



ANALYST BRIEFING

Q4 2019 Results Announcement

19 February 2020



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energy & utilities

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HIGHLIGHTS OF Q4 2019 PERFORMANCE



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Key Highlights of Financial Results

	Q4 2019 vs Q4 2018			2019 vs 2018			
	<i>RM m</i>	Q4 2019	Q4 2018	YoY Change	2019	2018	YoY Change
Revenue		1,741.1	1,887.3	(146.2)	7,422.3	7,348.3	74.0
Results from Operating Activities		365.7	290.9	74.8	1,243.3	1,197.6	45.7
PBT		137.6	156.5	(18.9)	530.9	559.2	(28.3)
PATMI		106.4	85.4	21.0	320.2	274.5	45.7
EBITDA		627.4	642.2	(14.8)	2,413.5	2,430.4	(16.9)
Basic/Diluted EPS		2.18	1.75	0.43	6.55	5.56	0.99

REVIEW OF OPERATIONS

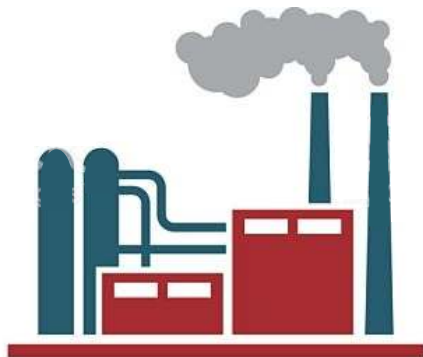


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COAL-FIRED POWER PLANTS (THERMAL)

- **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)** decreased from 81% in Q3-2019 to **77%** in **Q4-2019** due to **scheduled facility outage**.
- **Tanjung Bin Energy Power Plant (TBE)** has observed a **decrease in EAF** from 96% in Q3-2019 to **91%** due to **minor unplanned outages** in **Q4-2019**.

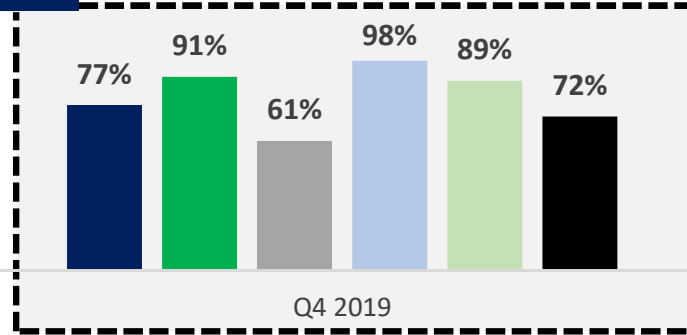
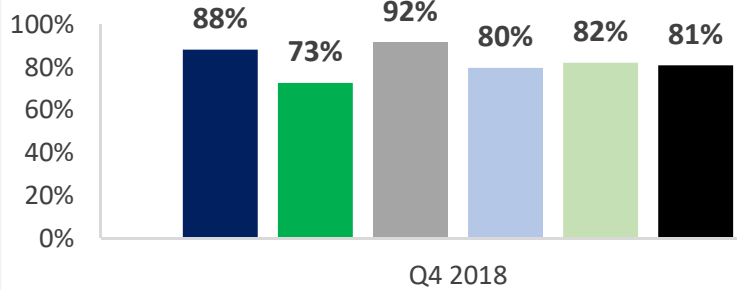


GAS-FIRED POWER PLANTS (GAS)

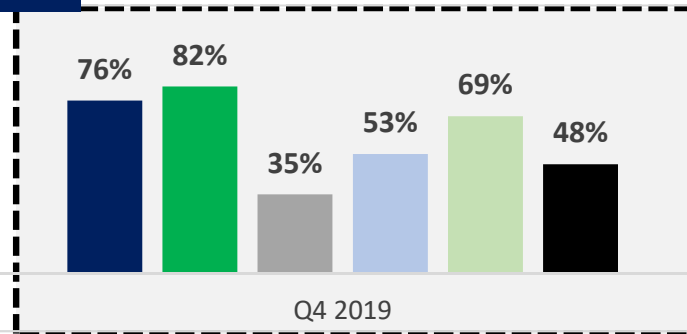
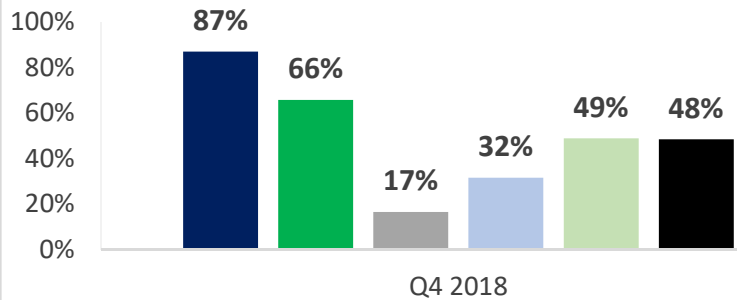
- **Gas fired power plants** recorded a generally **high EAF** during the quarter under review and **high Capacity Factor (CF)** due to **increase in demand from the Grid System Operator (GSO)** as a result of planned outages of other coal fired power plants.

Q4 Plant Performance (Local Assets)

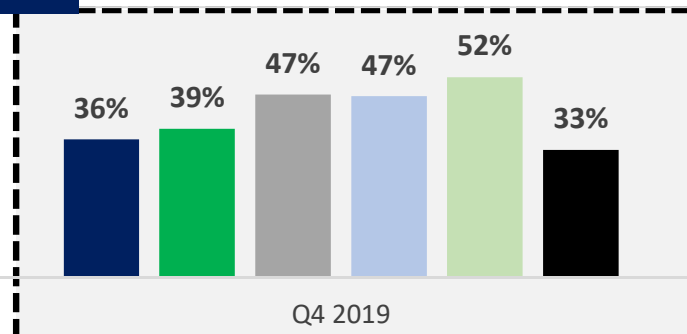
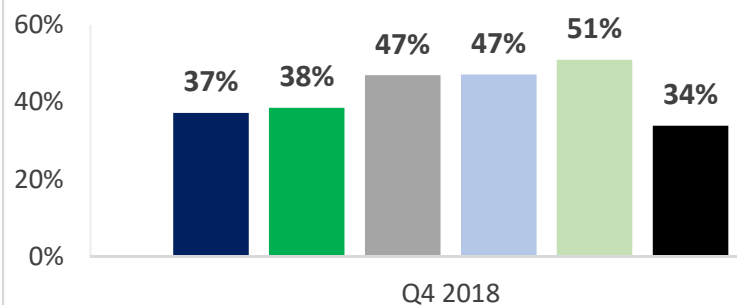
Equivalent Availability Factor (%)



Capacity Factor (%)



Thermal Factor (%)



■ TBP ■ TBE ■ SEV ■ GB3 ■ PPP ■ KEV

Q4 2019

TBP

- Lower EAF recorded for TBPP due to high SO (facility outage).

TBE

- Higher EAF recorded due to lower FO.

SEV

- Lower EAF recorded due to high SO (facility outage and GT13-C).

GB3

- Higher EAF recorded due to lower SO and FO.

PPP

- Higher EAF recorded due to lower SO and FO.

KEV

- Lower availability in 2019 due to GF3 (Unit 6) on forced outage - turbine trip on high bearing vibration.

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

Q4 2019 - Electricity Generated and Sold



PLANT	Q4 2019		Q4 2018	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE)	1,903.54	1,816.59	1,514.09	1,447.87
Tanjung Bin Power (TBP)	3,688.94	3,514.92	4,274.78	4,039.48
Segari Energy Ventures (SEV)	1,014.09	1,004.03	487.18	477.47
GB3	757.20	741.10	459.13	446.82
Prai Power Plant (PPP)	539.57	530.14	380.80	376.43
Total (Excluding KEV)	7,903.35	7,606.77	7,115.98	6,788.07
Kapar Energy Ventures (KEV)	2,586.15	2,409.94	2,606.57	2,421.22
Total (Including KEV)	10,489.50	10,016.71	9,722.55	9,209.29

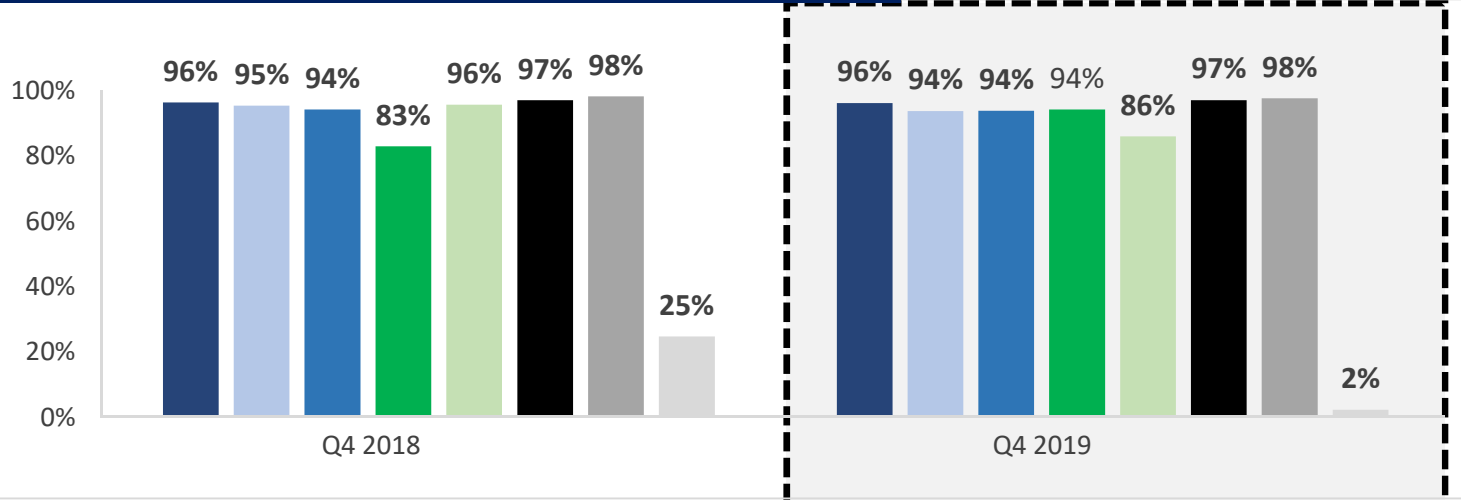
2019 - Electricity Generated and Sold



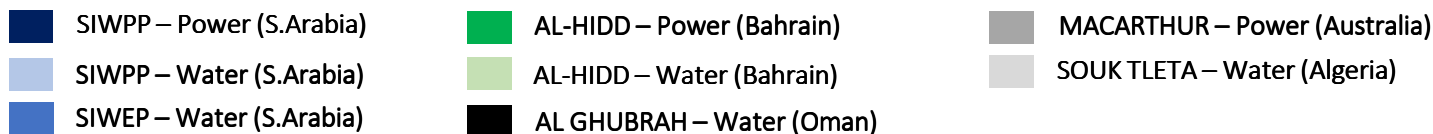
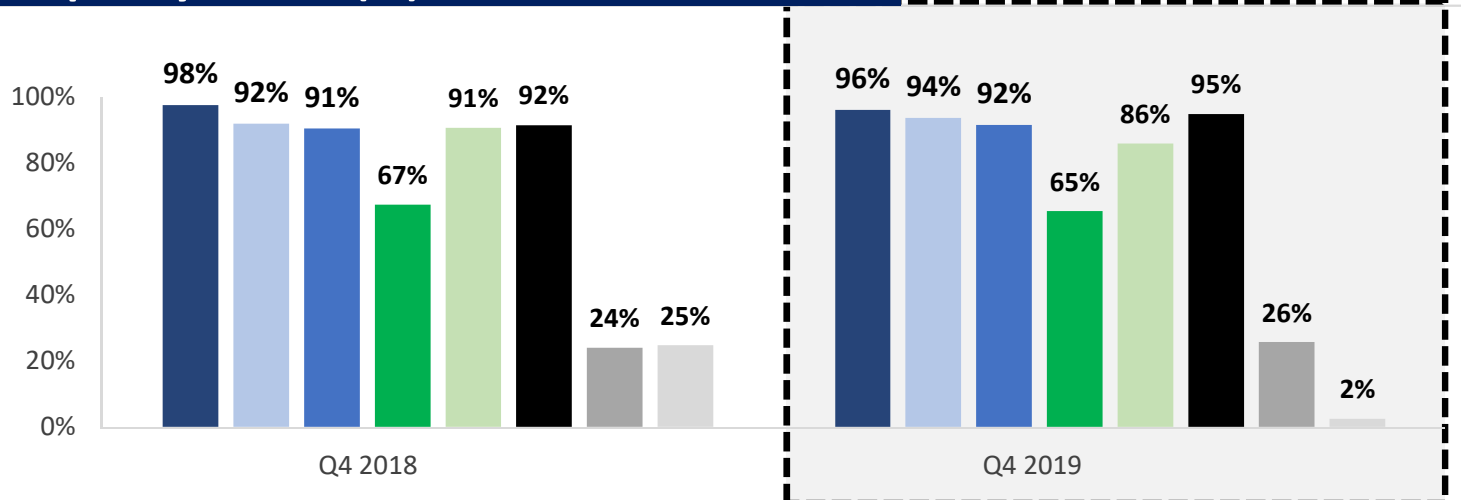
PLANT	YTD Dec 2019		YTD Dec 2018	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE)	6,243.87	5,955.89	5,861.57	5,609.04
Tanjung Bin Power (TBP)	15,593.32	14,808.42	16,390.69	15,566.23
Segari Energy Ventures (SEV)	4,190.78	4,151.43	3,711.31	3,651.47
GB3	1,845.57	1,807.80	1,136.71	1,101.14
Prai Power Plant (PPP)	1,934.18	1,900.96	1,686.77	1,662.56
Total (Excluding KEV)	29,807.71	28,624.50	28,787.05	27,590.45
Kapar Energy Ventures (KEV)	9,675.83	9,028.00	10,699.51	9,966.30
Total (Including KEV)	39,483.54	37,652.50	39,486.55	37,556.75

Q4 2019 - Plant Performance (International Assets)

Equivalent Availability Factor (%)



Capacity Factor (%)



Q4 2019 vs Q4 2018

SIWPP

- Slight decrease in availability for the water plant due to boiler tube leaks and deration.

SIWEP

- Sustainable performance in both 2019 and 2018.

AL HIDD

- Low availability in water plant due to Phase 1 seawater intake header pipe leak.

SOUK TLETA

- Plant under force outage with no production since Nov 2019.

MACARTHUR

- Sustainable performance in both 2019 and 2018.

Note: Disposal exercise completed on 18 Dec 2019.

AL GHUBRAH

- Sustainable performance in both 2019 and 2018.

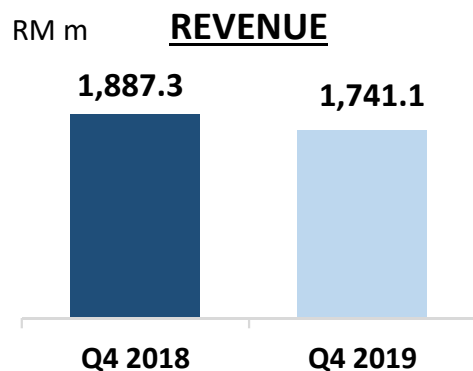
FY2019 FINANCIAL RESULTS



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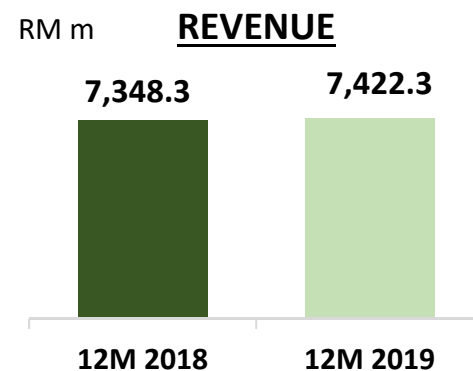
Revenue, PBT & PATMI

Q4 2019 (YoY)

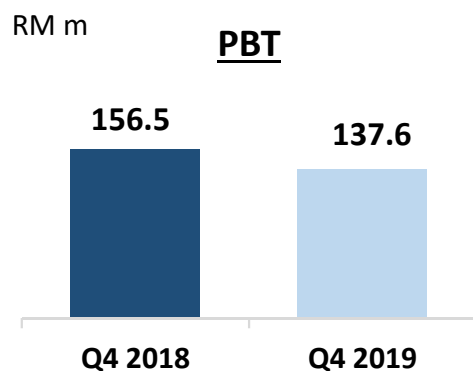


- 7.7% YoY**
- Primarily due to **lower energy payment from TBP** given the decline in Applicable Coal Price (ACP).

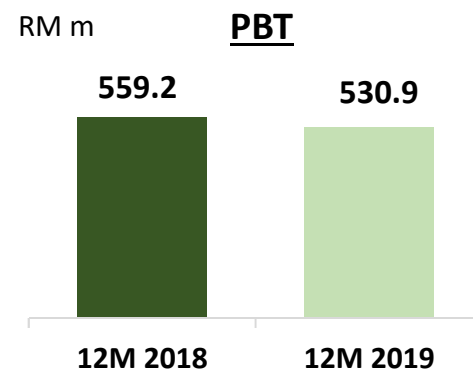
2019 (YoY)



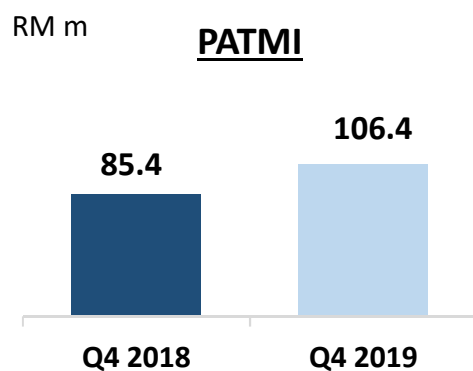
- +1.0% YoY**
- Primarily due to **higher energy payment recorded from SEV** in line with the increase in dispatch factor, **higher capacity income from TBE** given the shorter duration of plant forced outage and **one month revenue from the newly acquired subsidiary, Alam Flora Sdn. Bhd.**



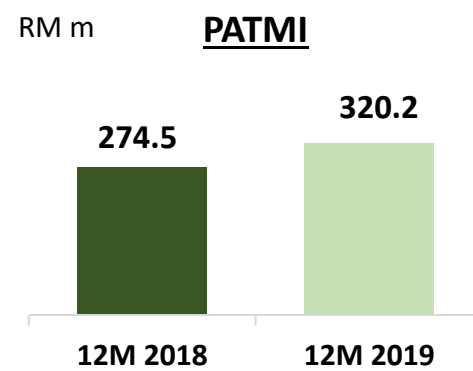
- 12.1% YoY**
- Mainly attributed to **net impairment loss on carrying value of investment in KEV** and **higher share of losses from KEV**.
 - Partially moderated by **gain from the disposal of investment in Malakoff Australia Pty. Ltd. (MAPL)**



- 5.1% YoY**
- Mainly due to lower contribution from TBP impacted by the decline in ACP, **higher than expected losses for KEV** and **net impairment loss on carrying value of investment in KEV**.
 - Partially moderated by **improved contribution from TBE** and **gain from the disposal of investment in MAPL**.



- +24.6% YoY**
- Mainly due to **higher contribution from TBE** and **gain from the disposal of investment in MAPL**.
 - Offset by **net impairment loss on carrying value of investment in KEV** and **higher share of losses from KEV**.



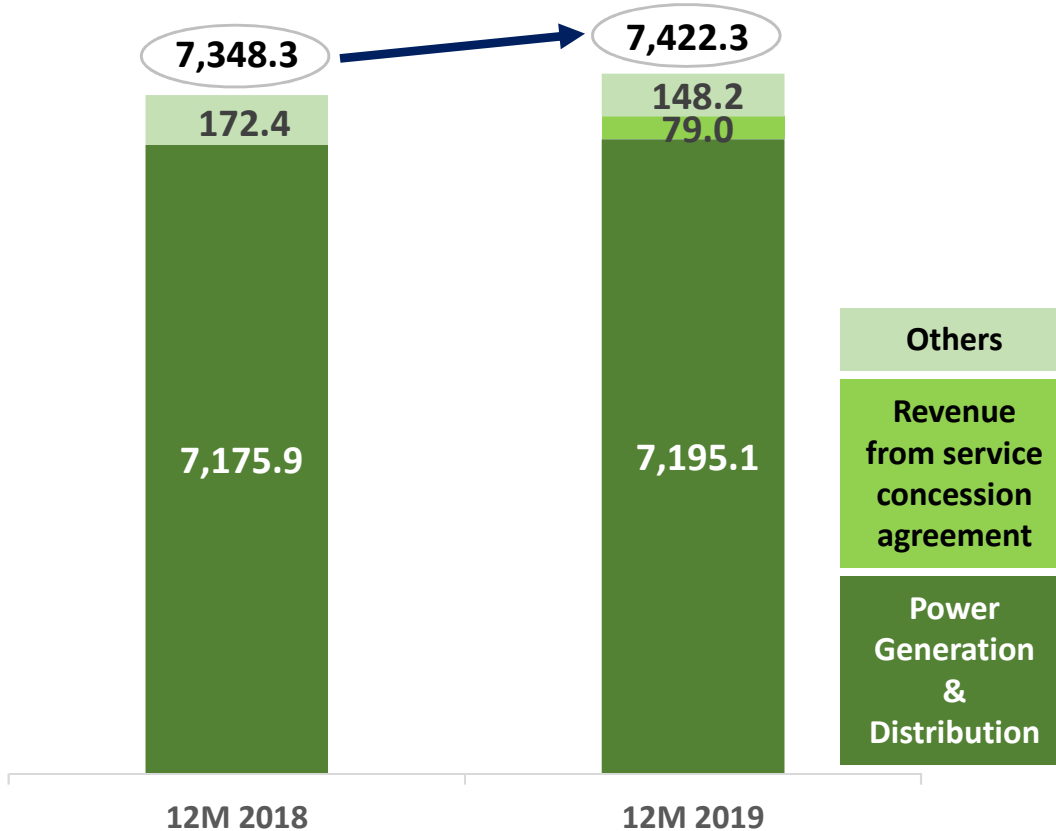
- +16.6% YoY**
- Mainly attributed to **higher contribution from TBE** and **gain from the disposal of investment in MAPL**, and **lower net finance costs**.
 - Partially offset by **higher share of losses from KEV** and **net impairment loss on carrying value of investment in KEV**

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

2019 Revenue Mix

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

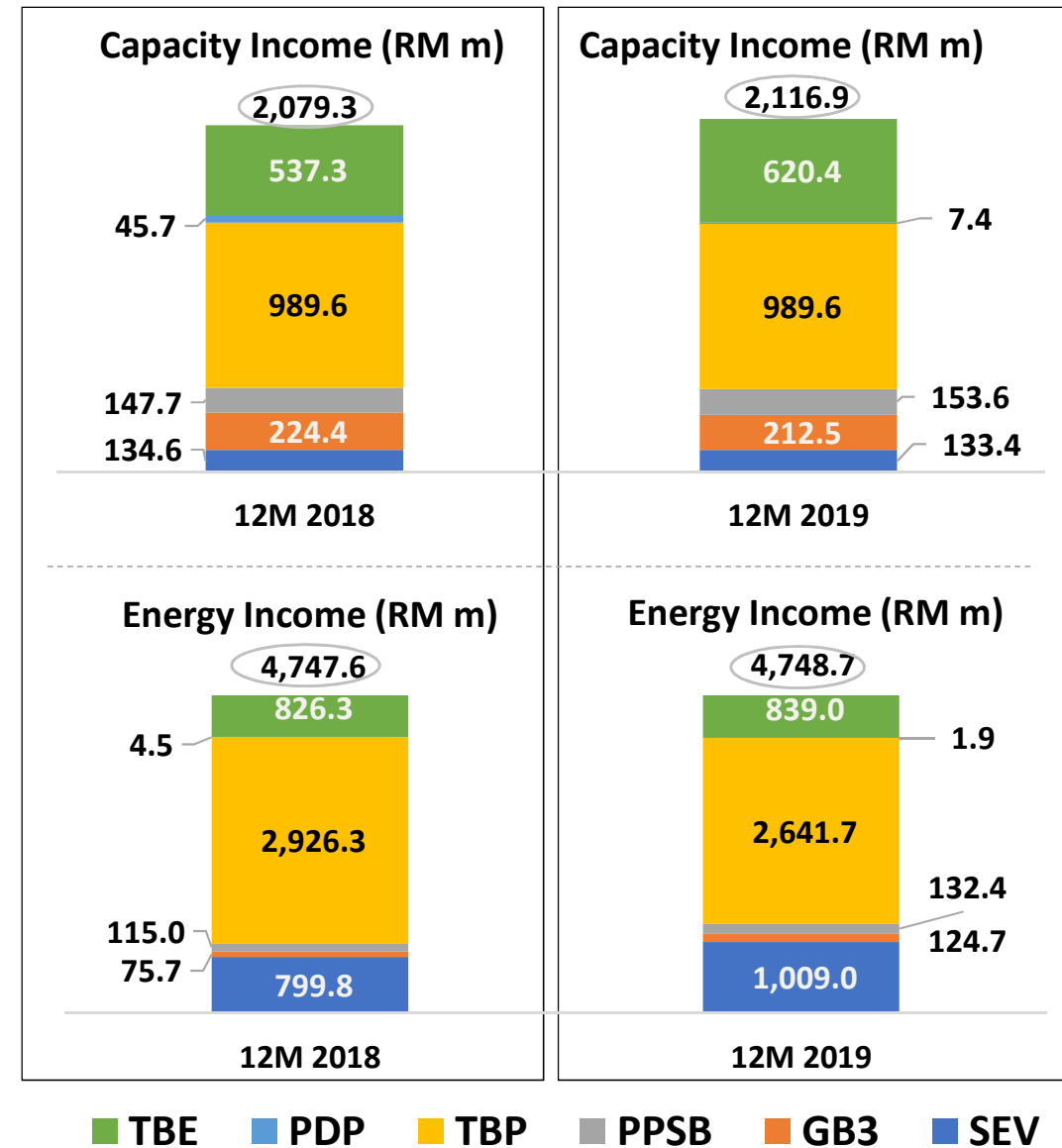
Total Revenue (RM m)



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

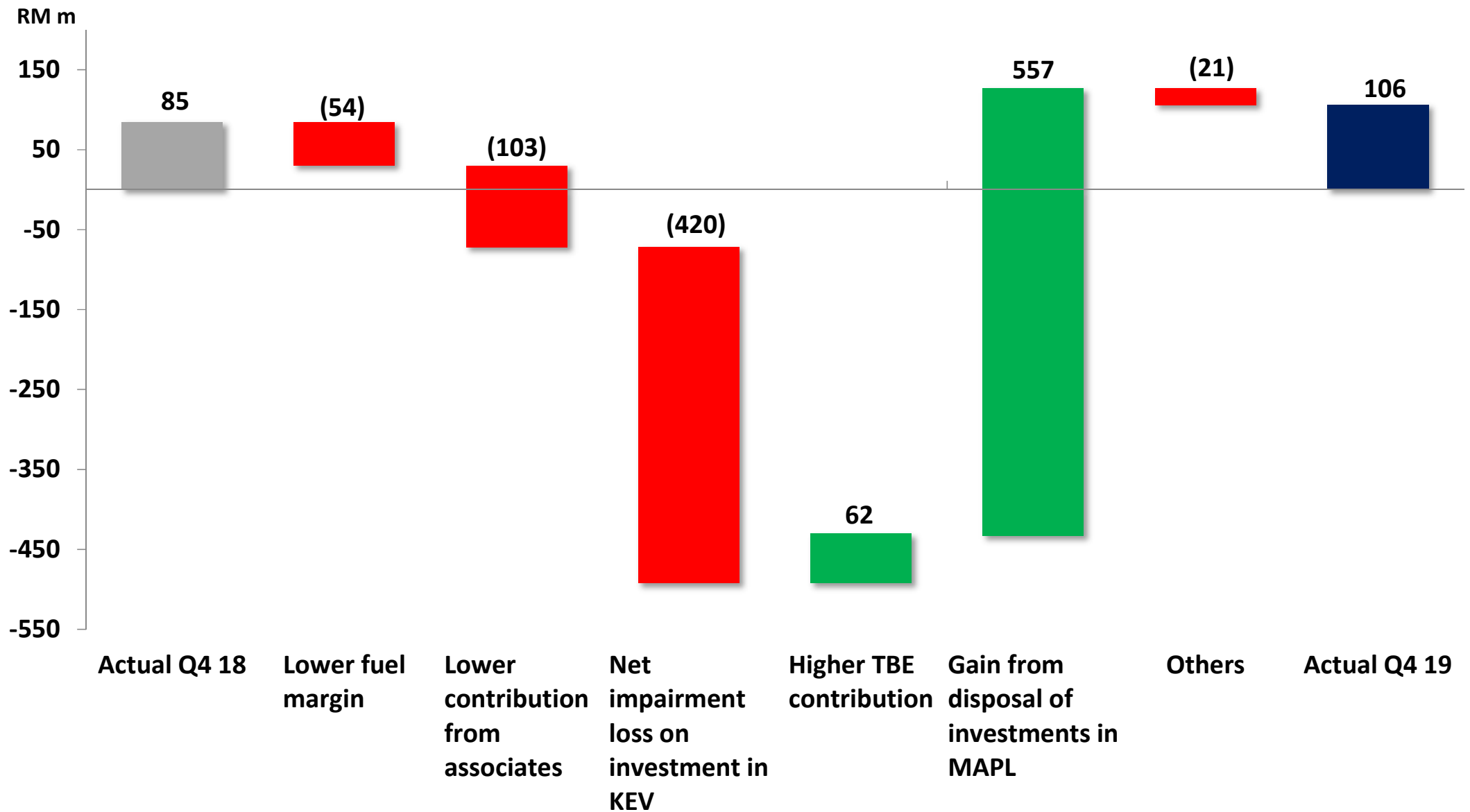
Others = Finance Lease Income + Rental Income + Project Management Fees + Operations & Maintenance (O&M) Fees

Electricity generation revenue includes:



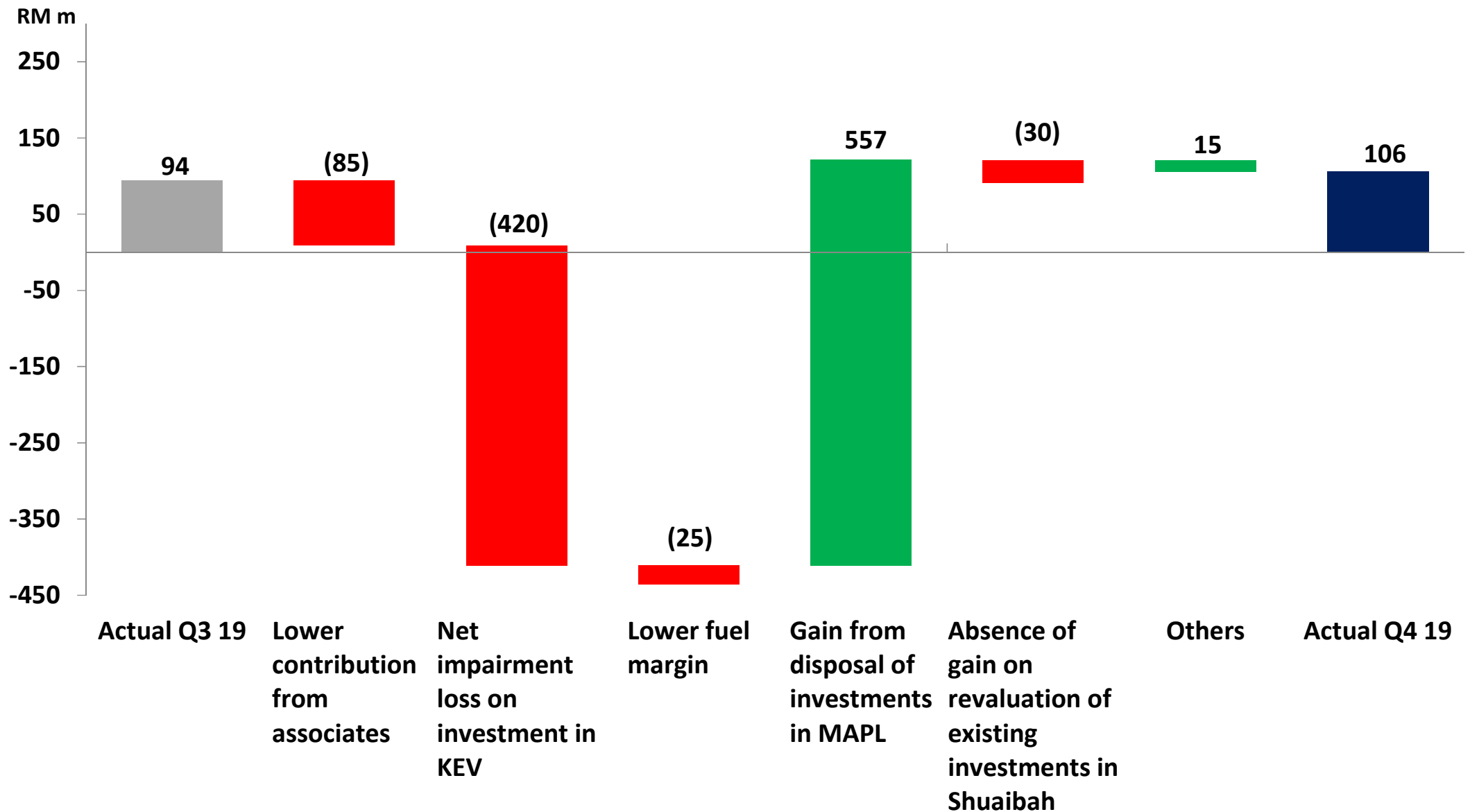
■ TBE ■ PDP ■ TBP ■ PPSB ■ GB3 ■ SEV

Group PATMI – Q4 2019 vs Q4 2018



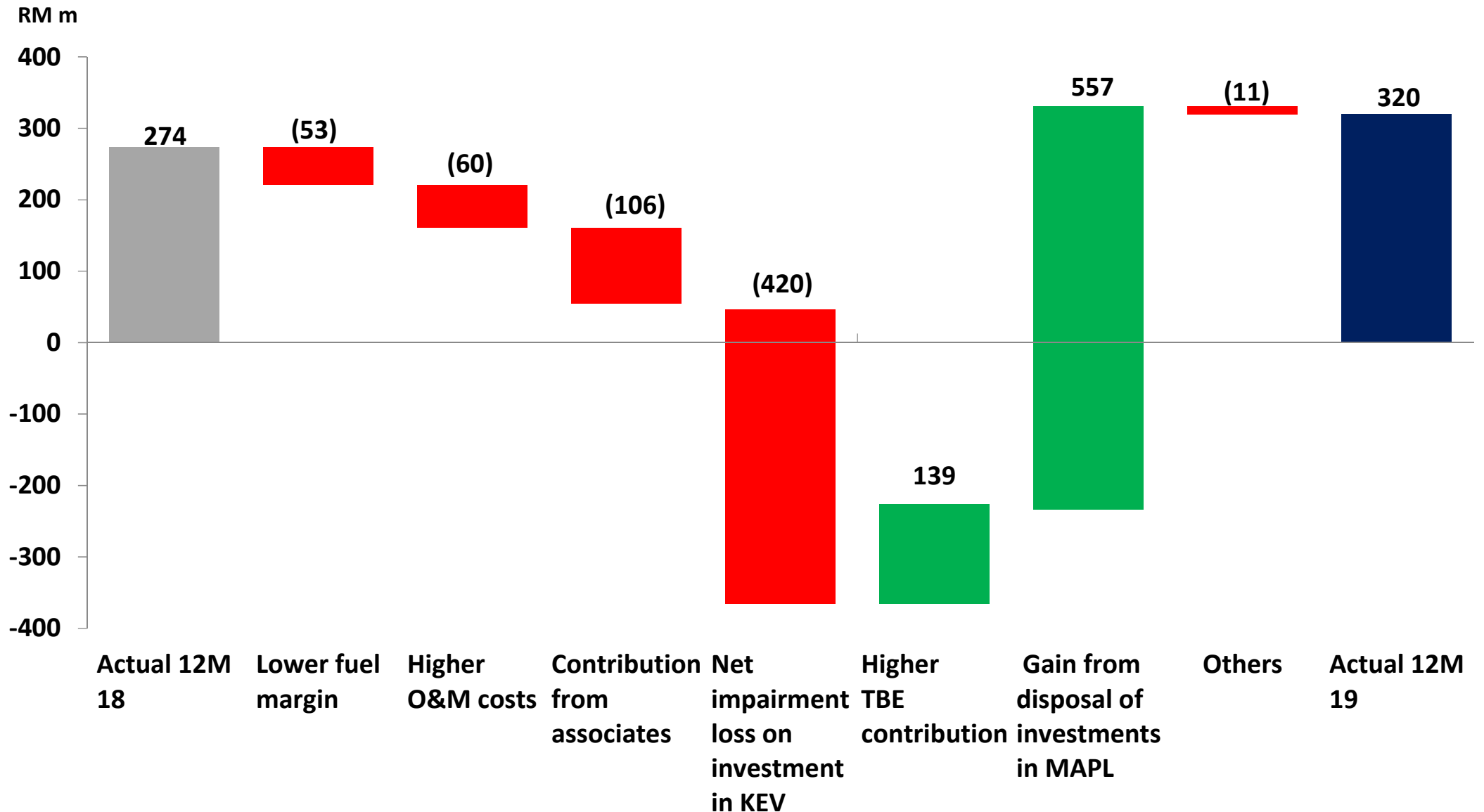
Note: Results shown above are a combination of continuing and discontinued operations.

Group PATMI – Q4 2019 vs Q3 2019



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

Group PATMI – 2019 vs 2018

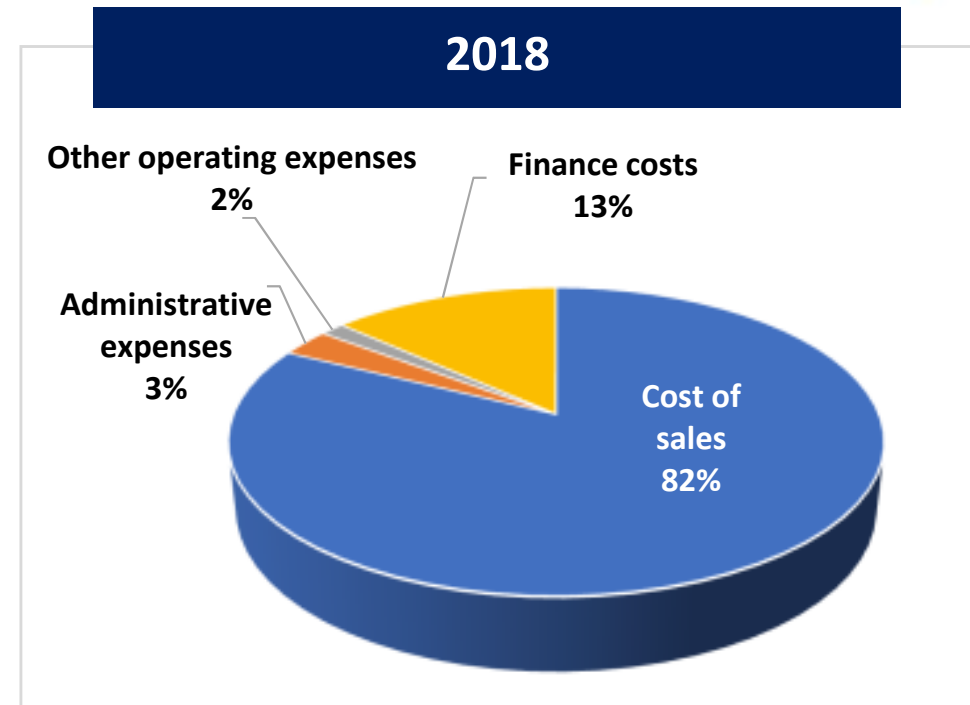
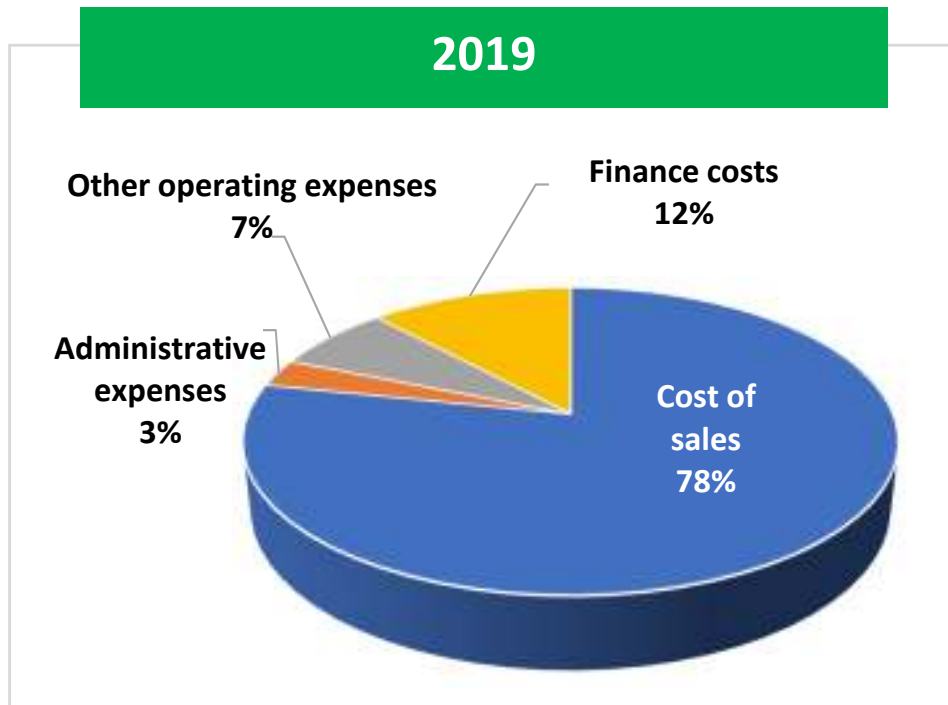


Note: Results shown above are a combination of continuing and discontinued operations.

Share of Profit of Associates and JVs

RM m	Q4 2019	Q4 2018	% Change (Remarks)	2019	2018	% Change (Remarks)
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	(88.0)	0.7	>-100% : Higher share of loss impacted by negative fuel margin, higher O&M costs and impairment loss on FLR	(130.3)	(32.2)	>-100% : Higher share of loss impacted by negative fuel margin, higher O&M costs and impairment loss on FLR
Lekir Bulk Terminal (Malaysia) <i>(MCB effective equity 20%)</i>	-	-	-	-	1.7	Absence of contribution following disposal of investment in Sep 2018.
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.2	0.8	50%	5.1	4.0	28%
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>	11.0	20.1	-45% : Lower contribution impacted by lower capacity payment resulting from plant outages, moderated by contribution from the additional 12% equity interest since Sep 2019.	45.0	47.5	-5% : Lower contribution impacted by lower capacity payment resulting from plant outages, moderated by contribution from the additional 12% equity interest since Sep 2019.
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	8.2	14.1	-42% : Lower contribution due to plant outages	53.8	58.5	-8% - Lower contribution due to plant outages
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	1.5	0.8	88%	4.8	4.2	14%
TOTAL	(66.1)	36.5	>-100%	(21.6)	83.7	>-100%

Breakdown of Costs (2019)

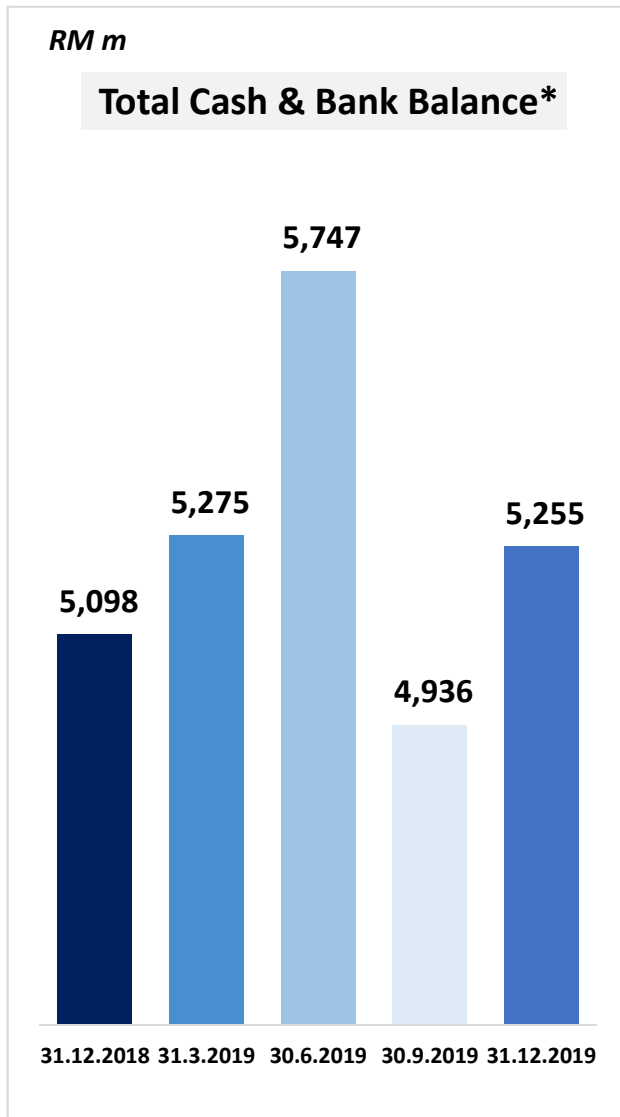


COST OF SALES BREAKDOWN

RM m	2019	2018
Fuel	4,370.5	4,322.1
Depreciation and Amortisation of C-inspection Costs	869.2	833.9
Amortisation of Intangible Assets	282.7	277.2
Operations and Maintenance Costs	316.2	258.7
Costs from service concession agreements	61.5	-
Others	191.8	247.9
TOTAL	6,091.9	5,939.8

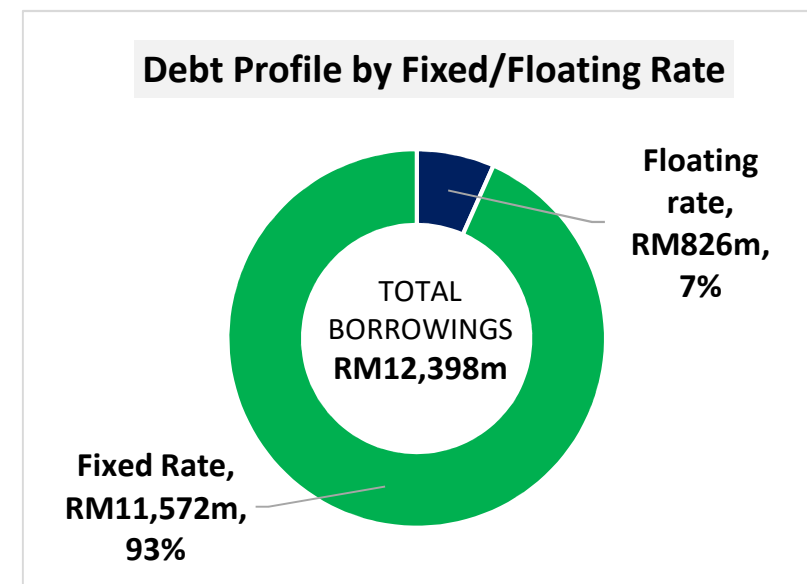
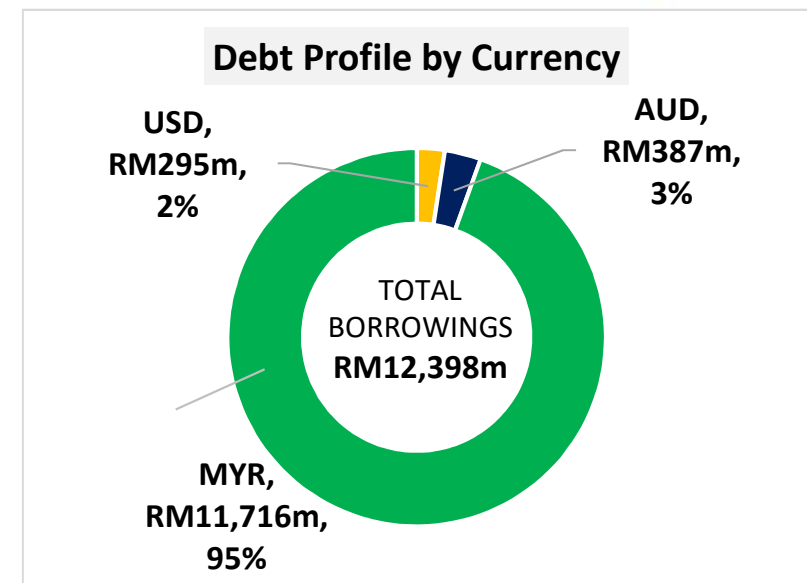
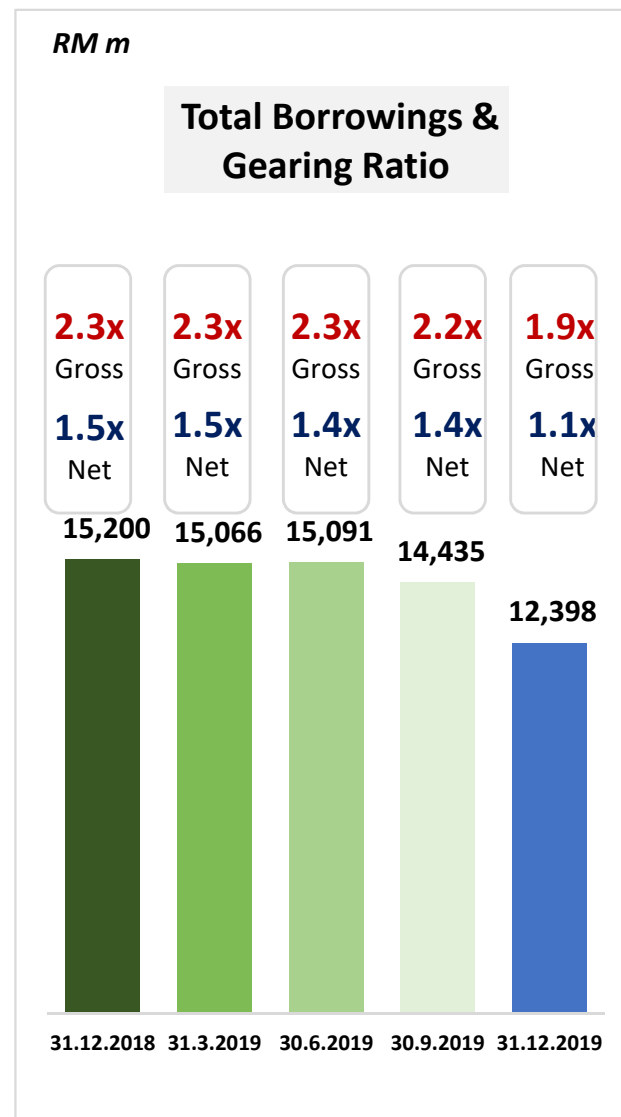
Note: Results shown above are a combination of continuing and discontinued operations.

Cash & Gearing as at 31 Dec 2019



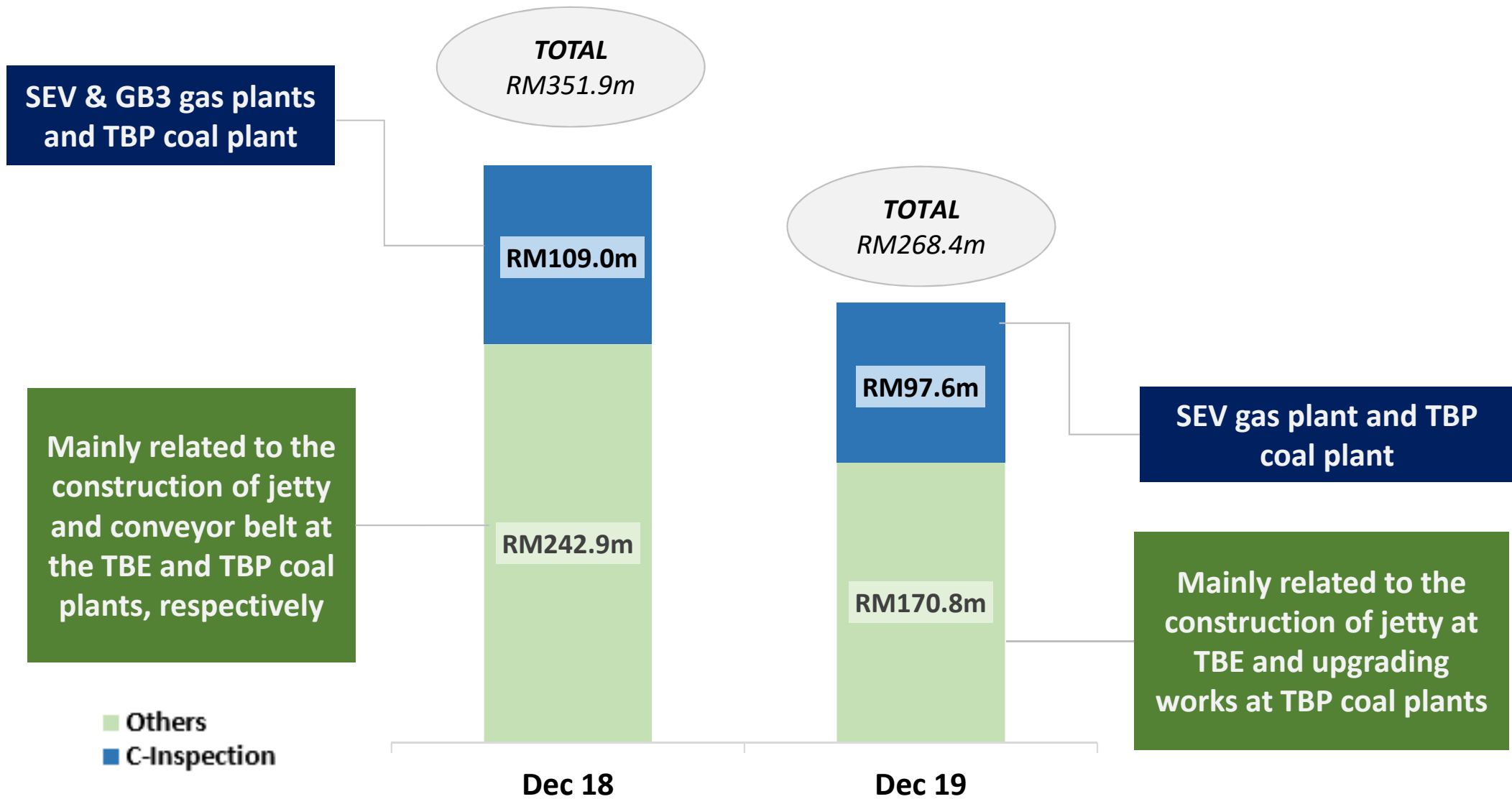
*includes Cash from Other Investments

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

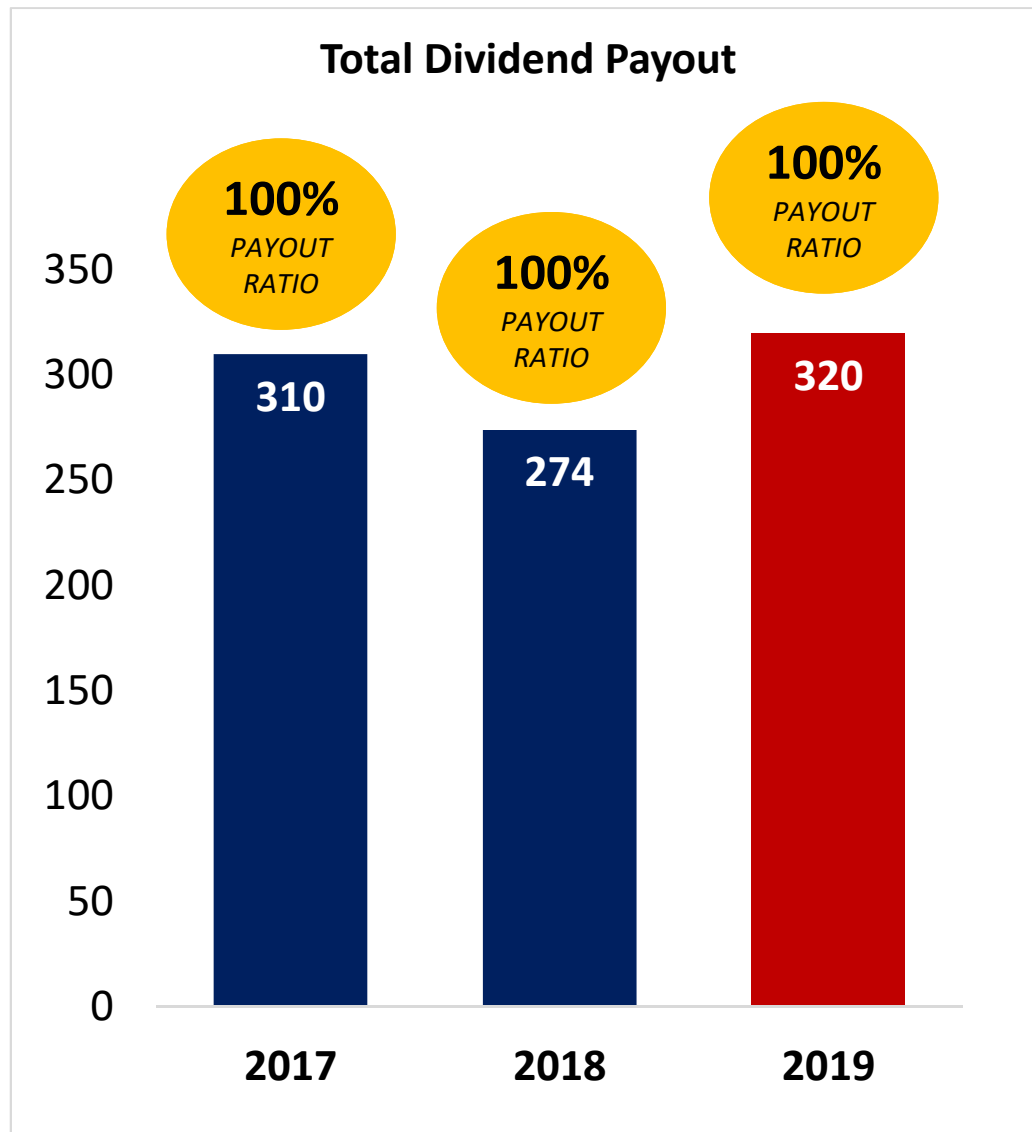


The Group continues to embark on stringent capital management, maintaining gearing at a healthy level and sustaining a cash balance of ~RM5 billion.

Capital Expenditure 2019



Proposed Dividend for the Financial Year Ended 31 Dec 2019



The Board of Directors has recommended the payment of a **final single-tier dividend of 4.11 sen** per share in respect of the **financial year ended 31 December 2019** to bring the total dividend for 2019 to **6.55 sen per share***

Note : Interim dividend of 2.44 sen per share was paid out on 11 October 2019.

**subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.*

CORPORATE UPDATE



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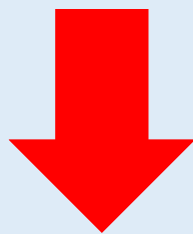
Completion of Key Corporate Exercises

5 DEC 2019



Acquisition of Alam
Flora Sdn. Bhd.

Alamflora
Appreciating LIFE



RM869m

Total Purchase Consideration

18 DEC 2019



Disposal of Macarthur
Wind Farm



AUD188m (RM557m)

Net Gain on Disposal

Malakoff Wins Feed in Tariff Bid for Small Hydro Projects

Malakoff and Touch Meccanica signed an MoU to jointly secure, develop and implement several renewable energy projects in the state of Pahang

Both companies entered into a JDA to jointly develop several small hydropower projects at the identified sites in Pahang

23 Dec 2019

- Malakoff (through its collaboration with Touch Meccanica) has been selected as one of the **successful bidders** in a **competitive FIT e-bidding small hydro tender exercise** by **Sustainable Energy Development Authority (SEDA)** of Malaysia
- A **Renewable Energy Power Purchase Agreement (REPPA)** will be signed with **Tenaga Nasional Berhad** for a **period of 21 years**.

8 Jan 18

1 Nov 18

14 Aug 18

Q1 2019

The MoU was extended for another 6 months to facilitate the feasibility study and finalisation of the Definitive Agreement and other relevant regulatory matters.

A power system study for the proposed mini hydro projects was conducted and the necessary approvals from Tenaga Nasional Bhd. (TNB) were obtained.

SPVs	Installed Capacity	Bid Tariff (RM/kwh)
Batu Bor Hidro Sdn. Bhd.	30	0.29
Lubuk Paku Hidro Sdn. Bhd.	25	0.29

THANK YOU



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