



ANALYST BRIEFING

Q3 2019 Results Announcement

20 November 2019



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energy & utilities

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HIGHLIGHTS OF Q3 2019 PERFORMANCE



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Key Highlights of Financial Results

	Q3 2019 vs Q3 2018			9M 2019 vs 9M 2018		
	Q3 2019	Q3 2018	YoY Change	9M 2019	9M 2018	YoY Change
<i>RM m</i>						
Revenue	1,859.0	1,912.7	-2.8%	5,681.2	5,461.0	+4.0%
Results from Operating Activities	297.9	334.7	-11.0%	877.7	906.9	-3.2%
PBT	139.0	165.4	-16.0%	393.2	402.7	-2.4%
PATMI	94.5	83.5	+13.2%	213.7	189.0	+13.1%
EBITDA	623.8	616.4	+1.2%	1,786.1	1,788.1	-0.1%
Basic/Diluted EPS	1.93	1.70	+13.5%	4.37	3.82	+14.4%

Note: Results shown above are a combination of continuing and discontinued operations.

REVIEW OF OPERATIONS

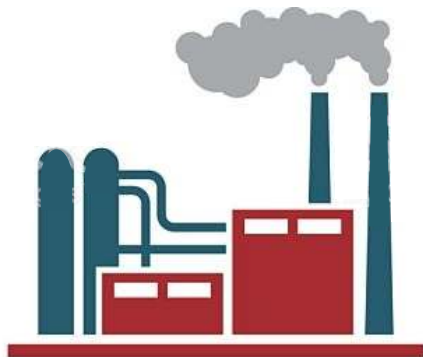


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COAL-FIRED POWER PLANTS (THERMAL)



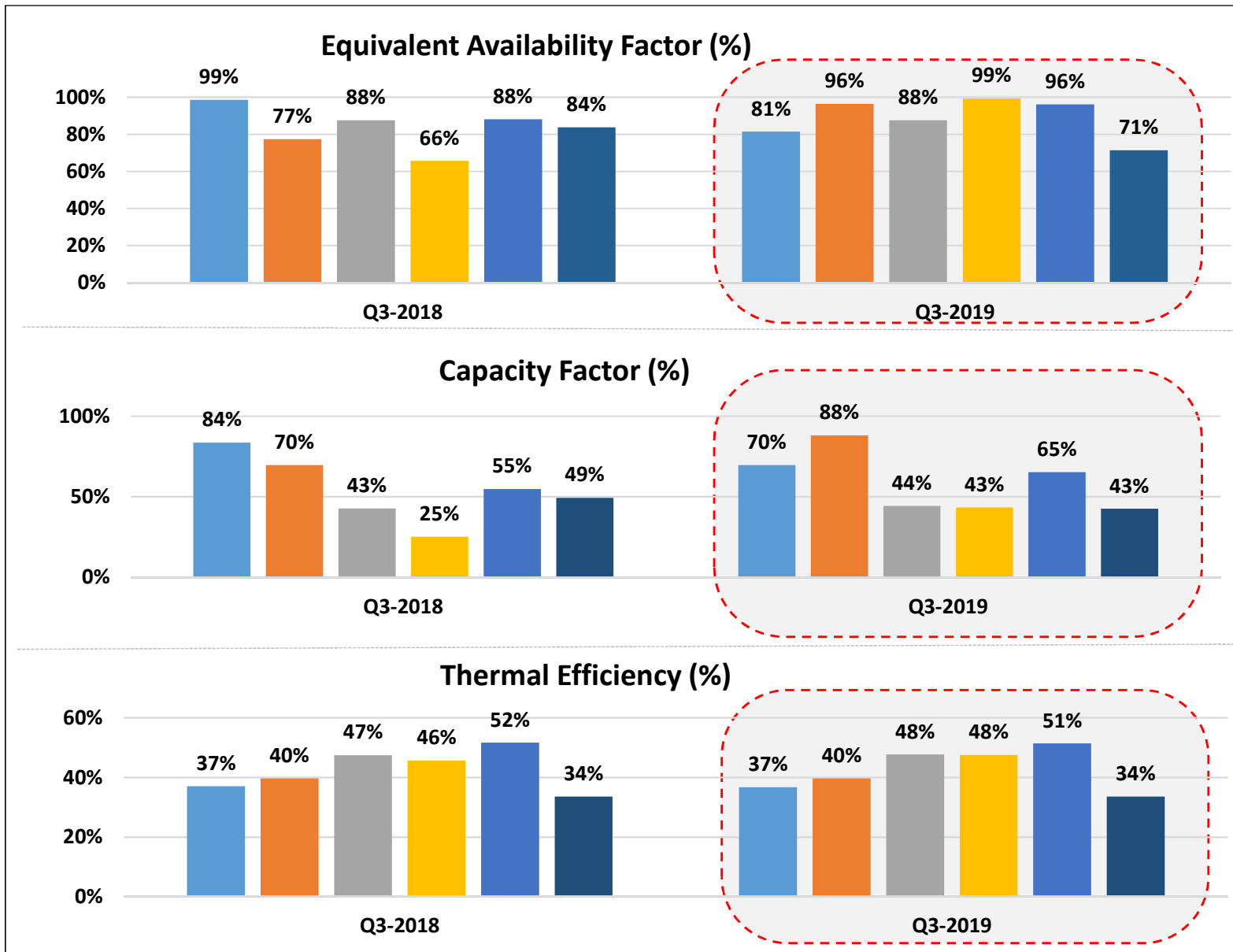
- **Tanjung Bin Power Plant (TBP)** continues to demonstrate **higher stability** and **reliability** after **completion of the improvement work** done in previous years. **Plant Equivalent Availability Factor (EAF)** decreases from 99% in Q2-2019 to **81% in Q3-2019** due to **scheduled facility outage**.
- **Tanjung Bin Energy Power Plant (TBE)** has observed a **significant increase in EAF** from 14% in Q2-2019 to **96%** due to **no planned outages** and **lower unplanned outages in Q3-2019**.



GAS-FIRED POWER PLANTS (GAS)

- **Gas fired power plants** maintain a generally **high EAF** recorded during the quarter but **reduced Capacity Factor** due to **low demand** from the Grid System Operator (GSO).

Q3 2019 - Plant Performance (Local Assets)



TBP

- Lower EAF and CF due to scheduled facility outages.

TBE

- Higher EAF and CF attributed to lower SO and FO.

SEV

- Consistent EAF and CF attributed to lower SO and FO.

GB3

- Higher EAF and CF attributed to lower SO.

PPP

- Higher EAF and CF attributed to lower SO.

KEV

- Lower EAF due to increase in SO and FO for GF3, contributed by the Unit 6 Turbine trip on high bearing vibration.

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

Q3 2019 - Electricity Generated and Sold

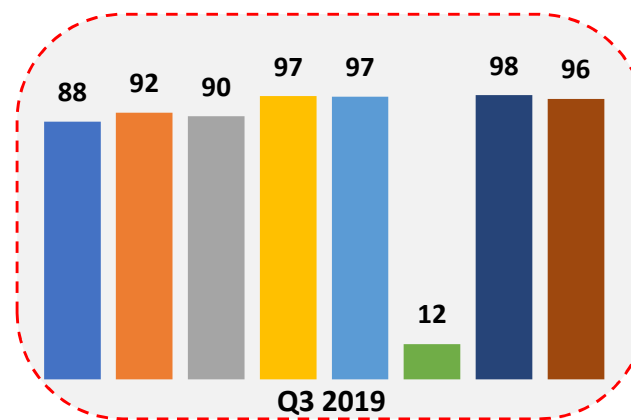
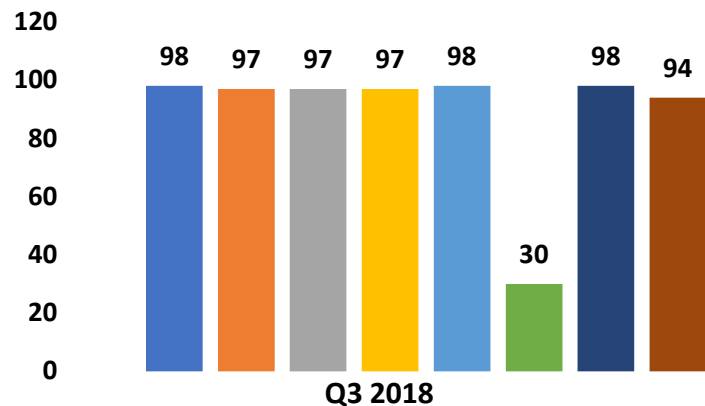
Q3 2019

Q3 2018

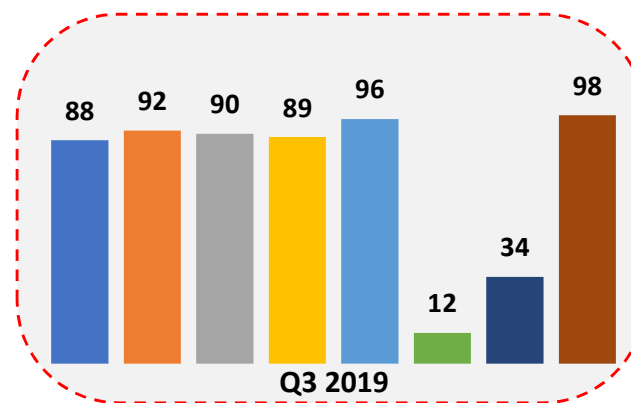
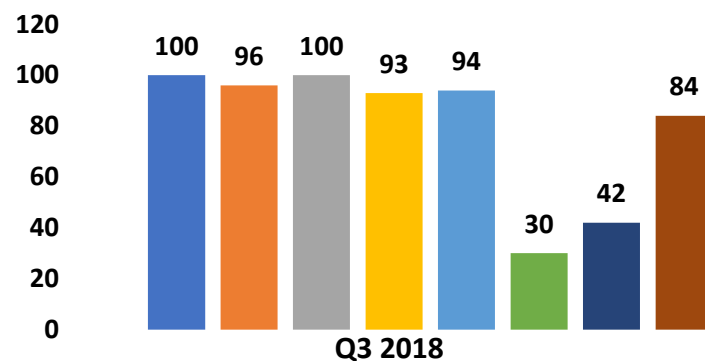
Plant	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE)	2,041.21	1,945.53	1,607.97	1,540.32
Tanjung Bin Power (TBP)	3,418.17	3,256.94	4,068.39	3,875.80
Segari Energy Ventures (SEV)	1,284.49	1,274.01	1,241.56	1,227.07
GB3	619.61	611.87	371.15	359.52
Prai Power Plant (PPP)	502.78	499.53	430.38	421.59
Kapar Energy Ventures (KEV)	2,292.95	2,135.33	2,647.87	2,464.07
Total (Excluding KEV)	7,866.27	7,587.87	7,719.44	7,424.30
Total (Including KEV)	10,159.21	9,723.21	10,367.31	9,888.37

Q3 2019 - 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)
- SOUK TLETA - Water (Algeria)
- MACARTHUR - Power (Australia)
- AL GHUBRAH - Water (Oman)

Q3 2019 vs Q3 2018

SIWPP

Low in availability for both power and water plants due to boiler tube leaks and deration.

SIWEP

Availability dropped in 2019 due to deterioration of Seawater Reverse Osmosis membranes.

AL HIDD

Sustainable performance in both 2019 and 2018.

SOUK TLETA

Plant under restoration plan.

MACARTHUR

Sustainable performance in both 2019 and 2018.

AL GHUBRAH

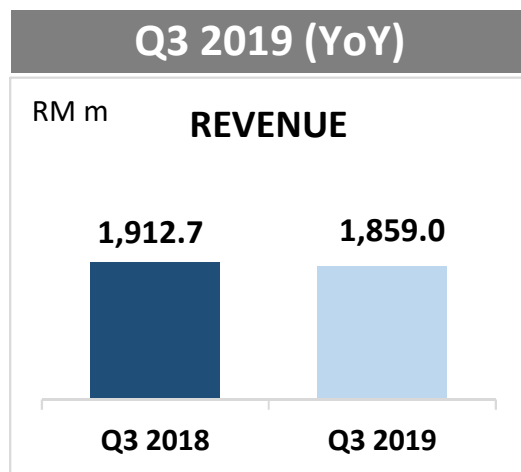
Sustainable performance in both 2019 and 2018.

Q3 2019 FINANCIAL RESULTS



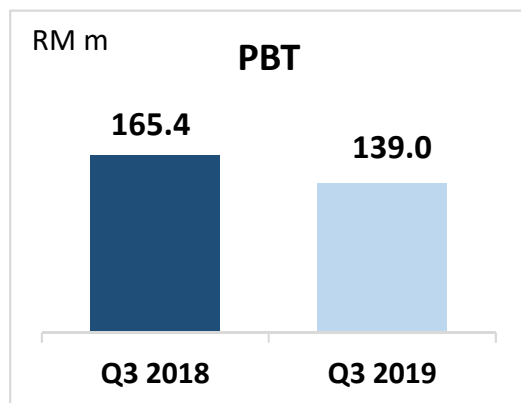
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Revenue, PBT & PATMI



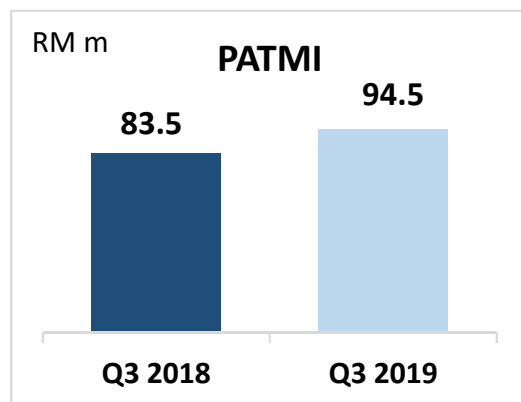
-2.8% YoY

- Primarily due to **lower energy payment from TBP** following scheduled maintenance outage works at all 3 units between 24 Aug – 18 Oct 2019.



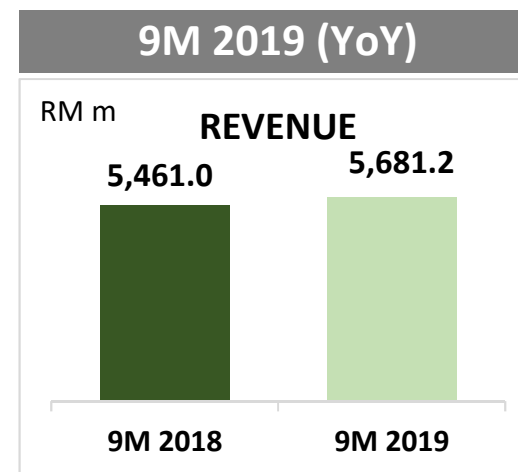
-16.0% YoY

- Mainly attributed to **absence of gain from the Lekir Bulk Terminal (LBT) disposal (20% equity interest)**
- Partially moderated by **improved contribution from TBE** and **gain on remeasurement of existing investments in Shuaibah**.



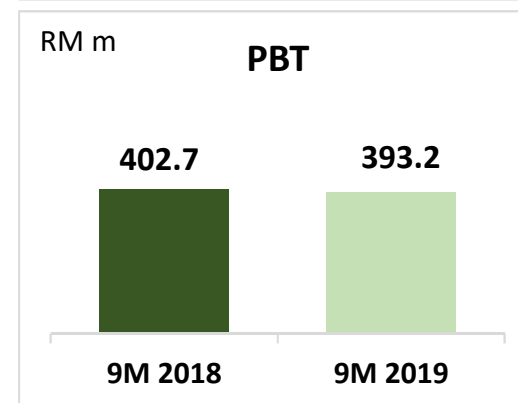
+13.2% YoY

- Mainly due to **improved contribution from TBE**, **gain on remeasurement of existing investments in Shuaibah** and **lower taxes**.
- Offset by **absence of gain from the disposal of Company's 20% equity interest in LBT**.



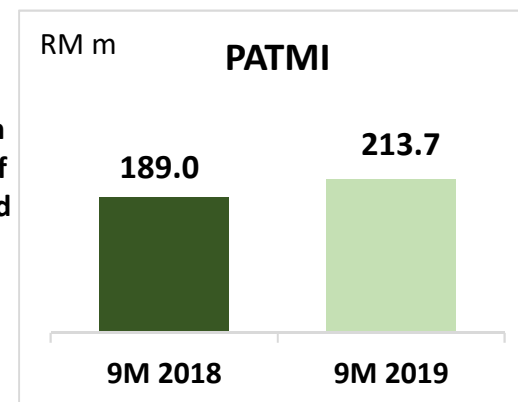
+4.0% YoY

- Primarily due to **higher energy payment recorded from TBP and TBE** on the back of **higher applicable coal price** and **higher energy payment recorded from SEV** on the back of **higher gas price**.



-2.4% YoY

- Mainly due to **lower contributions from associates** and **absence of gain from the LBT disposal (20% equity interest)**
- Partially moderated by **improved contribution from TBE** given shorter plant outage duration and **gain on remeasurement of existing investments in Shuaibah**.



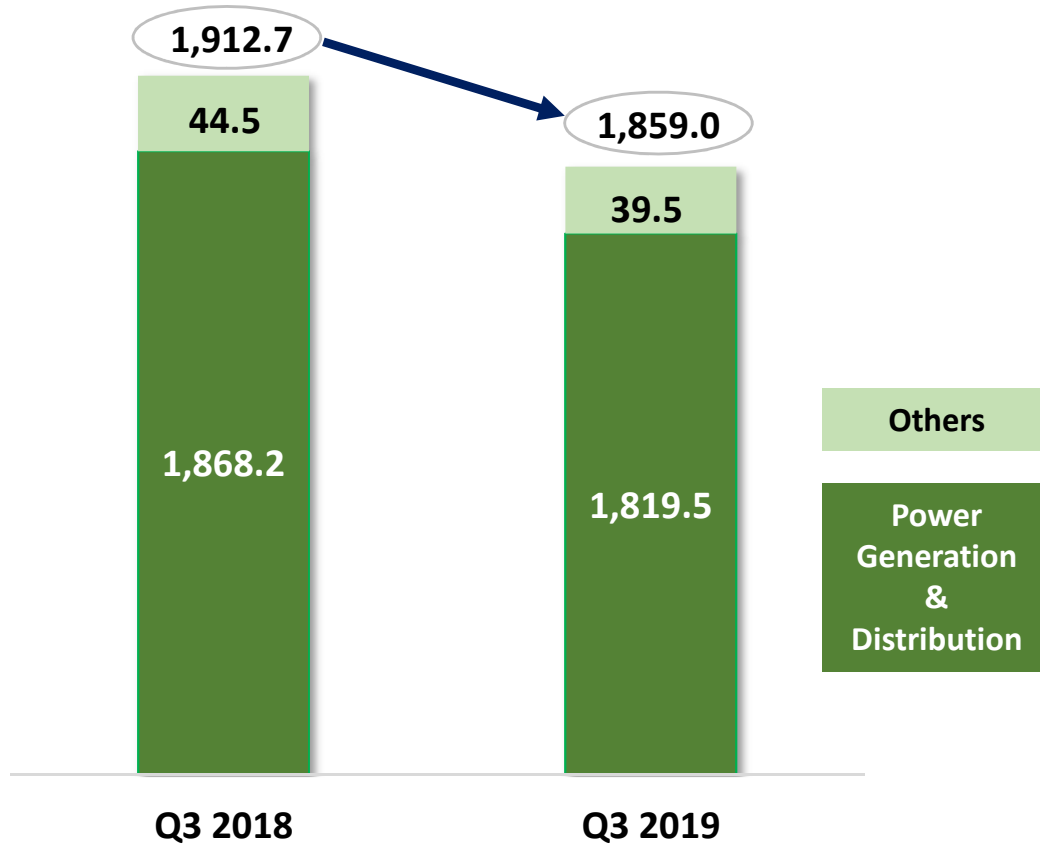
+13.1% YoY

- Mainly attributed to **improved contribution from TBE**, **lower net finance costs** and **gain on remeasurement of existing investments in Shuaibah**.
- Partially offset by **absence of gain from the disposal of Company's 20% equity interest in LBT** and **lower share of associates**

Note: Results above are a combination of continuing and discontinued operations.

Q3 2019 Revenue Mix

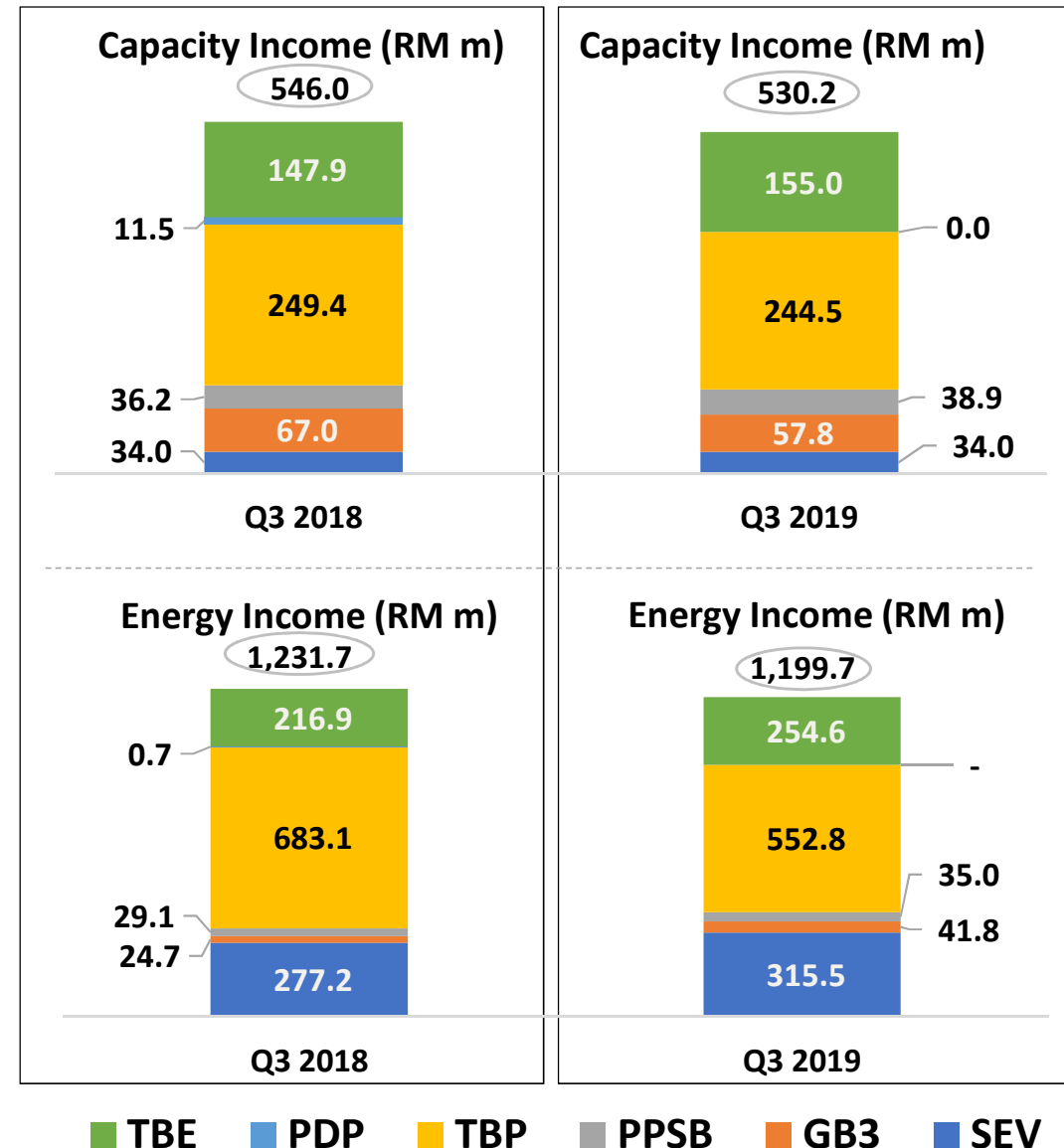
Total Revenue (RM m)



Power Generation & Distribution = Capacity income + Energy Income + Daily Utilisation Payment + Malakoff Utilities Sdn. Bhd. (MUSB)

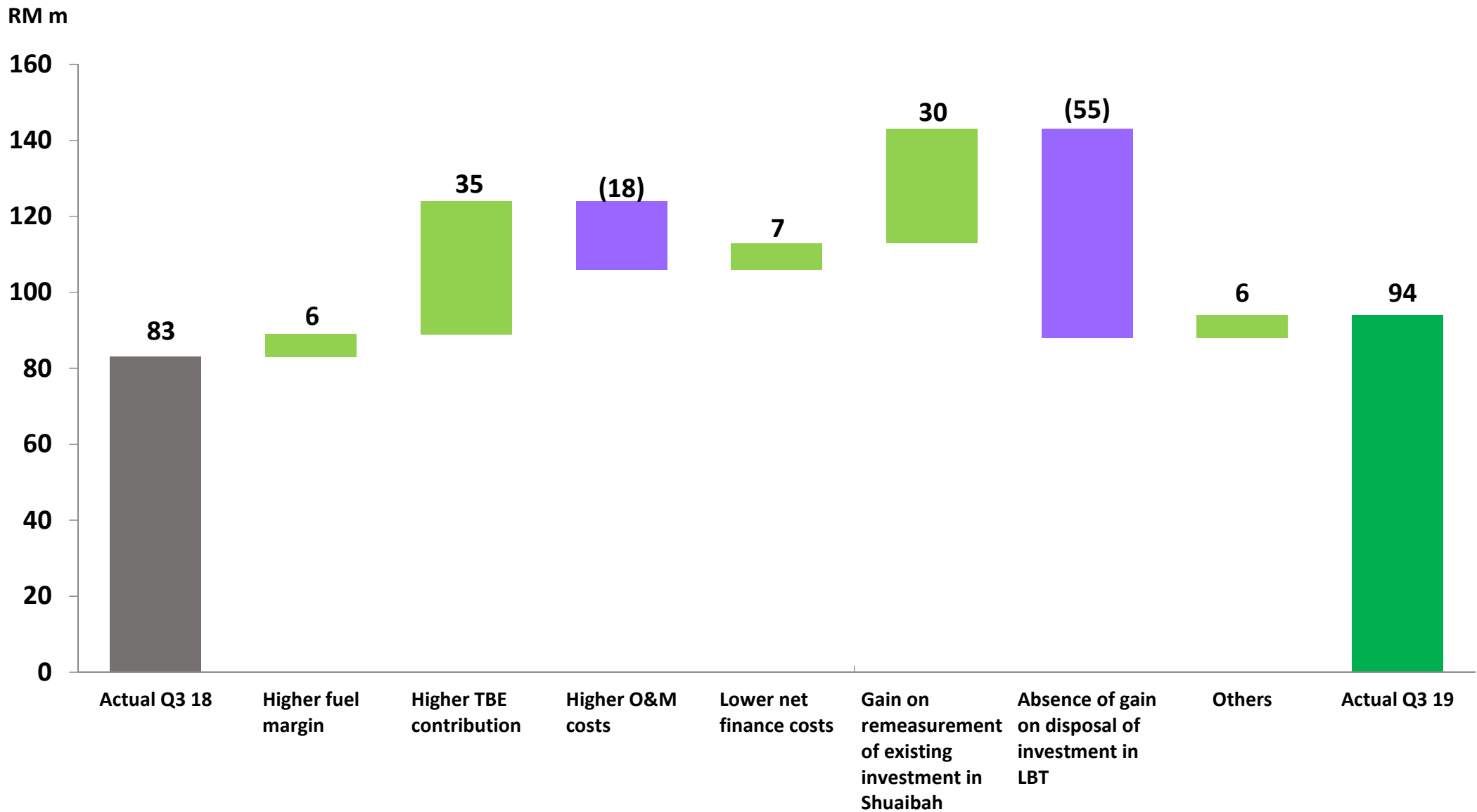
Others = Finance Lease Income + Rental Income + Project Management Fees + Operations & Maintenance (O&M) Fees

Electricity generation revenue includes:



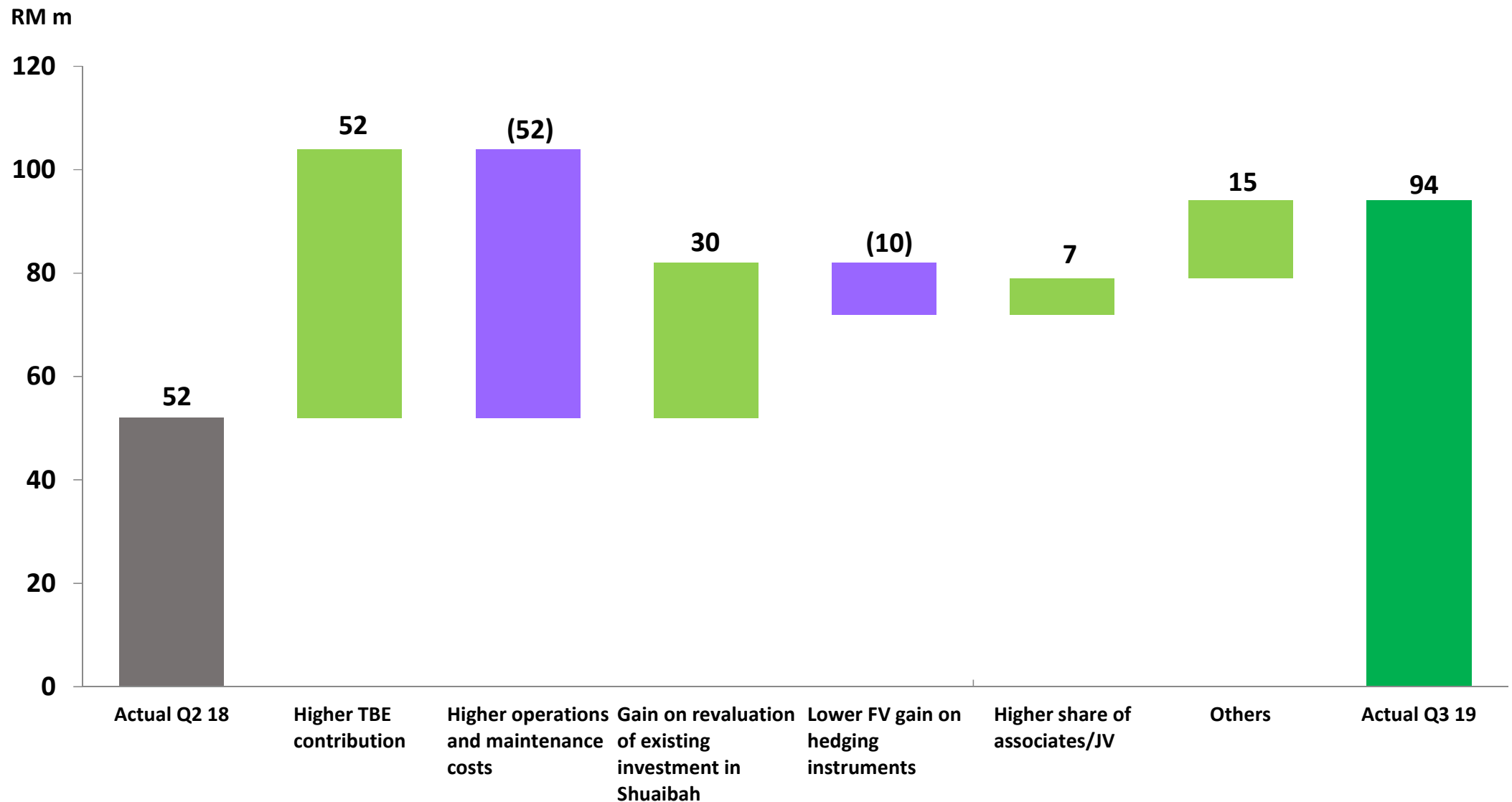
Note: Results shown above are a combination of continuing and discontinued operations.

Group PATMI – Q3 2019 vs Q3 2018



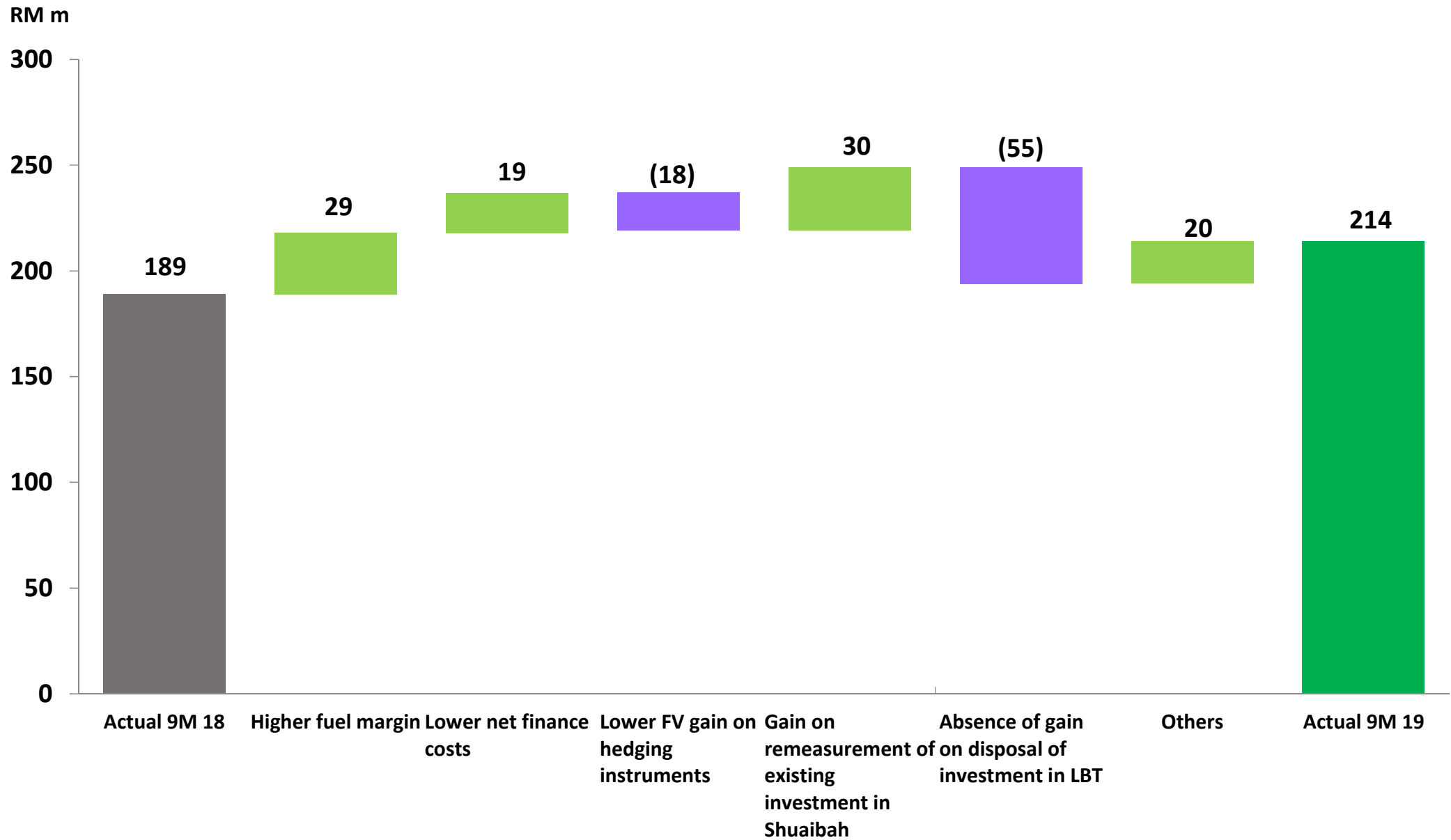
Note: Results shown above are a combination of continuing and discontinued operations.

Group PATMI – Q3 2019 vs Q2 2019



Note: Results shown above are a combination of continuing and discontinued operations.

Group PATMI – 9M 2019 vs 9M 2018

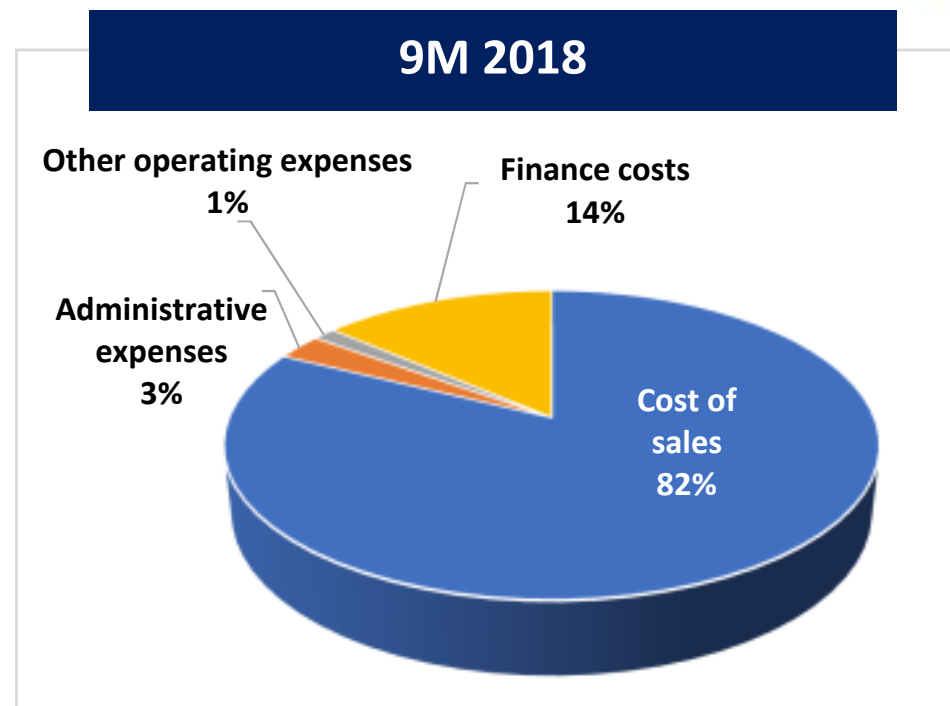
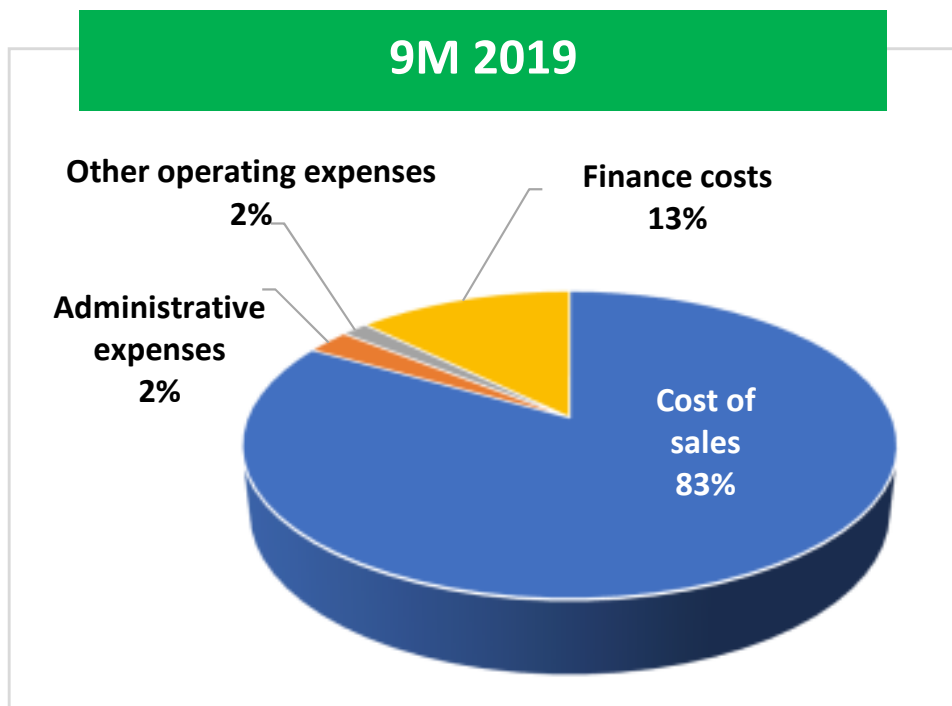


Note: Results shown above are a combination of continuing and discontinued operations.

Share of Profit of Associates and JVs

RM m	Q3 2019	Q3 2018	% Change (Remarks)	9M 2019	9M 2018	% Change (Remarks)
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	(15.5)	(20.8)	25% : Lower share of loss due to lower O&M costs.	(42.4)	(32.9)	-29% : Higher share of loss impacted by negative fuel margin & higher O&M costs.
Lekir Bulk Terminal (Malaysia) <i>(MCB effective equity 20%)</i>	-	-	-	-	1.7	-100% : Absence of contribution following disposal of investment in Sep 2018.
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.5	0.7	114%	4.0	3.1	29%
Shuaibah Water & Electricity Company (SWEC) (Saudi Arabia) Shuaibah Expansion Project Company Limited (SEPCO) (Saudi Arabia) <i>(Previous: MCB effective equity 12% & 11.9% respectively) (Current: MCB effective equity 24% & 23.8% respectively)</i>	14.2	16.0	-11% : Lower contribution impacted by lower capacity payment resulting from plant outages, moderated by contribution from the additional 12% equity interest since Sep 2019.	33.9	27.4	24% : Higher contribution following the recognition of an additional 12% equity interest subsequent to the completion of the Shuaibah acquisition.
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	16.9	17.3	-2%	45.6	44.5	2%
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	1.1	1.1	No change.	3.4	3.4	No change.
TOTAL	18.2	14.3	27%	44.5	47.2	-6%

Breakdown of Costs (YTD 9M 2019)

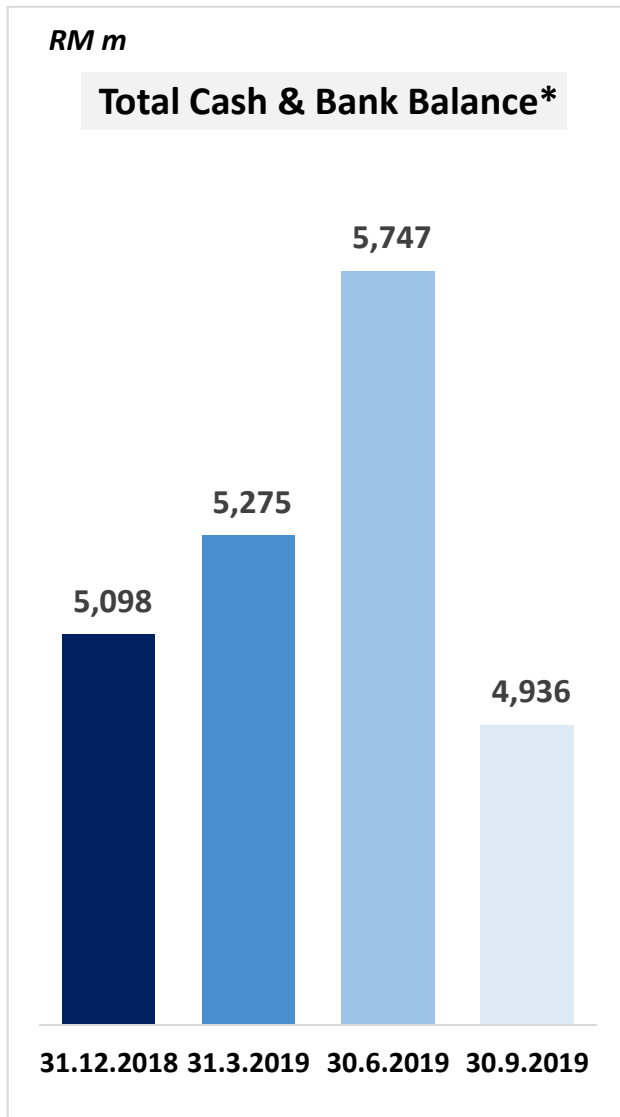


COST OF SALES BREAKDOWN

<i>RM m</i>	9M 2019	9M 2018
Fuel	3,394.3	3,225.9
Depreciation and Amortisation of C-inspection Costs	640.4	616.3
Amortisation of Intangible Assets	208.4	207.9
Operations and Maintenance Costs	251.6	229.3
Others	157.0	155.3
TOTAL	4,651.7	4,434.7

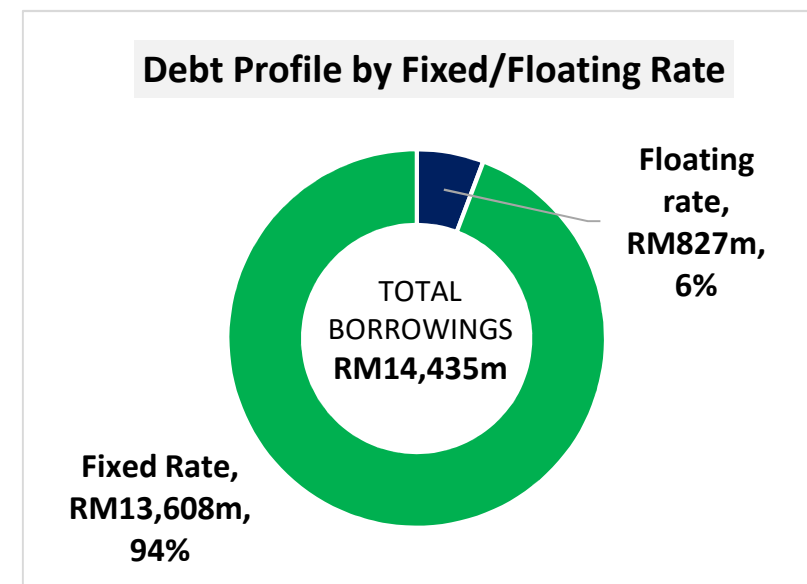
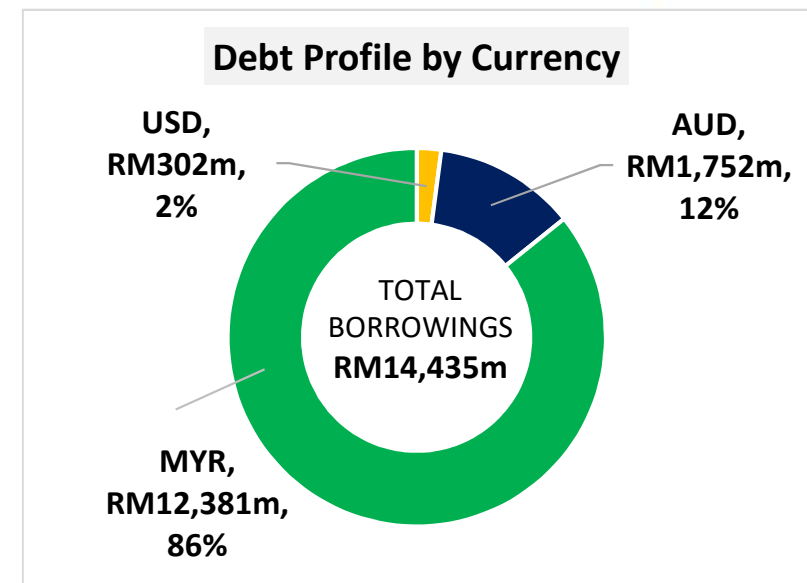
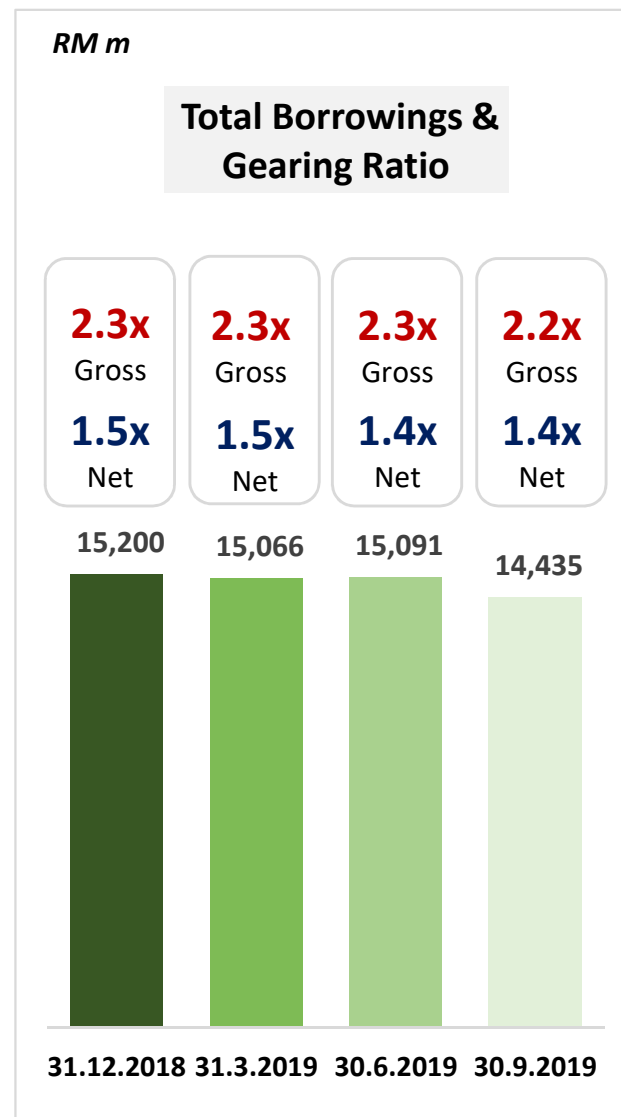
Note: Results shown above are a combination of continuing and discontinued operations.

Cash & Gearing as at 30 Sep 2019



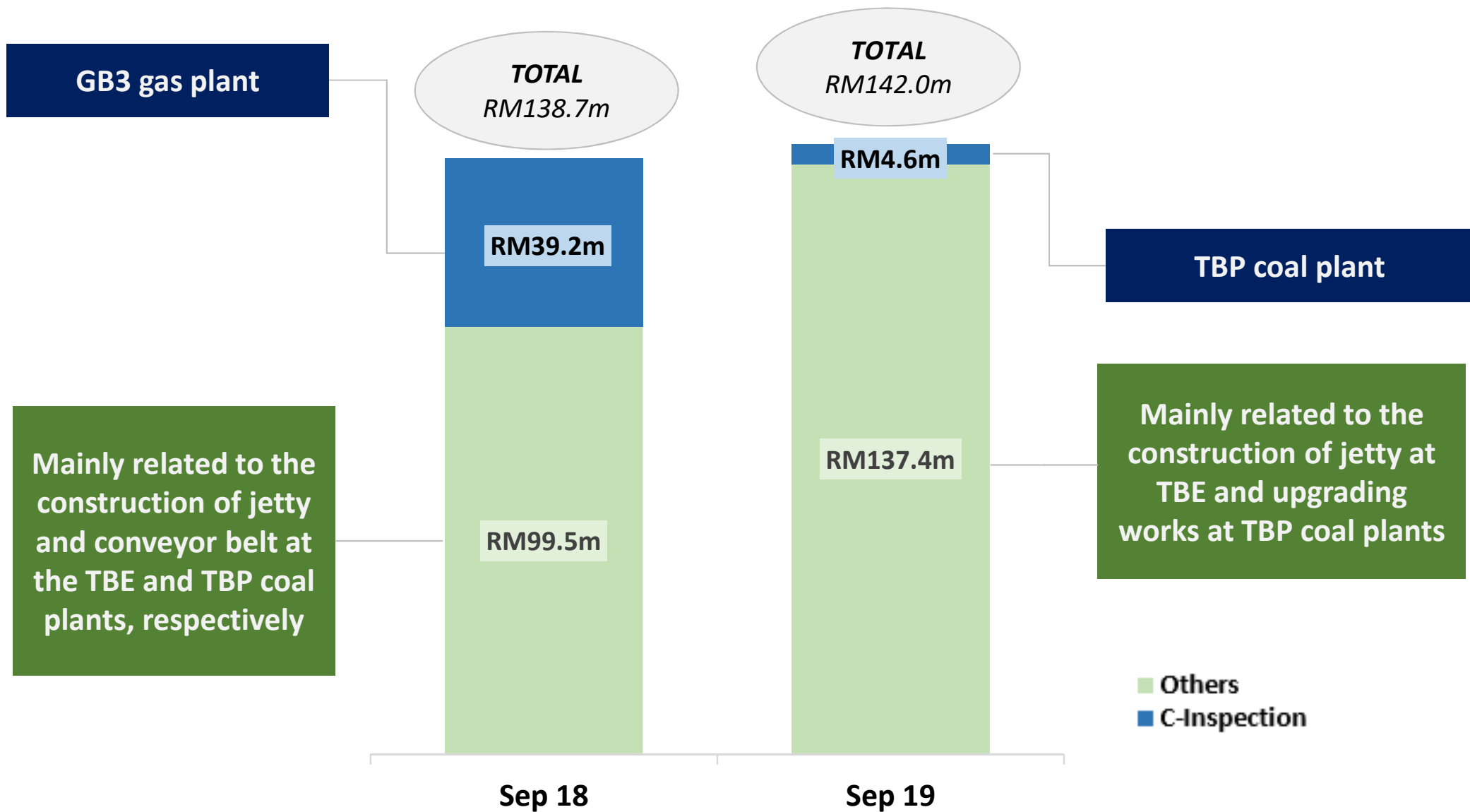
*includes Cash from Other Investments

Note: Results shown above are a combination of continuing and discontinued operations.



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 YTD 9M 2019



Capex budgeted for FY2019 is between RM250-350m, mainly for the construction of the jetty at the TBE power plant, upgrading works at TBP power plant and C-inspection works at SEV power plant.

CORPORATE UPDATES



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Disposal of Macarthur Wind Farm

On 29 October 2019, Malakoff entered into a Share and Unit Purchase Agreement with AMP Capital Investors Limited for its entire 50% participating interest in Macarthur Wind Farm for a cash consideration of AUD356.85m (~ RM1.01b)

420MW
 Macarthur Wind Farm (50%)



Capacity	420MW
MCB interest	50% (210MW)
COD	January 2013
EPC Contractors	Vestas and Leighton
PPA Expiration	2038
Target Completion (Disposal)	Q1 2020

Net Gain on Disposal

RM546m*

Reduction in Company's Borrowings

RM13.4b*

Total Borrowings
 (vs RM15.2b in 2018)

Lower Gearing Ratio

1.91x*
 Gearing Ratio
 (vs 2.36x in 2018)

The Macarthur disposal EV/MW of AUD4.2m represents a high premium to wind farm transaction comparables in Australia as shown below (ranging from AUD1.49m to AUD3.73m)

Date	Asset(s)	Development stage	Capacity (MWp)	Acquiror(s)	Stake	100% EV (A\$m)	EV/MW (A\$m/MW)
01 Jul 19	Yandin	Greenfield	332	RATCH-Australia Corporation Limited	70%	436	2.04
18 Dec 18	Cherry Tree	Greenfield	58	John Laing	100%	167	2.90
01 Nov 18	Granville Harbour	Greenfield	112	John Laing	50%	418	3.73
01 Sep 18	Murra Warra Stage 1	Greenfield	226	Partners Group	100%	584	2.59
28 Mar 18	Stockyard Hill	Greenfield	530	Goldwind	100%	790	1.49
16 Feb 17	Bald Hills	Brownfield	107	ICG	100%	350	3.27
28 Jun 16	Mt Emerald	Brownfield	180	RATCH-Australia Corporation Limited	50%	577	3.20
27 Jun 16	Hornsedale	Brownfield	100	John Laing	20%	254	2.54
01 Jun 16	Cullerin Range	Brownfield	30	DUET Group	100%	72	2.40
01 Mar 16	Taralga	Brownfield	107	State Power Investment Corp	100%	300	2.81
07 Sep 15	Macarthur	Brownfield	420	Morrison & Co	50%	1064	2.53
09 Jul 14	Gullen Range	Brownfield	166	Beijing Jingneng Clean Energy	75%	426	2.57
01 Jun 13	Boco Rock	Greenfield	114	EGCO	100%	361	3.17
01 Jun 13	Macarthur	Brownfield	210	Malakoff Corp Berhad of Malaysia	50%	660	3.14
01 May 13	Waterloo	Brownfield	111	Palisade (76%), Northleaf (24%)	75%	278	2.50
01 Sep 12	Musselroe	Greenfield	168	Guohua Energy	75%	394	2.35
01 May 12	Hallett 5	Brownfield	53	Eurus Energy	100%	174	3.28

*Based on the audited consolidated statement of financial position of Malakoff as at 31 December 2018 and assuming that the Proposed Disposal had been effected on that date.

Collaboration with J-Power

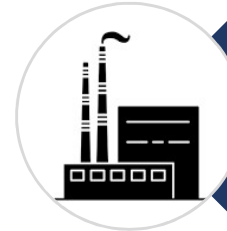


12 Sep
2019

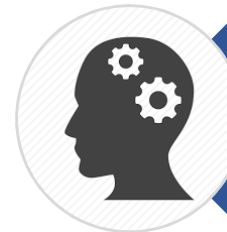
Malakoff signed an **MoU with J-POWER** on a strategic collaboration to develop potential greenfield and brownfield power generation and/or water projects globally.



- One of the **largest power companies** in Japan
- Owns power generation facilities that are in operation in **six countries and regions**, including **Thailand, the United States and China**.
- Installed capacity of **24.6 GW** worldwide
- Inclusive of **61 hydroelectric power plants** and **22 wind farms** across Japan



Support Malakoff to ensure stability and reliability of its domestic power plants



Exchange of technical expertise to enhance Malakoff's capabilities



Technical support for new projects



Support for project financing, particularly greenfield projects in emerging economies

Updates on Alam Flora, Touch Meccanica, Biogas



Acquisition of Alam Flora Sdn. Bhd

- Completion of the SSA will take effect upon execution of the Supplemental Concession Agreement, which is currently being finalised.



HYDROPOWER

Progress on the Collaboration with Touch Meccanica

- Malakoff had **submitted a bid to SEDA** through **e-bidding** for two sites (55MW) on **23 Sep 2019**.



2.4MW Biogas Project at Sg. Kachur, Johor

- In the process of awarding the EPCC contract.

THANK YOU



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