

MALAKOFF

A Member of  MMC Group

ANALYST BRIEFING *Q1 2020 Results Announcement*

21 May 2020



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energy & utilities

Table of Content



Q1 2020 Performance Highlights

3



Review of Operations

5



Q1 2020 Financial Results

12



Corporate Updates

19



Impact of COVID-19

21

Q1 2020 PERFORMANCE HIGHLIGHTS



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Key Highlights of Q1 2020 Financial Results



RM m

Q1 2020 vs Q1 2019

Q1 2020

Q1 2019*

YoY Change

Revenue

1,774.0

2,007.3

▼ 11.6%

Results from Operating Activities

240.7

290.5

▼ 17.1%

PBT

140.2

131.4

▲ 6.7%

PATMI

89.2

67.0

▲ 33.1%

EBITDA

588.6

589.7

▼ 0.2%

Basic/Diluted EPS (sen)

1.82

1.37

▲ 32.8%

*Q1 2019 results include Malakoff Australia Pty. Ltd. ("MAPL") group financial results presented as discontinued operations in the interim financial results.

REVIEW OF OPERATIONS



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Performance Review of Local Assets – Q1 2020



COAL-FIRED POWER PLANTS

- **Tanjung Bin Power Plant (“TBP”)** continues to demonstrate **higher stability** and **reliability** after completion of the improvement work done in previous years.
 - Plant Equivalent Availability Factor (“EAF”) increased from 77% in Q4 2019 to **99% in Q1 2020** due to **lower outages**.
- **Tanjung Bin Energy Power Plant (“TBE”)** has observed a **marginal increase** in EAF from 91% in Q4 2019 to **92% in Q1 2020** due to **lower unplanned outage**.

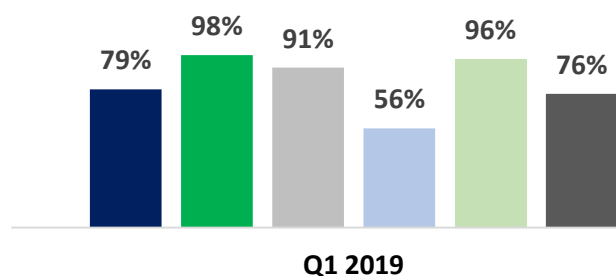


GAS-FIRED POWER PLANTS

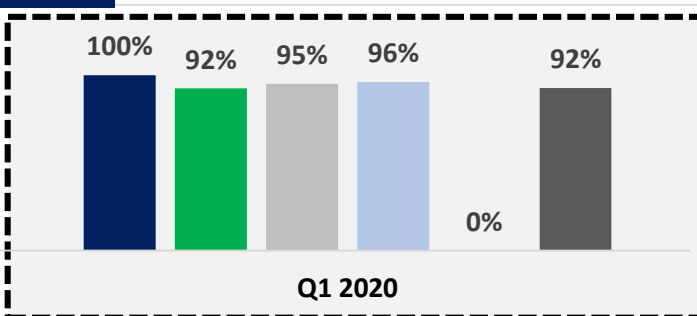
- **Gas-fired power plants** recorded a generally **high EAF** during the quarter under review, except for Prai Power Plant (“PPP”) due to scheduled Major Inspection outage.
- **Segari Energy Ventures Power Plant (“SEV”)** enjoyed a **higher Capacity Factor (“CF”)** due to the **increase in demand** from the Grid System Operator (“GSO”).
- However, all of our gas plants were put **on standby** during the **Movement Control Order (MCO)** period which began on 18 March 2020.

Q1 2020 Plant Performance (Local Assets)

Equivalent Availability Factor

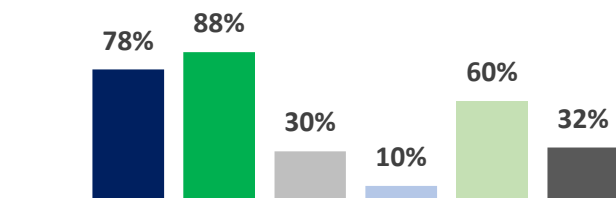


Q1 2019

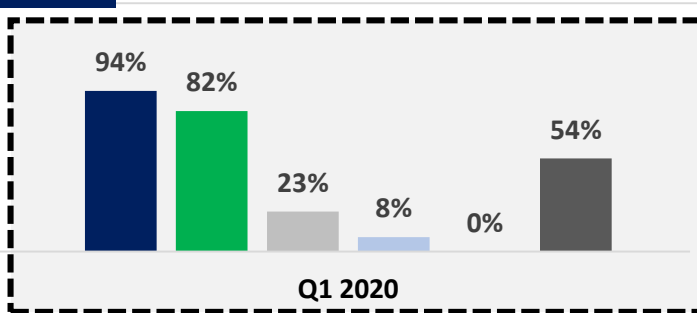


Q1 2020

Capacity Factor

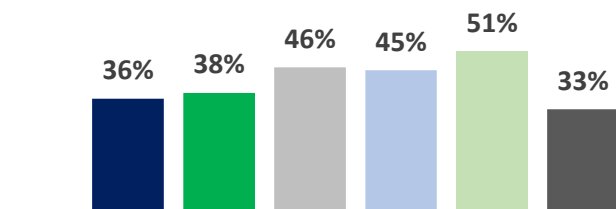


Q1 2019

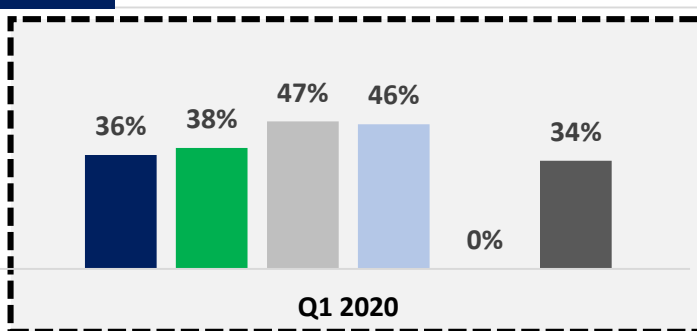


Q1 2020

Thermal Efficiency



Q1 2019



Q1 2020



Q1 2020 vs Q1 2019

TBP

- Higher EAF recorded due to lower SO and FO.

TBE

- Lower EAF recorded due to high FO.

SEV

- Higher EAF recorded due to lower SO.

GB3

- Higher EAF recorded due to lower SO and FO.

PPP

- Lower EAF recorded due to scheduled Major Inspection outage.

KEV

- High EAF due to lower SO & FO.

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

Q1 2020 - Electricity Generated and Sold

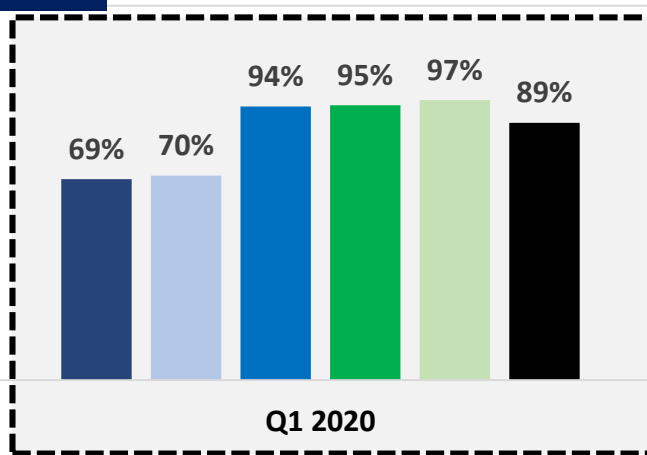
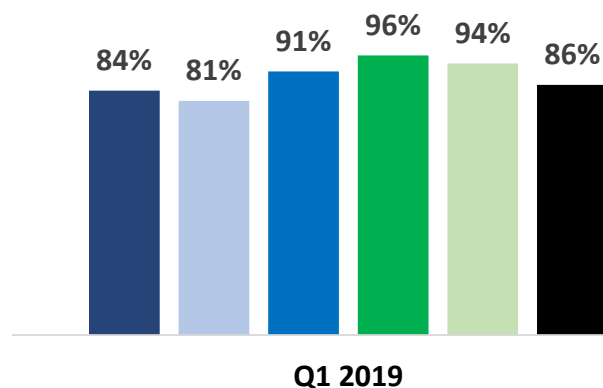


PLANT

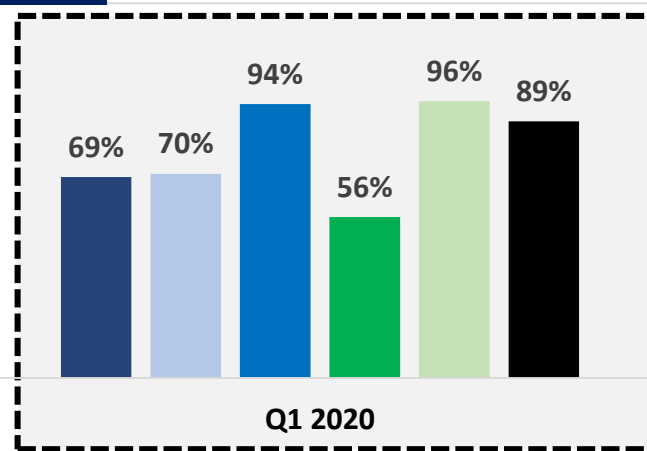
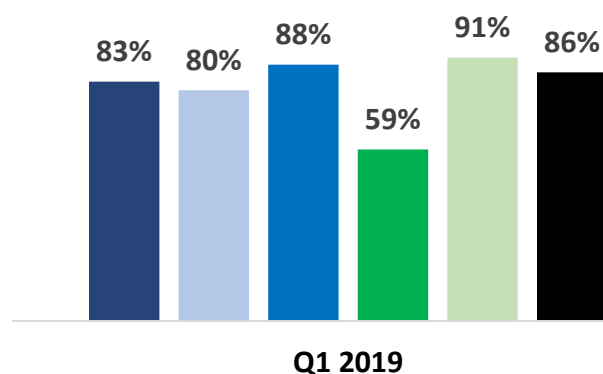
	Q 1 2 0 0		Q 1 2 0 1 9	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE)	1,891.84	1,796.26	1,993.95	1,902.06
Tanjung Bin Power (TBP)	4,531.06	4,313.35	3,702.08	3,526.02
Segari Energy Ventures (SEV)	679.34	665.20	857.56	848.80
GB3	121.26	116.93	139.96	134.67
Prai Power Plant (PPP)	0.86	0.79	464.20	448.77
Total (Excluding KEV)	7,224.36	6,892.35	7,157.75	6,860.32
Kapar Energy Ventures (KEV)	2,604.92	2,438.70	1,706.24	1,588.12
Total (Including KEV)	9,829.28	9,331.23	8,863.99	8,448.44

Q1 2020 - 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)

Q1 2020 vs Q1 2019

SIWPP

- Decrease in availability for both power and water plant due to boiler tube leaks, derations and planned outages.

SIWEP

- Sustainable performance in both 2019 and 2020.

AL HIDD

- Sustainable performance in both 2019 and 2020.

AL GHUBRAH

- Fewer scheduled outages resulted in better performance in Q1 2020 as compared to Q1 2019.

Q1 2020 FINANCIAL RESULTS

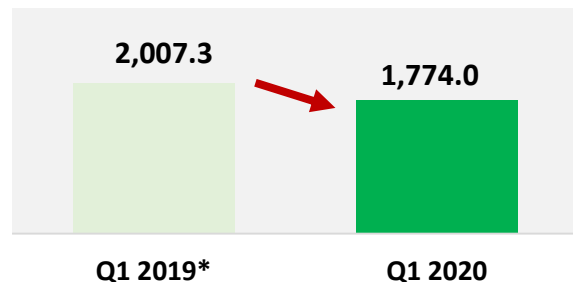


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Revenue, PBT & PATMI (Q1 2020)

REVENUE

RM m

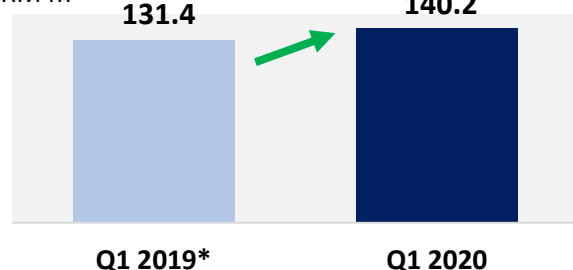


Revenue: ▼ 11.6% YoY

- Primarily due to **lower energy payment from TBP and TBE** given the decline in Applicable Coal Price ("ACP").
- **Lower energy payment from SEV and PPP** due to decrease in dispatch factor as plant was on scheduled maintenance outage during the period.
- Moderated by **revenue contribution from newly acquired subsidiary, Alam Flora Sdn. Bhd. ("AFSB")** following completion of the acquisition in Dec 2019.

PBT

RM m



PBT: ▲ 6.7% YoY

PATMI: ▲ 33.1% YoY

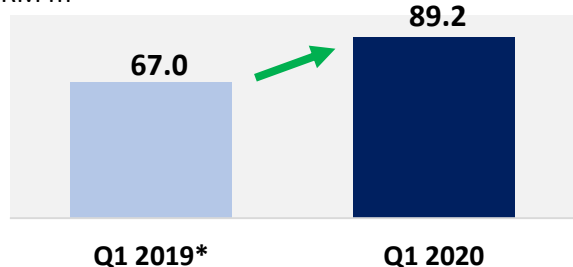
- **Contribution from newly acquired subsidiary, AFSB.**
- **Lower operations and maintenance costs.**
- **Higher contributions from associates and joint ventures ("JV")** mainly from :
 - Shuaibah following the completion of the acquisition of a 12% additional interest in Sep 2019.
 - Absence of share of losses from KEV as a result of provisions made up to the carrying value of investment in Dec 2019.

These were partially offset by:

- **Lower fuel margin recorded at TBE** due to the decline in ACP.
- **Lower daily utilisation payment at TBP** upon scheduled reduction in tariff under the existing Power Purchase Agreement ("PPA") on 28 Sep 2019.
- **Absence of contribution from MAPL** following its disposal in Dec 2019.

PATMI

RM m

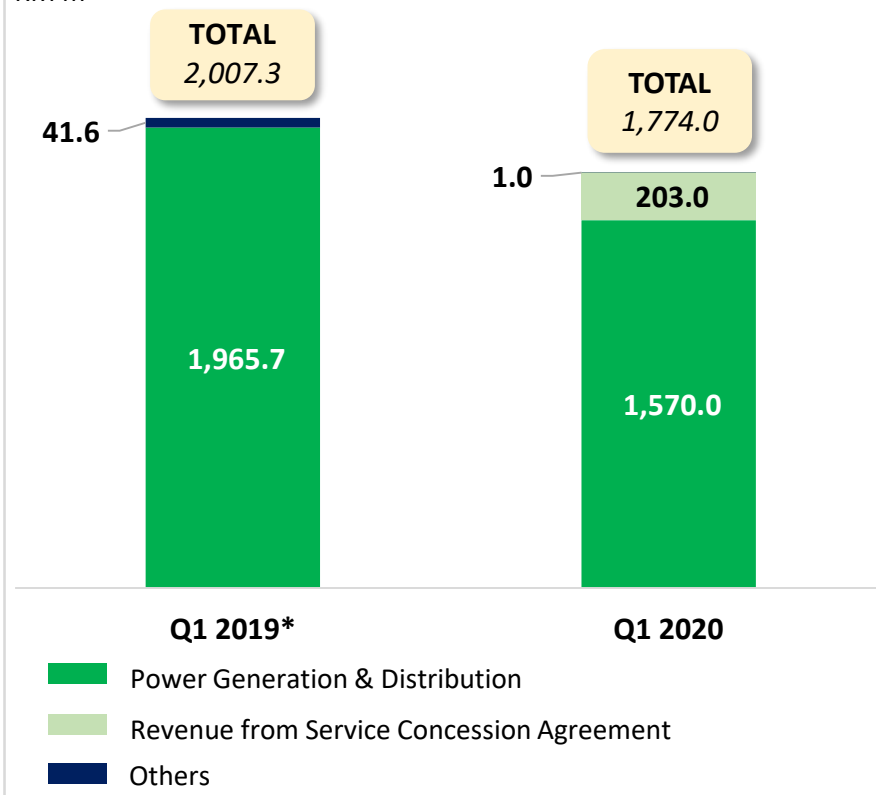


*Q1 2019 results include MAPL group financial results presented as discontinued operations in the interim financial results.

Q1 2020 Revenue Mix

REVENUE

RM m



POWER GENERATION & DISTRIBUTION

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

OTHERS

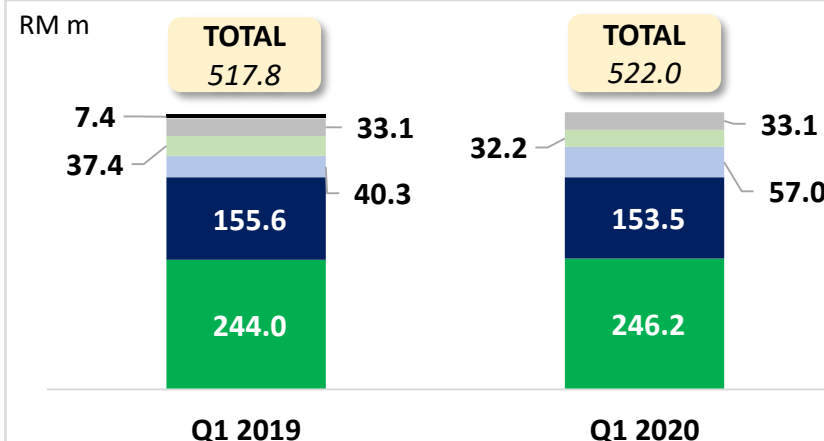
Finance Lease Income + Rental Income + Project Management Fees + O&M Fees

*Q1 2019 results include MAPL group financial results presented as discontinued operations in the interim financial results.

Electricity Generation revenue includes:

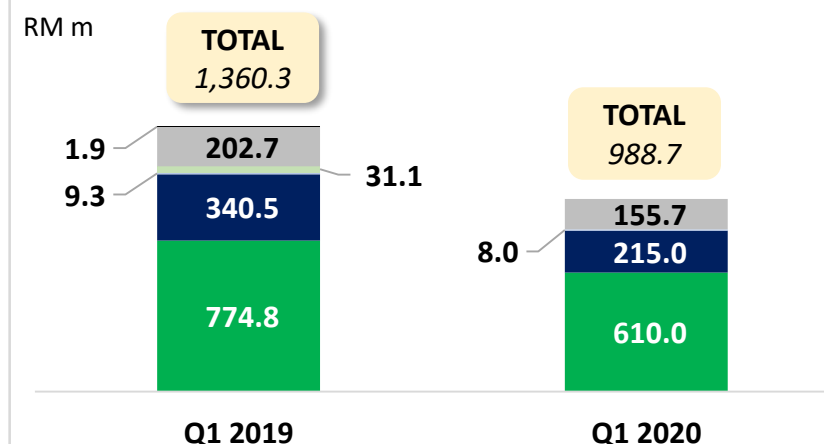
CAPACITY INCOME

RM m



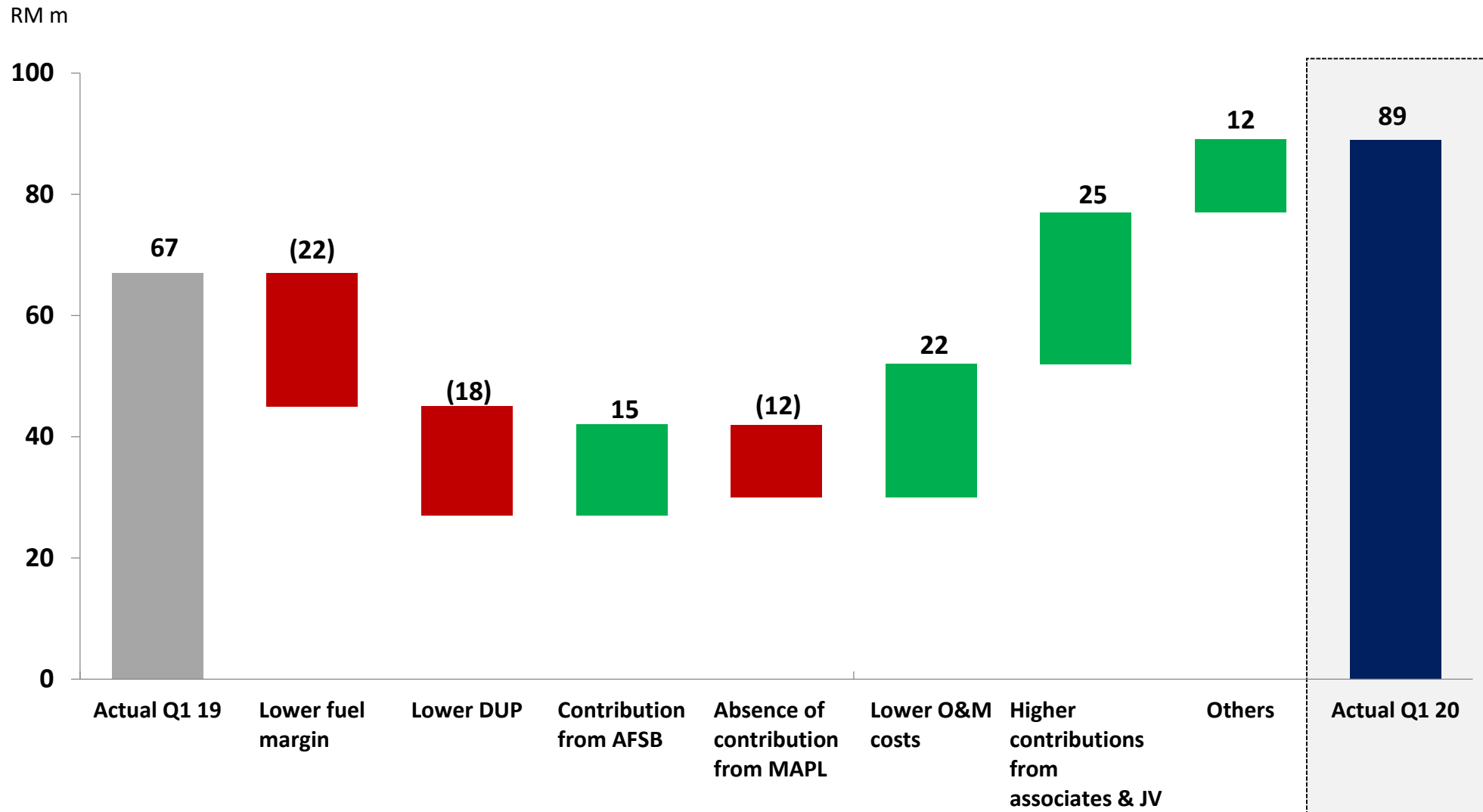
ENERGY INCOME

RM m

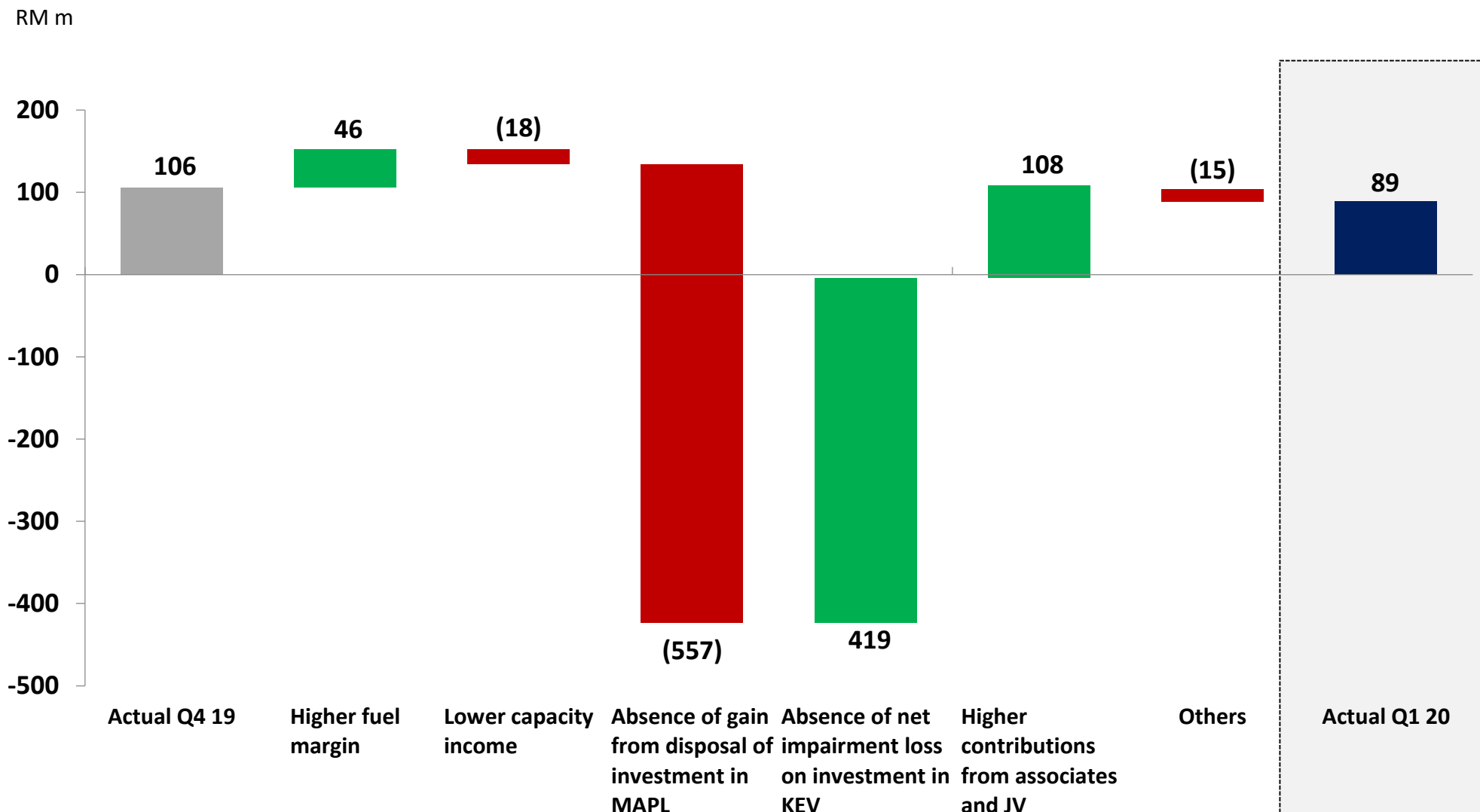


■ TBP ■ TBE ■ GB3 ■ PPP ■ SEV ■ PDP

Group PATMI – Q1 2020 vs Q1 2019



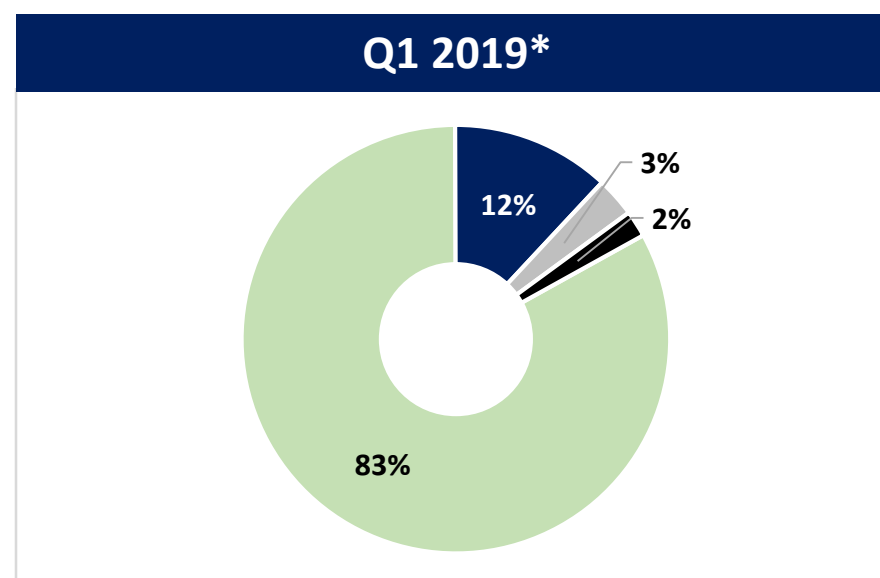
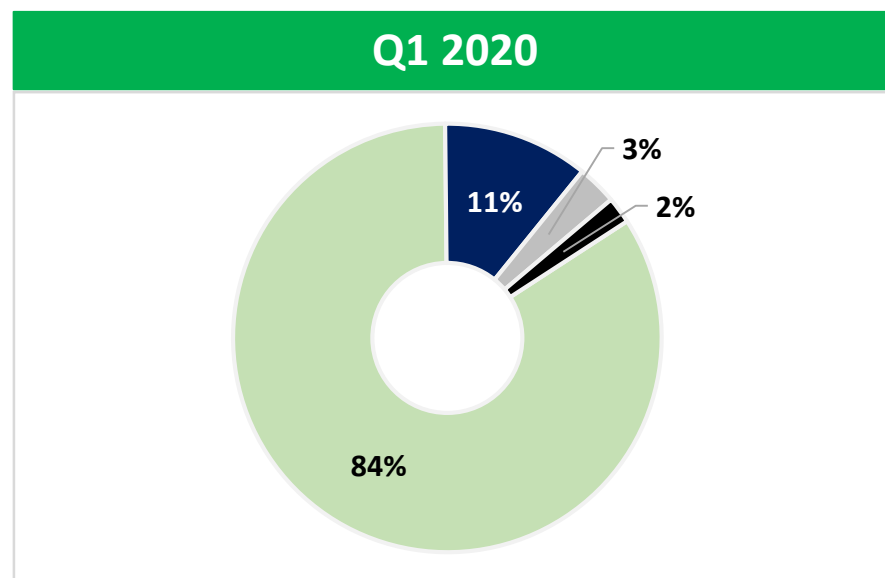
Group PATMI – Q1 2020 vs Q4 2019



Share of Profit from Associates/JVs (Q1 2020)

RM m	Q1 2020	Q1 2019	% Change (Remarks)
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	-	(7.1)	Absence of share of losses following provisions made up to the carrying value of investment in Dec 2019.
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.5	1.3	+15%
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>	24.8	10.4	+ >100% Higher contribution subsequent to the completion of 12% additional interest in Sep 2019.
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	13.8	11.2	+23% Higher contribution due to lower plant outage.
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	0.7	0.7	-
TOTAL	40.8	16.5	>100%

Breakdown of Costs (Q1 2020)



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

Cost of Sales Breakdown (RM m)

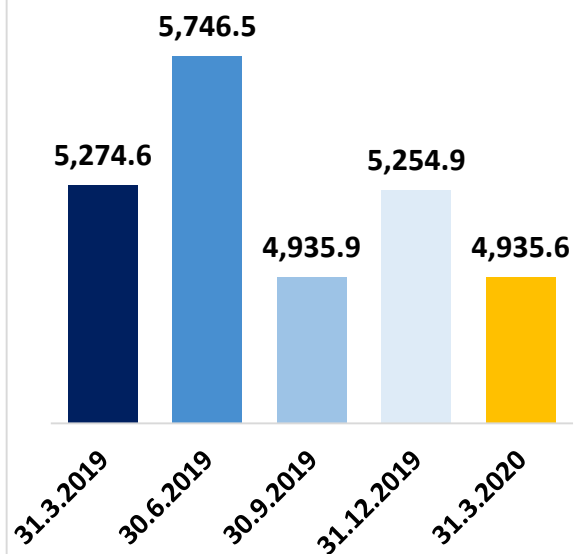
	Q1 2020	Q1 2019*
Fuel	886.3	1,229.5
Depreciation and Amortisation of Inspection Costs	207.9	204.4
Amortisation of Intangible Assets	81.2	69.3
Operations and Maintenance Costs	67.3	96.0
Costs from Service Concession Agreements	163.7	-
Others	36.1	41.4
TOTAL	1,442.5	1,640.6

*Q1 2019 results include MAPL group financial results presented as discontinued operations in the interim financial results.

Cash & Gearing as at 31 March 2020

TOTAL CASH & BANK BALANCES*

RM m

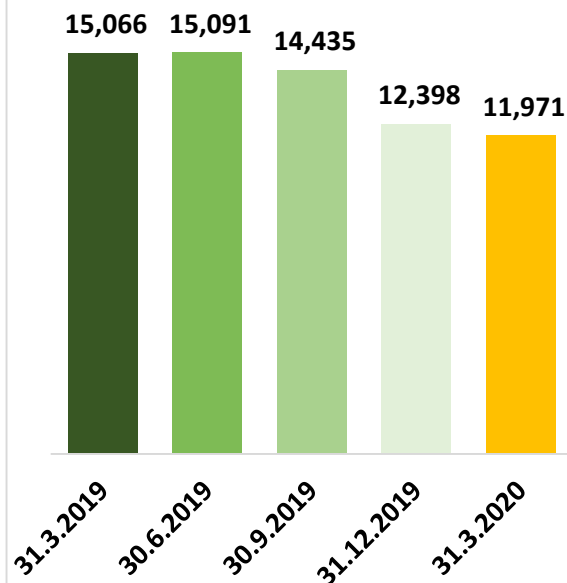


*includes Cash categorised as Other Investments

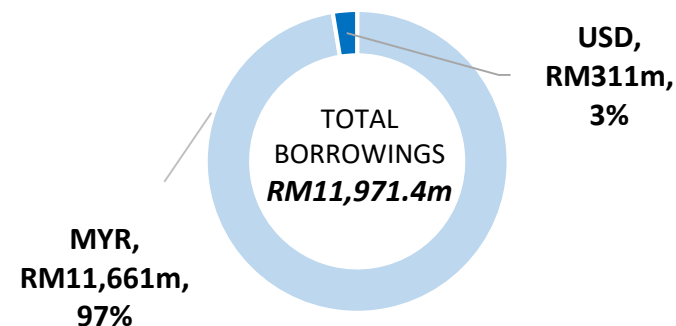
TOTAL BORROWINGS & GEARING RATIO

RM m

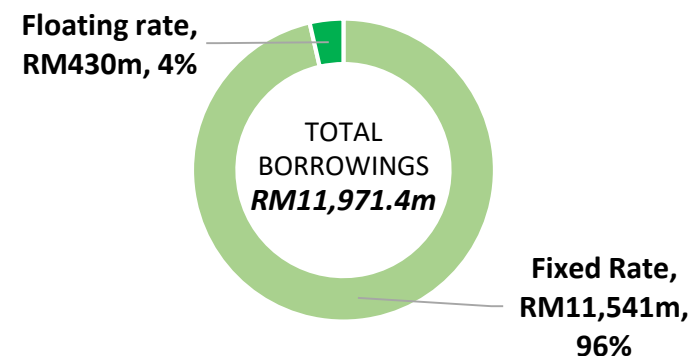
2.3x Gross	2.3x Gross	2.2x Gross	1.9x Gross	1.8x Gross
1.5x Net	1.4x Net	1.4x Net	1.1x Net	1.1x Net



DEBT PROFILE BY CURRENCY



DEBT PROFILE BY FIXED / FLOATING RATE

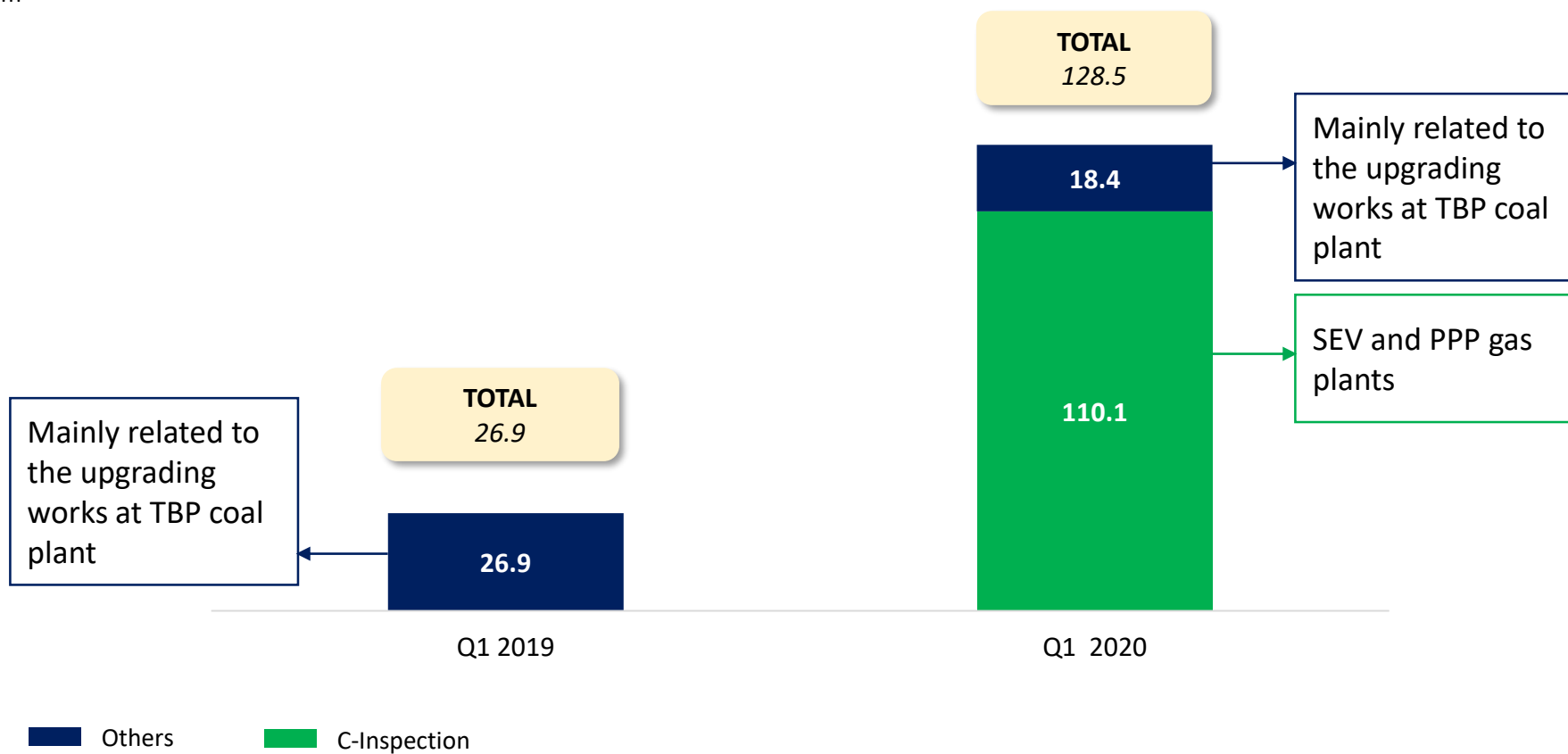


The Group continues to embark on stringent capital management, maintaining gearing at a healthy level and sustaining a cash balance of ~RM5 billion.

Capital Expenditure Q1 2020

Q1 2020 CAPEX

RM m



CORPORATE UPDATE



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Q1 2020 Update – Corporate Developments



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 EPCC tender, land matters, financing and Water Rights Agreement (WRA) are ongoing.
- The **Commercial Operation Date (“COD”)** is expected to be **within 60 months from the issuance of FiT certificate** by SEDA dated 24 Dec 2019.
- SEDA granted an **extension to fulfil the REPPA milestone** to **15 May 2020**.
- Expected to meet **financial close** in **2H 2020**.



2.4MW Biogas Power Plant

Description	Green Biogas Sdn. Bhd.
Location	Sg. Kachur Palm Oil Mill, Johor
Capacity	2.4MW

- **EPCC Contract** was awarded to **Concord Renewable Energy Sdn. Bhd.** in **Mar 2020**.
- **Limited Notice To Proceed (“LNTP”)** was issued to the contractor on **19 Mar 2020**.
- **Target COD – December 2021**.
 - However, due to the **MCO enforcement**, an application was sent to SEDA for a **6-month extension**

IMPACT OF COVID-19



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Impact of Covid-19 on Operations

COVID-19

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- **Business as Usual** – Power generation and waste management are under the essential services category
- Malakoff's **power plants** and **waste collection services** have been operating as usual – however, the **reduction in demand for electricity** has **affected the dispatch of electricity** during the period.
- In addition to its **on-going solid waste management activities**, AFSB has been **actively involved in sanitisation and disinfection services** around **Kuala Lumpur, Putrajaya and Pahang** as part of the government's efforts to contain the spread of Covid-19.



Malakoff has undertaken preventive measures in accordance to the SOPs outlined by the Government, across its operations. The Group continues to prioritise the safety and well-being of its employees and their families while adopting to the “new normal”.

THANK YOU



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