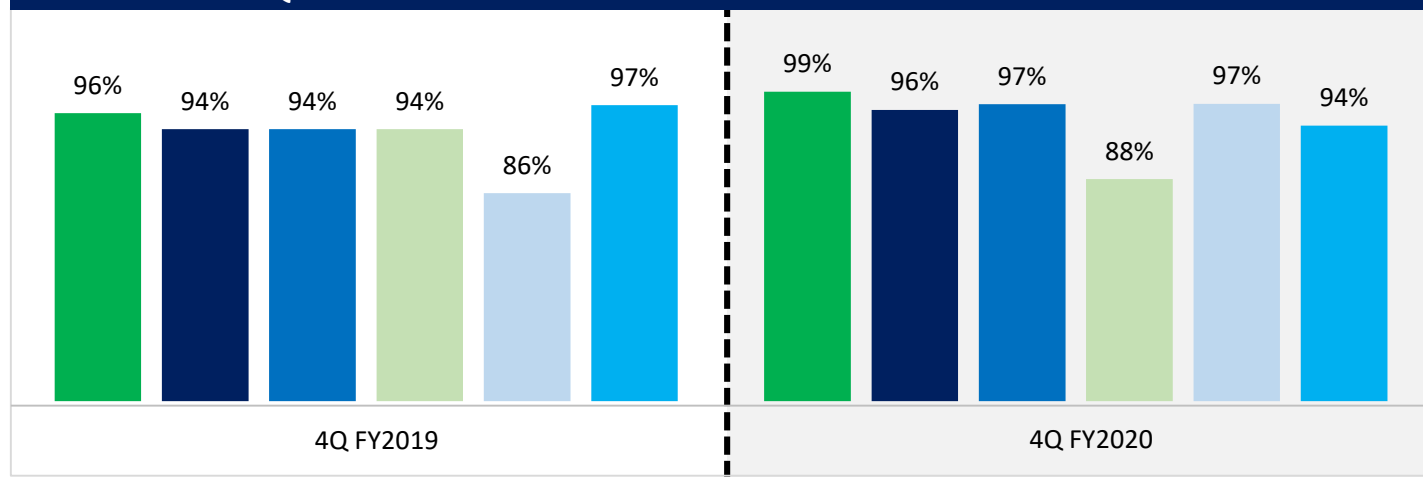


## PLANT

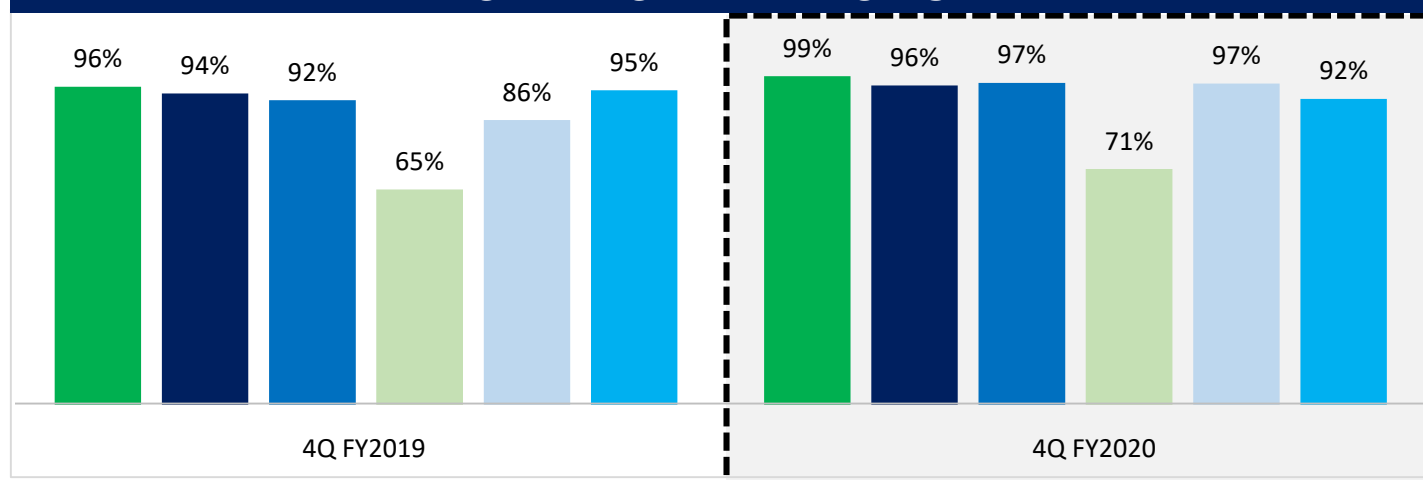
	FY2020		FY2019	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Power (TBP)	16,767.45	15,930.94	15,593.32	14,808.42
Tanjung Bin Energy (TBE)	7,459.69	7,074.41	6,243.87	5,955.89
Segari Energy Ventures (SEV)	904.97	878.64	4,190.78	4,151.43
GB3	558.79	541.57	1,845.57	1,807.80
Prai Power Plant (PPP)	613.90	603.18	1,934.18	1,900.96
<b>Total (Excluding KEV)</b>	<b>26,304.80</b>	<b>25,028.74</b>	<b>29,807.72</b>	<b>28,624.50</b>
Kapar Energy Ventures (KEV)	10,899.62	10,187.12	9,675.83	9,028.00
<b>Total (Including KEV)</b>	<b>37,204.42</b>	<b>35,215.86</b>	<b>39,483.55</b>	<b>37,652.50</b>

# 4Q FY2020 - Plant Performance (International Assets)

## EQUIVALENT AVAILABILITY FACTOR



## 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)

### 4Q FY2020 vs 4Q FY2019

#### SIWPP

- Better performance in 4Q FY2020 as compared to 4Q FY2019 with no major outages.

#### SIWEP

- Sustainable performance throughout 4Q FY2019 and 4Q FY2020.

#### AL HIDD

- Lower availability in power due to gas turbine C-inspection and short notice outages whilst water recorded higher availability with the postponement of Phase 3 annual outage.

#### AL GHUBRAH

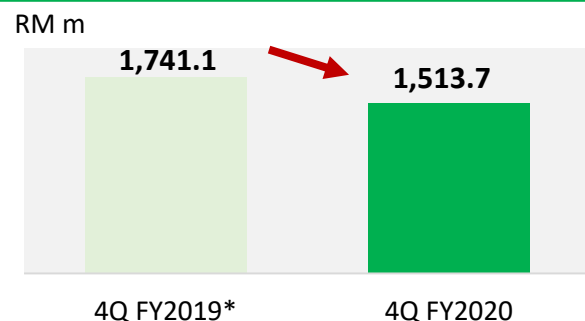
- Lower availability in 4Q FY2020 due to seawater intake pipe cleaning and outage overrun.



## 4Q FY2020 FINANCIAL RESULTS

# Revenue, PBT & PATMI (4Q FY2020)

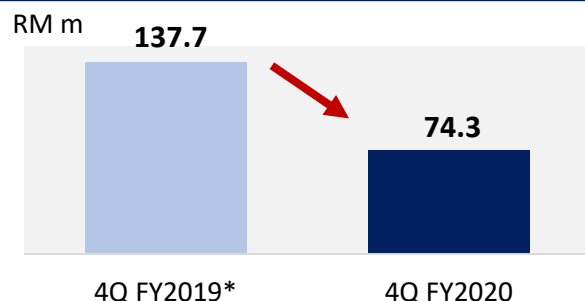
## REVENUE



Revenue : ▼ 13.1% YoY

- Primarily attributable to **lower energy payment from SEV** due to **decrease in despatch factor** in line with lower demand
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019

## PBT



PBT : ▼ 46.0% YoY

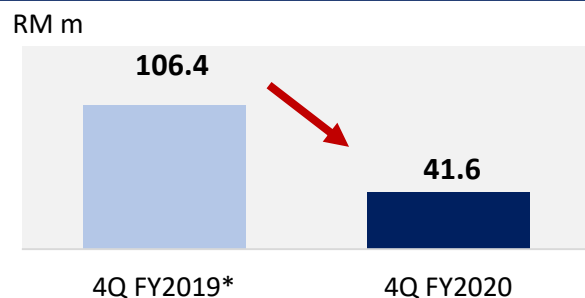
PATMI : ▼ 60.9% YoY

- Absence of a one-off gain** from the **disposal of the Group's investment in MAPL** in December 2019

These were moderated by:

- Absence of net impairment loss on carrying value of investment in 40% owned KEV** in December 2019
- Higher contributions from associates/JVs**, mainly from:
  - Absence of share of losses from KEV** following impairment of the carrying amount of investment in December 2019
- Contribution from AFSB**

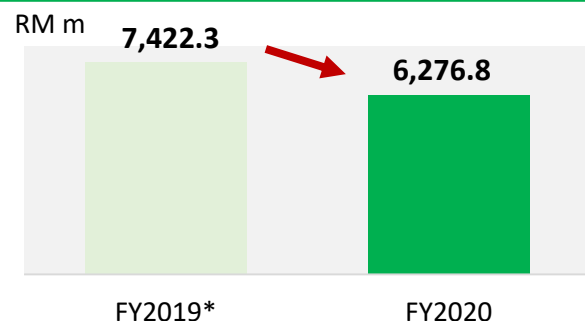
## PATMI



\*4Q FY2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

# Revenue, PBT & PATMI (FY2020)

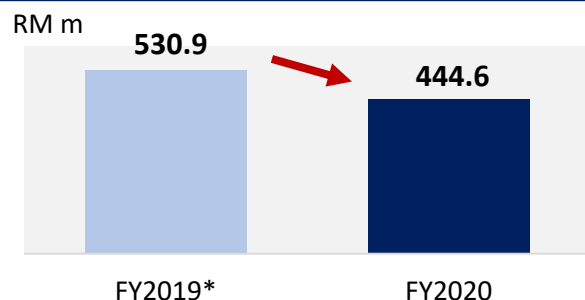
## REVENUE



Revenue : ▼ 15.4% YoY

- Primarily attributable to **lower energy payment from SEV** due to **decrease in despatch factor** in line with lower demand
- **Lower energy payment from TBP** given the **decline in ACP**
- **Deconsolidation of MAPL's revenue upon disposal in December 2019**
- **Lower DUP at TBP** in line with scheduled reduction in tariff
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019

## PBT



PBT : ▼ 16.3% YoY

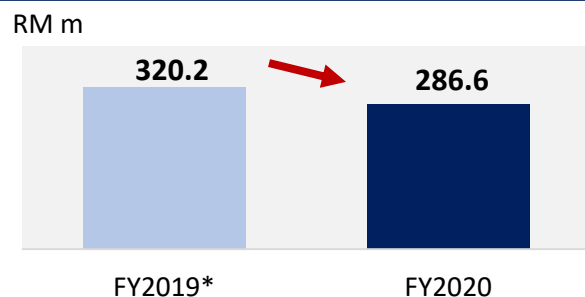
PATMI : ▼ 10.5% YoY

- **Absence of a one-off gain** from the **disposal of the Group's investment in MAPL** in December 2019 and **deconsolidation of MAPL's contribution upon disposal**
- **Absence of gain on remeasurement of existing investment in Shuaibah** following completion of the acquisition in September 2019
- **Lower DUP at TBP** upon scheduled reduction in tariff

These were moderated by:

- **Absence of net impairment loss on carrying value of investment in KEV in December 2019**
- **Higher contributions from associates/JVs**, mainly from:
  - Absence of share of losses from KEV following impairment of the carrying amount of investment in December 2019
  - Shuaibah following the completion of the acquisition of a 12% additional interest in September 2019
- **TBE settlement agreement with GE**
- **Contribution from AFSB**

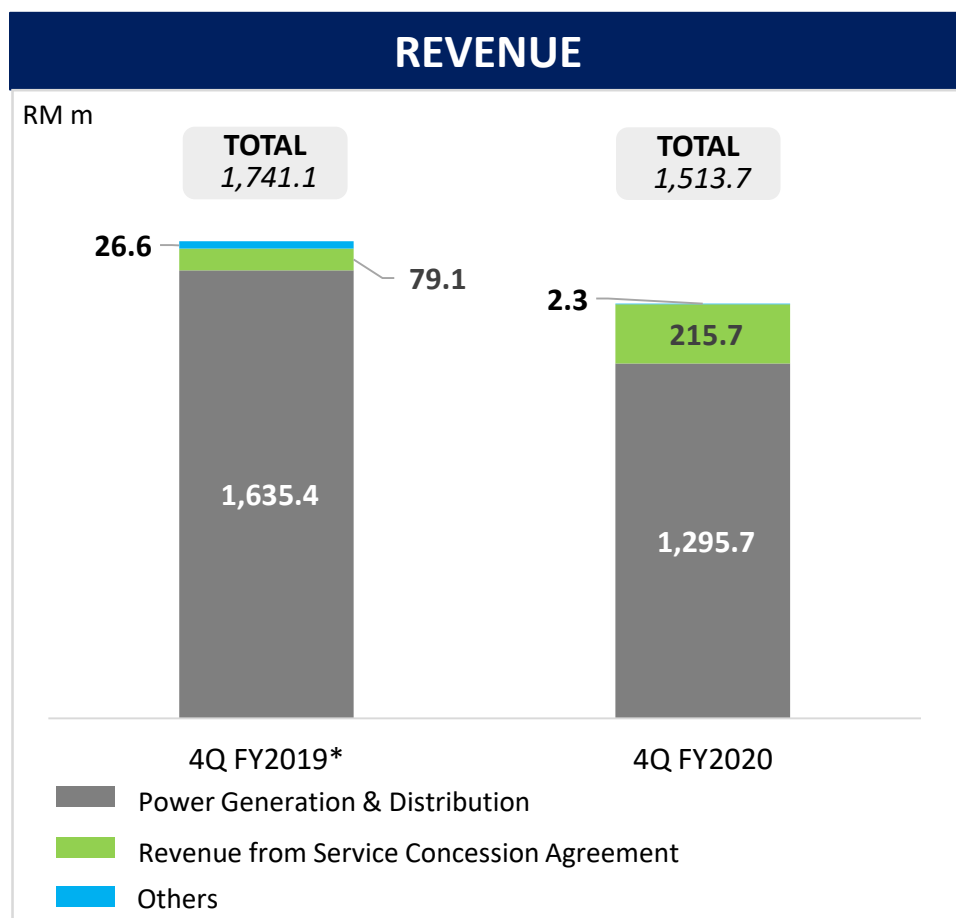
## PATMI



\*FY019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.



# 4Q FY2020 Revenue Mix


**POWER GENERATION & DISTRIBUTION**

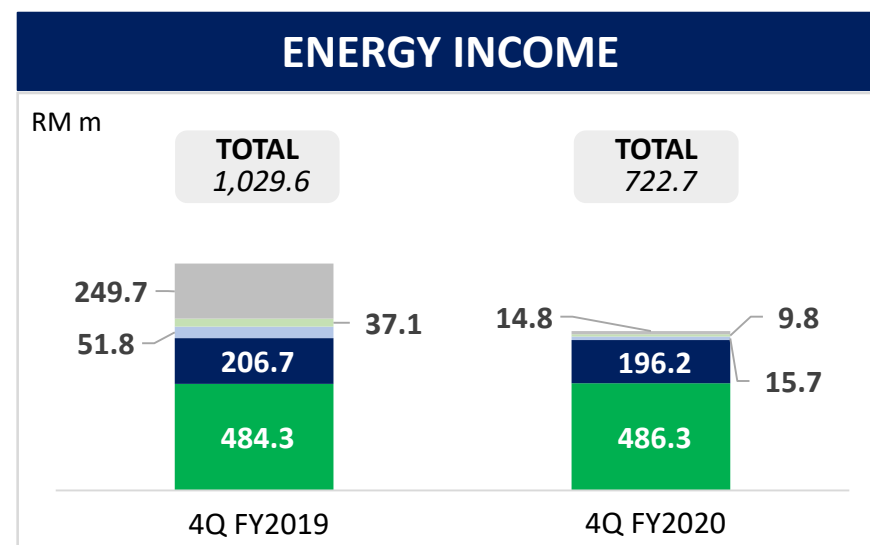
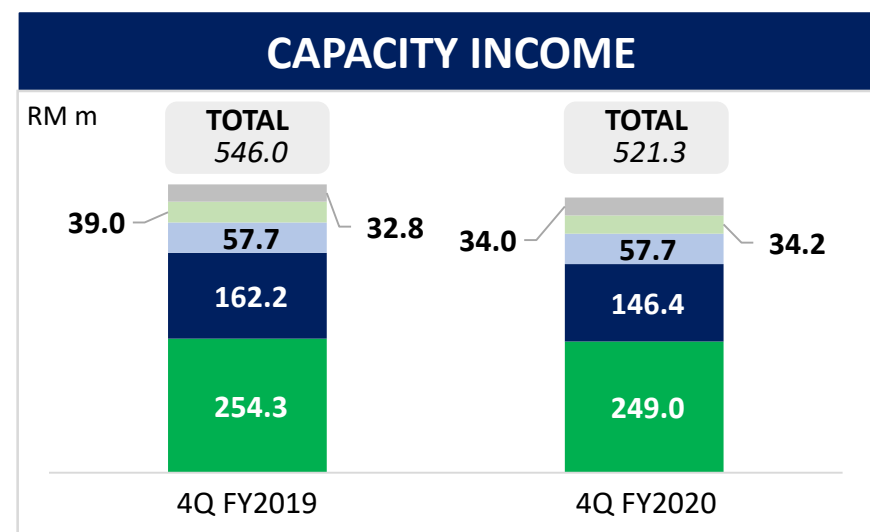
Capacity income + Energy Income + Daily Utilisation Payment + Malakoff Utilities Sdn. Bhd. ("MUSB")

**OTHERS**

Finance Lease Income + Rental Income + Project Management Fees + O&M Fees

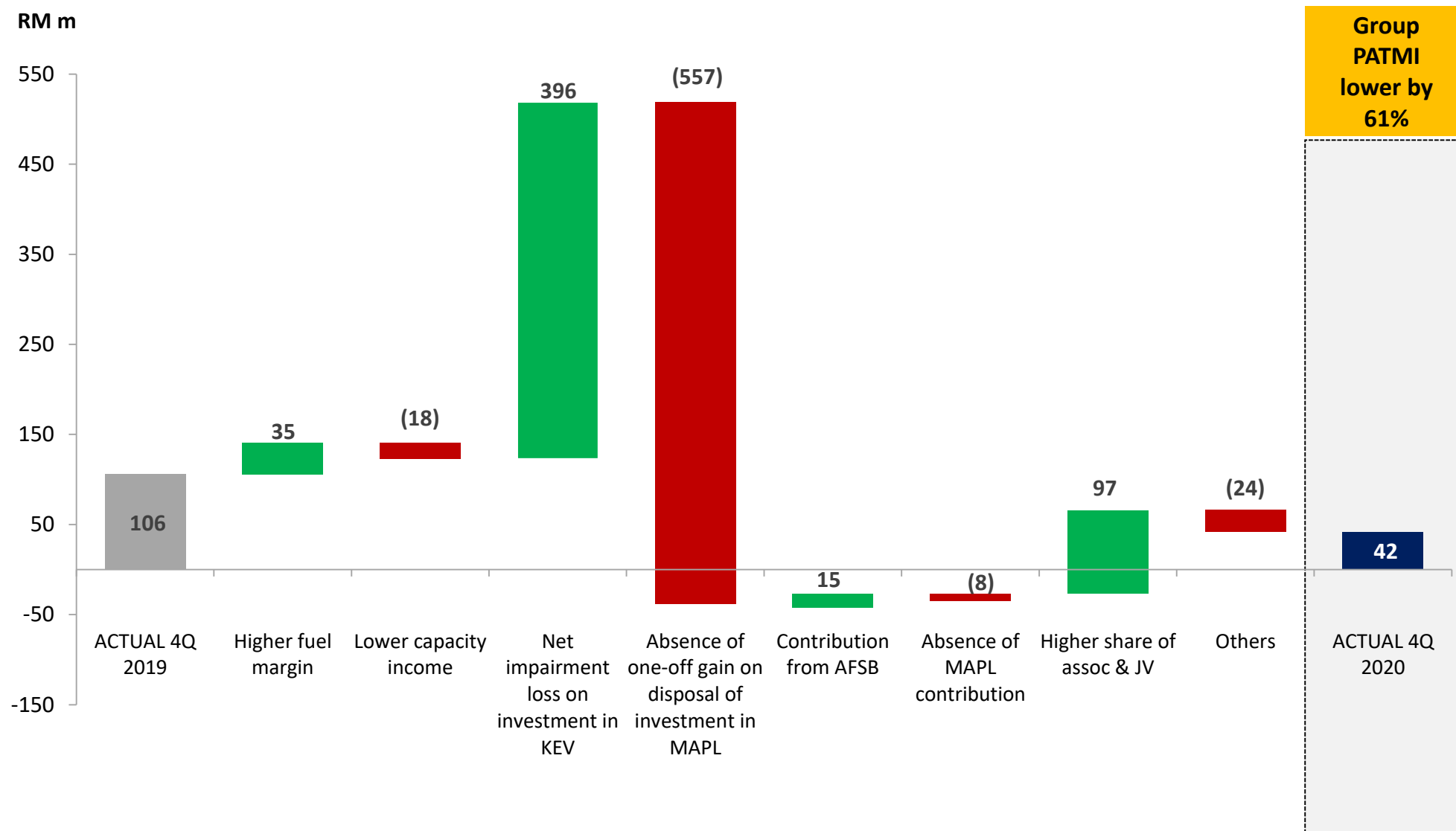
\*4Q FY2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Electricity Generation revenue includes:

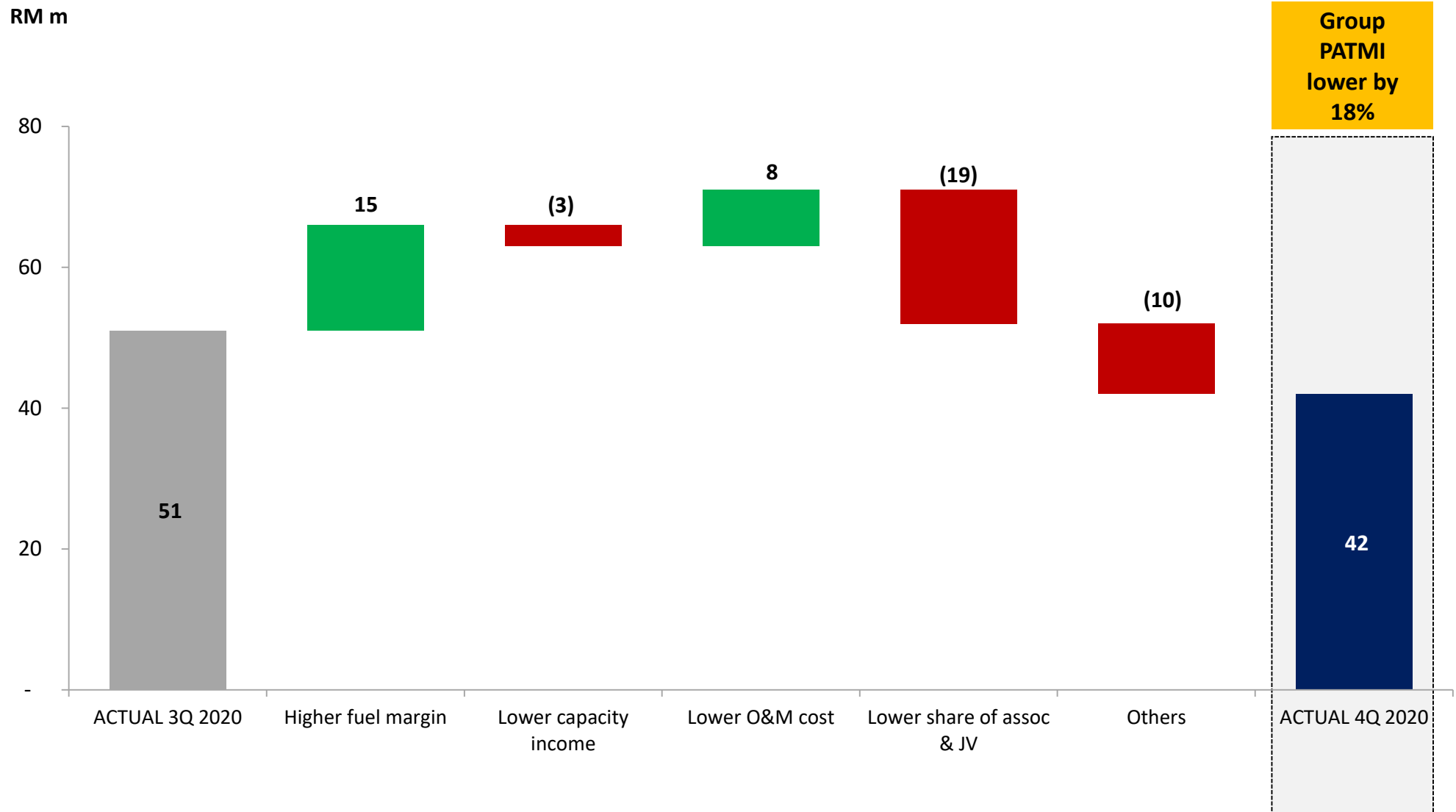


TBP TBE GB3 PPP SEV PDP

# Group PATMI – 4Q FY2020 vs 4Q FY2019 (YoY)

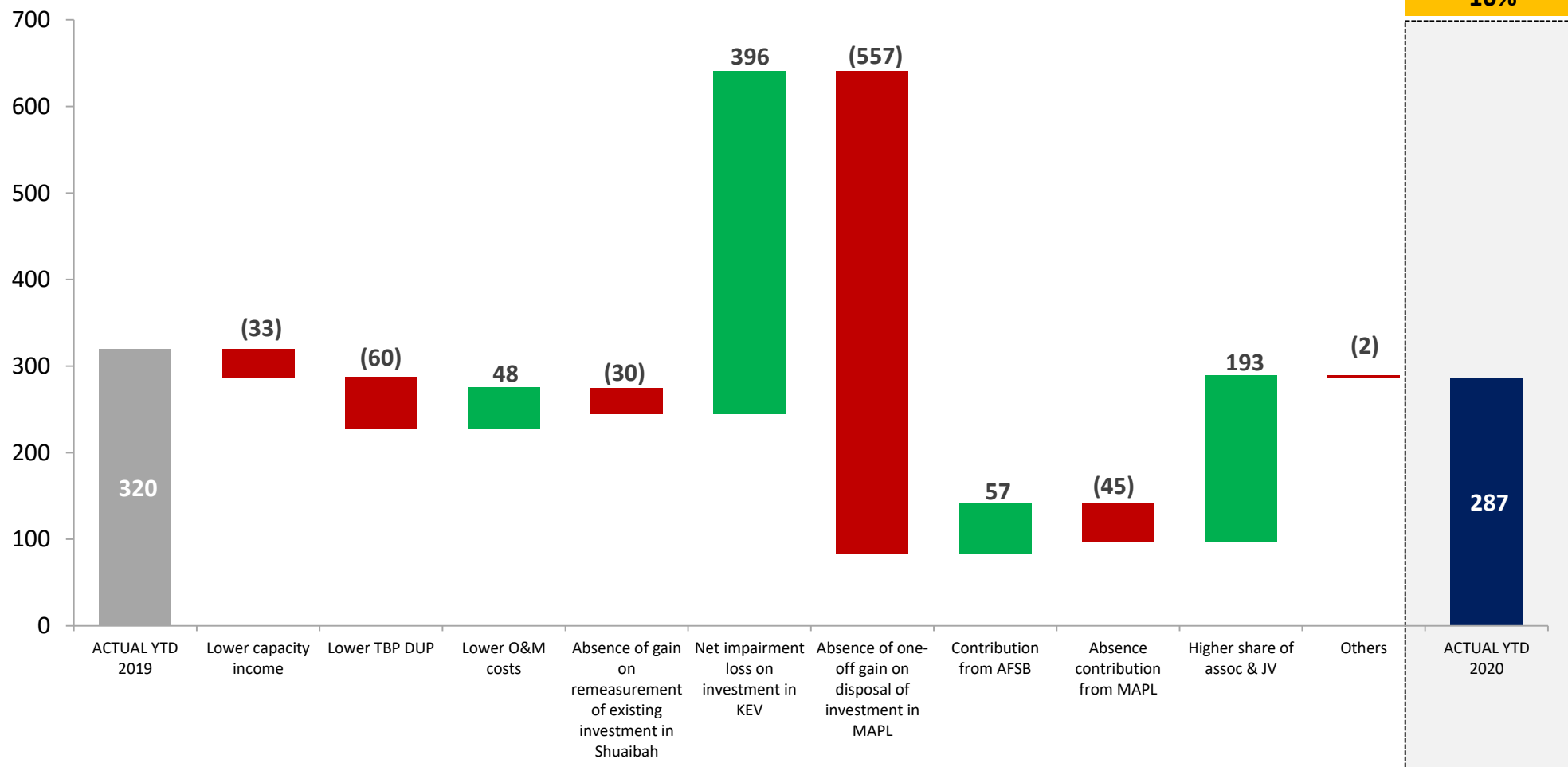


# Group PATMI – 4Q FY2020 vs 3Q FY2020 (QoQ)



# Group PATMI – FY2020 vs FY2019 (YoY)

RM m

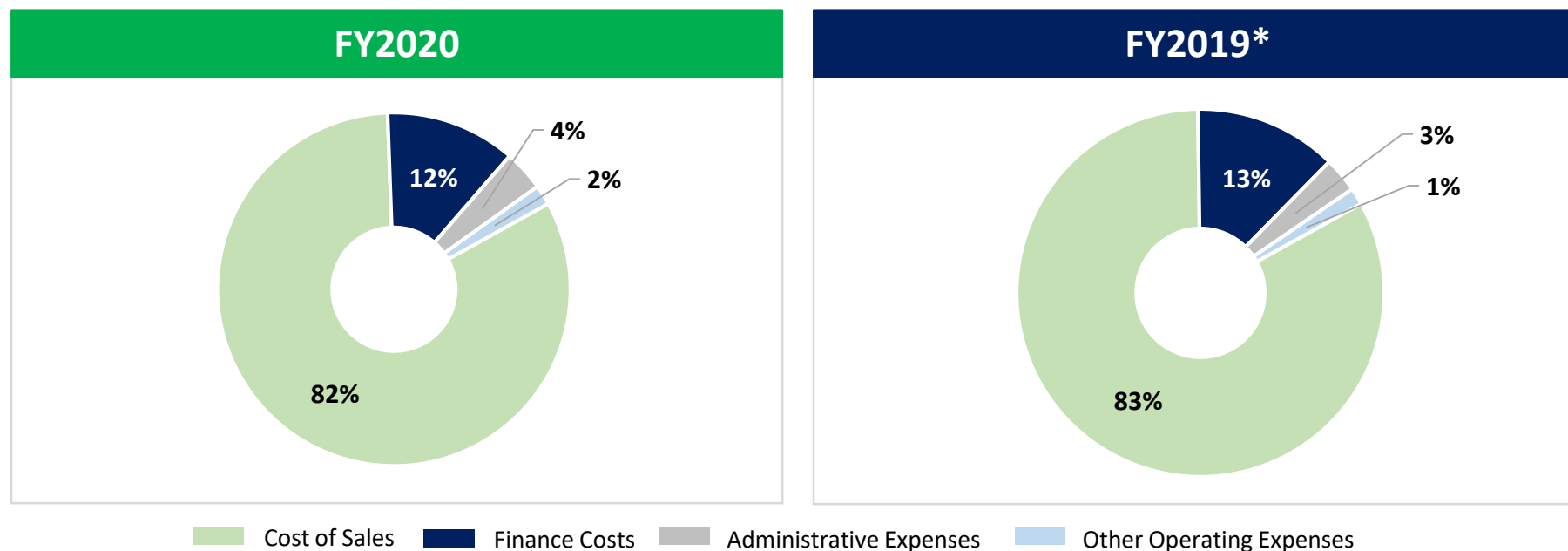


# Share of Profit from Associates/JVs

RM m	4Q FY2020	4Q FY2019	% Change (Remarks)	FY2020	FY2019	% Change (Remarks)
<b>Kapar Energy Ventures (Malaysia)</b> <i>(MCB effective equity 40%)</i>	-	(88.0)	<i>Absence of share of losses following impairment of the carrying value of investment in December 2019.</i>	-	(130.3)	<i>Absence of share of losses following impairment of the carrying value of investment in December 2019.</i>
<b>Muscat City Desalination Company (Oman)</b> <i>(MCB effective equity 32.5%)</i>	1.5	1.2	<b>+25%</b>	6.5	5.2	<b>+25%</b>
<b>Shuaibah Water &amp; Electricity Company (SWEC) (Saudi Arabia)</b> <b>Shuaibah Expansion Project Company Limited (SEPCO) (Saudi Arabia)</b>  <i>(Previous: MCB effective equity 12% &amp; 11.9% respectively)</i> <i>(Current: MCB effective equity 24% &amp; 23.8% respectively)</i>	13.7	11.1	<b>+23%</b>	86.4	21.1	<b>+ &gt;100%</b> <i>Higher contribution subsequent to the completion of 12% additional interest in September 2019.</i>
<b>Hidd Power Co (Bahrain)</b> <i>(MCB effective equity 40%)</i>	14.0	8.1	<b>+73%</b> <i>Higher contribution due to higher fuel margin and lower plant outage.</i>	72.5	53.8	<b>+35%</b> <i>Higher contribution due to higher fuel margin and lower plant outage.</i>
<b>Muscat City Desalination Operation &amp; Maintenance Company (MCDOMCO) (Oman)</b> <i>(MCB effective equity 49.5%)</i>	1.5	1.5	<b>0%</b>	6.4	4.8	<b>+41%</b>
<b>TOTAL</b>	<b>30.7</b>	<b>(66.1)</b>	<b>&gt;100%</b>	<b>171.8</b>	<b>(21.6)</b>	<b>&gt;100%</b>



# Breakdown of Costs (FY2020)



## Cost of Sales Breakdown (RM m)

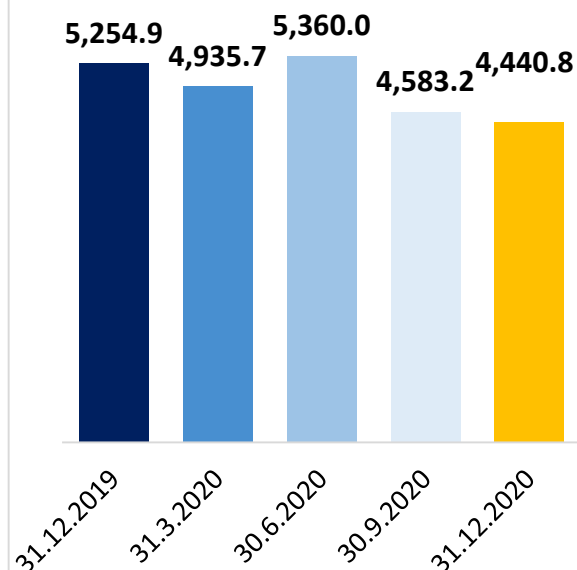
	FY2020	FY2019
Fuel	2,875.7	4,370.5
Depreciation and Amortisation of Inspection Costs	852.7	869.2
Amortisation of Intangible Assets	321.2	282.7
Operations and Maintenance Costs	261.4	326.7
Costs from Service Concession Agreements	656.6	61.5
Others	166.2	181.3
<b>TOTAL</b>	<b>5,133.8</b>	<b>6,091.9</b>

\*FY2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

# Cash & Gearing as at 31 December 2020

## TOTAL CASH & BANK BALANCES\*

RM m

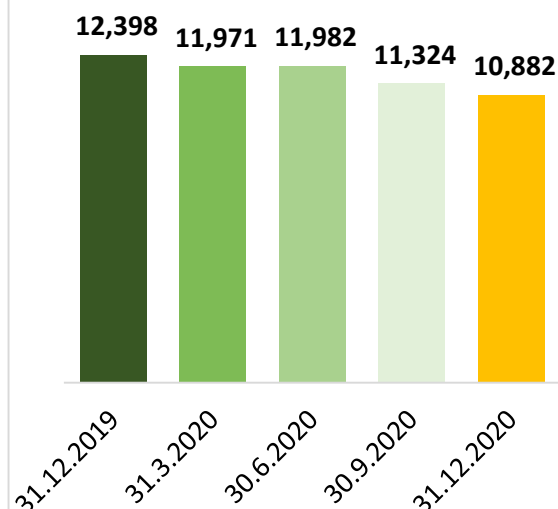


\*Includes Cash categorised as Other Investments

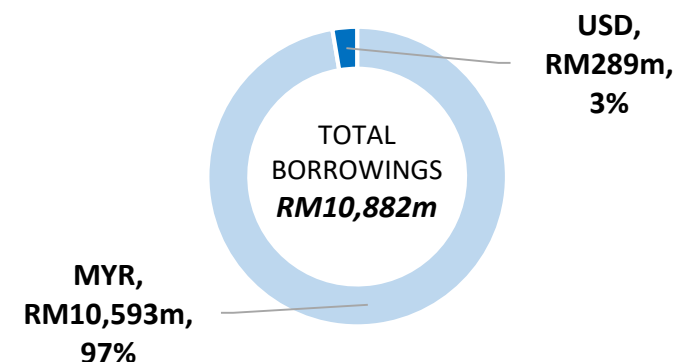
## GEARING RATIO & TOTAL BORROWINGS

1.9x Gross	1.8x Gross	1.8x Gross	1.7x Gross	1.7x Gross
1.1x Net	1.1x Net	1.0x Net	1.0x Net	1.0x Net

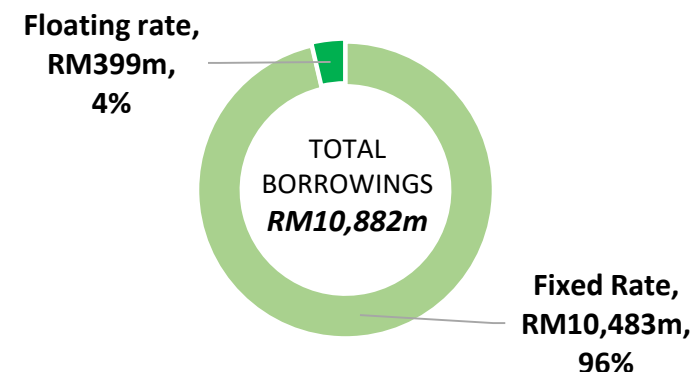
RM m



## DEBT PROFILE BY CURRENCY



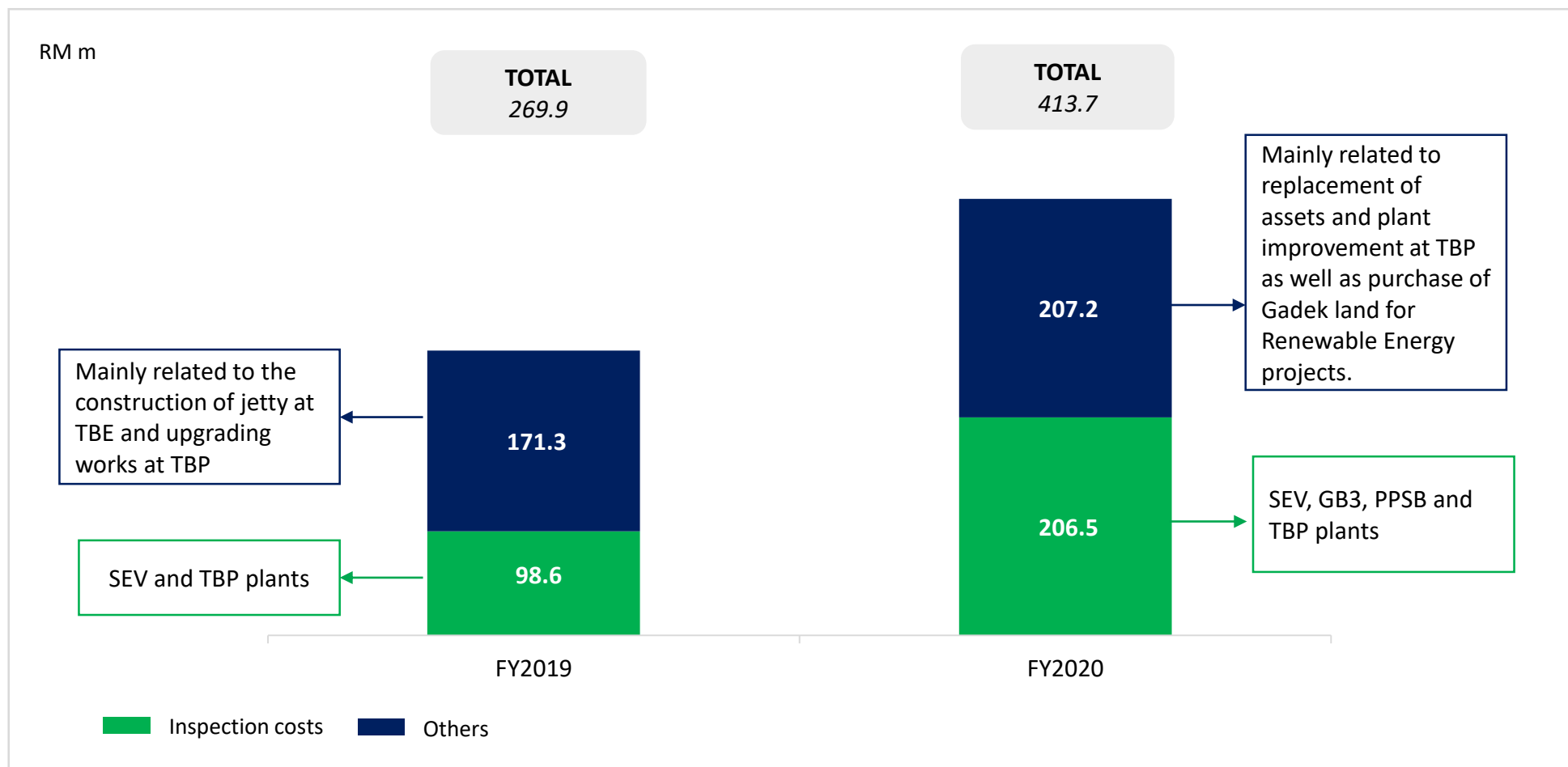
## DEBT PROFILE BY FIXED / FLOATING RATE



**The Group continues to embark on stringent capital management, maintaining gearing at a healthy level.**

# Capital Expenditure as at 31 December 2020

## CAPEX (as at 31 December 2020)





## CORPORATE UPDATES

# 4Q FY2020 Update – Corporate Development



## 55MW Small Hydro Power Projects

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

- Presented on the projects to JPS Pahang and PAIP on **30 Nov 2020**.
- Meeting with Pusat Ramalan dan Amaran Banjir Negara (PRABN) on **14 December 2020**.
- **Obtained approval from State Government** to change the concession holder from TMSB to the SPV on **13 January 2021**.
- Undertake project development activities (EPCC, land matters, financing, WRA).
- **Target COD – April 2025**



# 4Q FY2020 Update – Corporate Development



## Johor Port Rooftop Solar

Description	Johor Port Berhad
Location	Pasir Gudang
Total Capacity	2.66MWp

- A letter of confirmation for appointment of EPCC contractor was **issued to Solarvest on 28 August 2020**.
- Submission of Net Energy Metering Assessment Study (“NEMAS”) **to TNB on 16 November 2020** and was **approved on 26 November 2020**.
- Conducted site audit and roof structural assessment on **11 September** and **11 November 2020**.
- Next steps: NEM 3.0 application, finalise EPCC contract, SPPA CPs fulfilment and BG preparation.
- **Target COD - 3Q 2021**



## Northport Rooftop Solar

Description	Northport (Malaysia) Bhd
Location	Port Klang
Total Capacity	4.93MWp

- A letter of confirmation for appointment of EPCC contractor was **issued to Solarvest on 20 October 2020**.
- Submission of NEMAS **to TNB on 18 November 2020** and was **approved on 30 December 2020**.
- Conducted site audit and roof structural assessment on **25 November 2020**.
- Next steps: NEM 3.0 application, finalise EPCC contract, SPPA CPs fulfilment and BG preparation.
- **Target COD - 3Q 2021**

# 4Q FY2020 Update – Corporate Development



## Pusat Mel Nasional Rooftop Solar

Description	PMB Properties Sdn Bhd
Location	Shah Alam
Total Capacity	2.34MWp

- A letter of confirmation for appointment of EPCC contractor was **issued to Solarvest on 4 November 2020**.
- Submission of NEMAS to TNB on **18 November 2020** and was **approved on 30 December 2020**.
- Conducted site audit and roof structural assessment on **13 and 25 January 2021**.
- Next steps: NEM 3.0 application, finalise EPCC contract, SPPA CPs fulfilment and BG preparation.
- **Target COD - 3Q 2021**



## Biogas Power Project

Description	Southern Biogas Sdn Bhd ("SBSB")
Location	Ulu Sebol, Kota Tinggi, Johor
Total Capacity	2.4MW

- SBSB, a 60%-owned indirect subsidiary of MCB, **received a Feed-in Tarif approval** from the Government of Malaysia through Sustainable Energy Development Authority ("SEDA") **to undertake the development of a 2.4MW biogas power plant in Johor**.
- Preparation for project implementation and appointment of EPC Contractors and other relevant consultants.

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# Thank You

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