

Second Quarter Ended 30 June FY2016

ANALYST BRIEFING
Financial Results
18 August 2016



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PROGRAM

Time allocation	Agenda	Speaker
10:00am (5 mins)	Welcoming remarks	Datuk Wira Azhar Abdul Hamid (Group Managing Director)
10:05am (15 mins)	Review of operations	Mr Habib Husin (EVP, Operations)
10:15am (15 mins)	Financial results briefing	Madam Ruswati Othman (CFO)
10:35am (10 mins)	Corporate strategy	Datuk Wira Azhar
10:45am (15 mins)	Q&A	Management
11:00am	Closing remarks	

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Highlights of 2QFY2016 Financials

	2QFY2016 (RM million)	2QFY2015 (RM million)	YTD 2QFY16 (RM million)	YTD 2QFY15 (RM million)	Year-on-Year Change	
					2Q16 vs 2Q15	YTD2Q16 vs YTD2Q15
Revenue	1,526.5	1,295.8	2,870.6	2,642.4	+17.8%	+8.5%
Profit from operating activities	385.1	337.7	670.9	672.2	+14.0%	+0.2%
PBT	158.9	157.5	298.7	333.1	+0.8%	+10.3%
PATMI	129.6	86.3	213.7	190.2	+50.2%	+17.7%
EBITDA	711.0	595.5	1,302.6	1,170.1	+19.4%	+11.3%
Basic EPS	2.59 sen	1.90 sen	4.27 sen	4.69 sen	+36.3%	-9.0%
Diluted EPS	2.59 sen ¹	1.90 sen ²	4.27 sen ¹	4.46 sen ³	+36.3%	-4.3%%

Note:

¹ based on weighted average number of ordinary shares of 5.000 billion

² based on weighted average number of ordinary shares of 4.533 billion

³ based on weighted average number of ordinary shares of 4.265 billion

REVIEW OF OPERATIONS

Current footprint

MALYSIAN INDEPENDENT POWER GENERATION



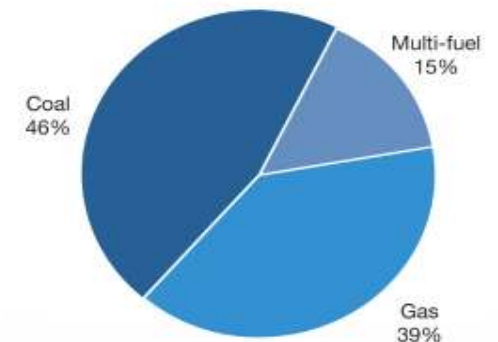
INTERNATIONAL INDEPENDENT WATER PRODUCTION & POWER GENERATION



TOTAL EFFECTIVE POWER GENERATING CAPACITY
Malaysia 6,346 MW
International 690 MW

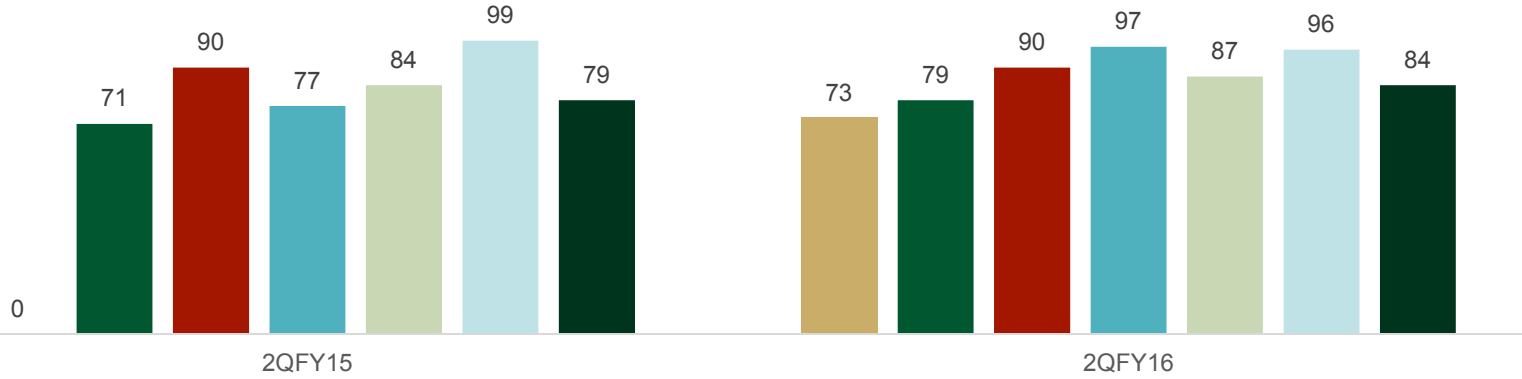
TOTAL EFFECTIVE WATER PRODUCTION CAPACITY
444,800 m³/day

EFFECTIVE DOMESTIC POWER GENERATION

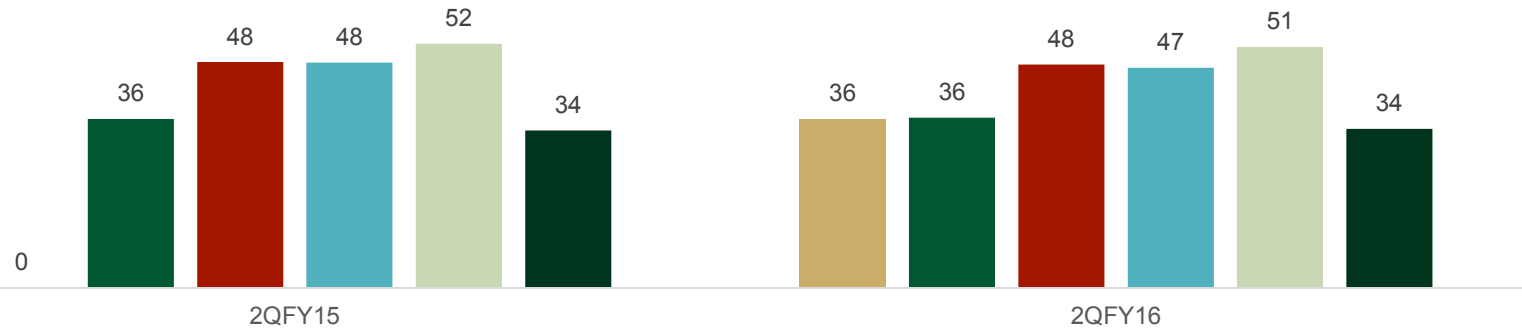


Local Assets

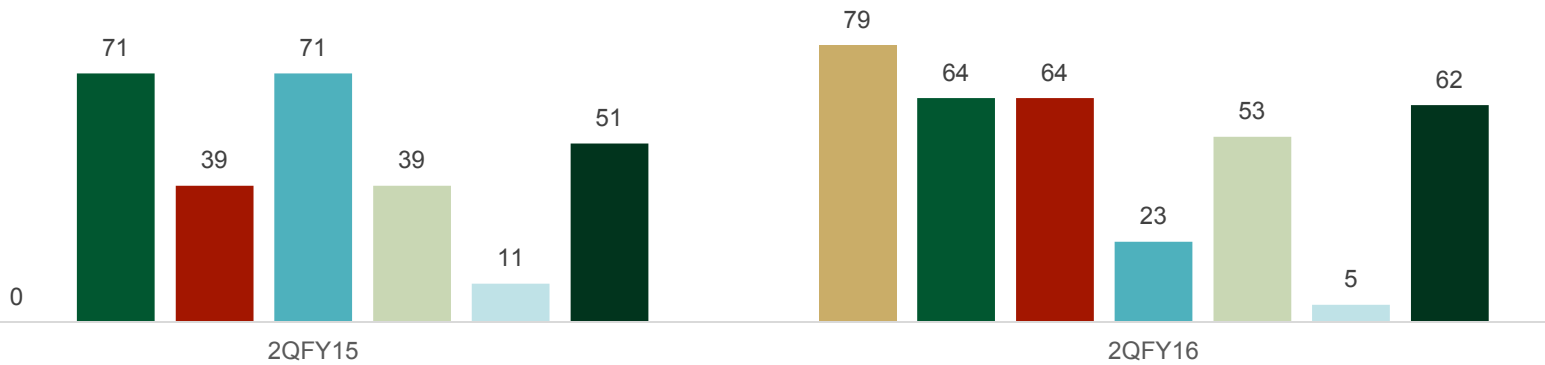
Equivalent Availability Factor (%)










Thermal Efficiency (%)



Capacity Factor (%)



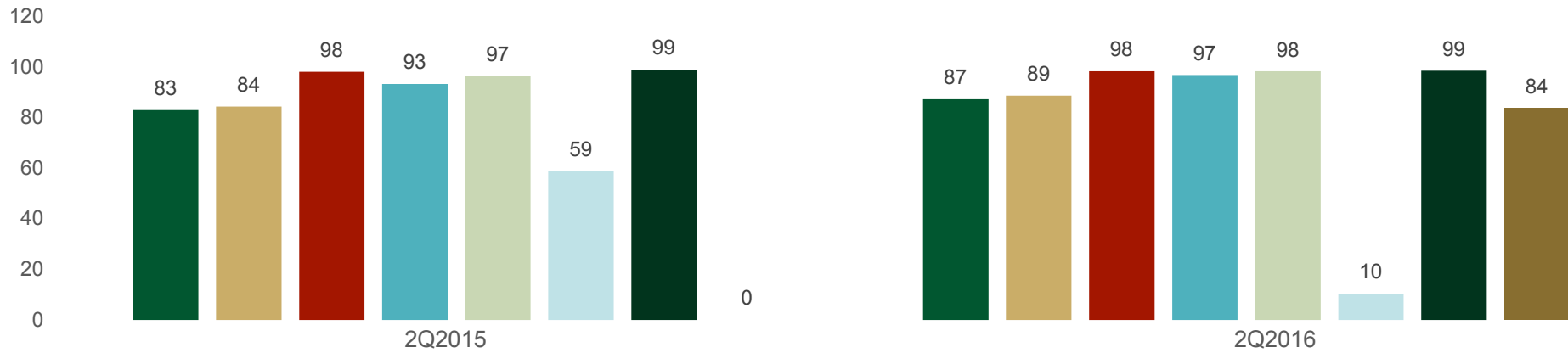
-  TBE
-  TBP
-  SEV
-  GB3
-  PPP
-  PDP
-  KEV

Overview of Local Assets' Performance

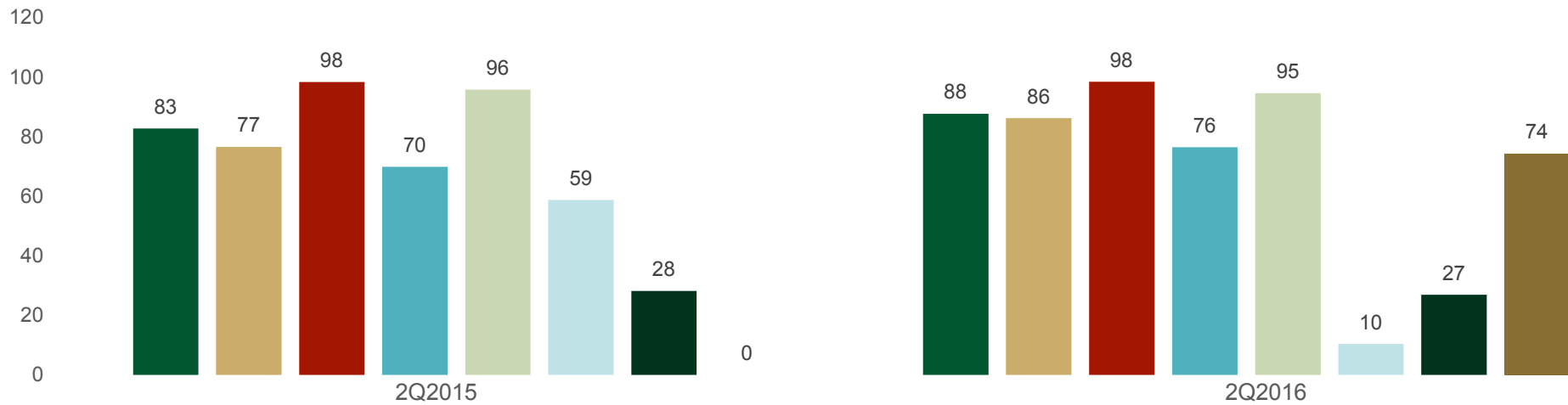
Plant	YTD 2QFY15		YTD 2QFY16	
	Power generated (GWh)	Electricity Sold (GWh)	Power generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE/T4)	NA	NA	1,701.40	1,609.11
Tanjung Bin Power (TBP)	7,559.99	7,201.56	7,831.62	7,484.02
Segari Energy (SEV)	4,072.72	4,015.70	3,713.45	3,654.99
GB3	1,110.24	1,077.27	669.09	650.49
Prai Power Plant (PPP)	895.84	877.01	819.49	802.05
Port Dickson Power (PDP)	217.05*	217.05	67.29	61.79
Kapar Energy (KEV)	5,325.48	4,975.71	6,486.89	6,051.15
Total	19,181.32	18,364.30	21,289.23	20,313.60

Overview of International Assets

Equivalent Availability (%)



Capacity Factor (%)



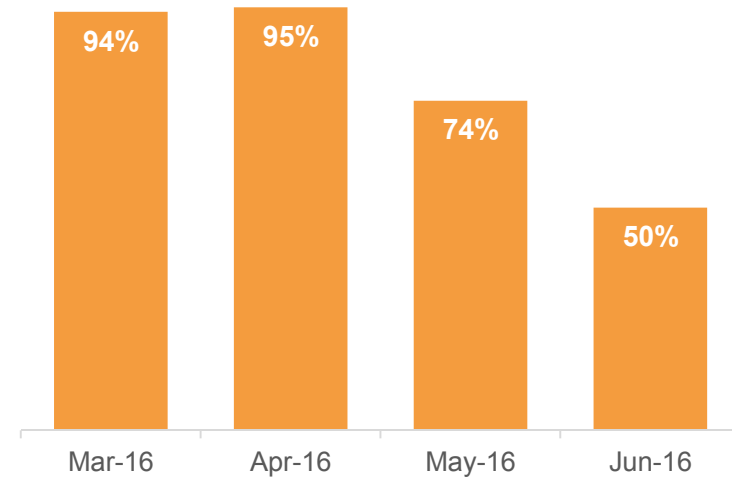
- SIWPP - Power (S. Arabia)
- SIWPP - Water (S. Arabia)
- SIWEP (S. Arabia)
- AL HIDD -Power (Bahrain)
- AL HIDD - Water (Bahrain)
- SOUK TLETA (Algeria)
- MACARTHUR (Australia)
- AL GHUBRAH (Oman)

Update on Tanjung Bin Energy (T4)

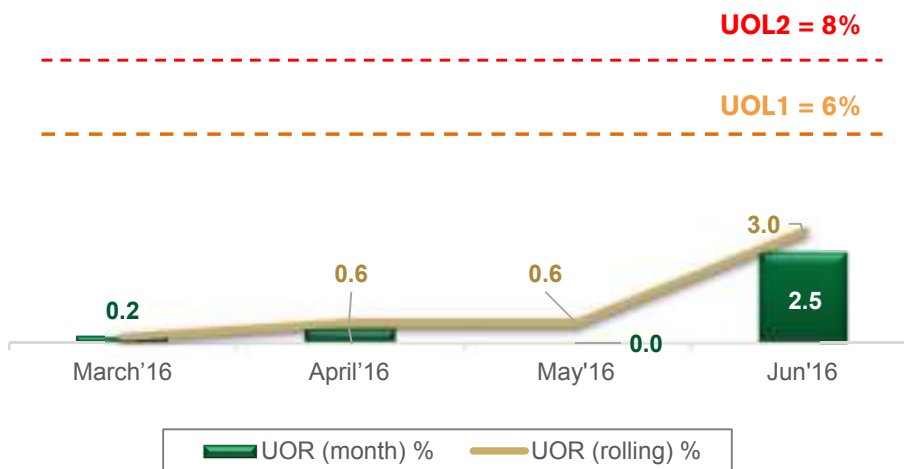
Operations update

- Achieved COD on 21 March 2016
- Satisfactory performance to date for plant operability and thermal efficiency.
- Unit loaded as per dispatch level set by National Load Dispatch Centre of between 750 – 950MW
- Forced outages are within expectation

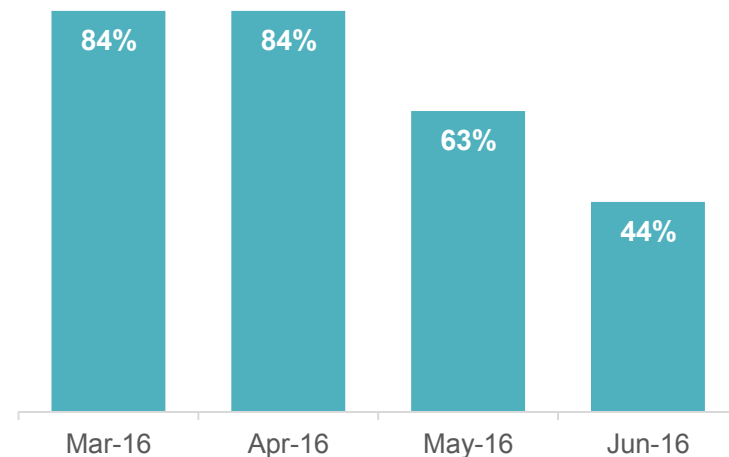
TBE Monthly Equivalent Availability Factor



TBE Monthly Unscheduled Outage Rate

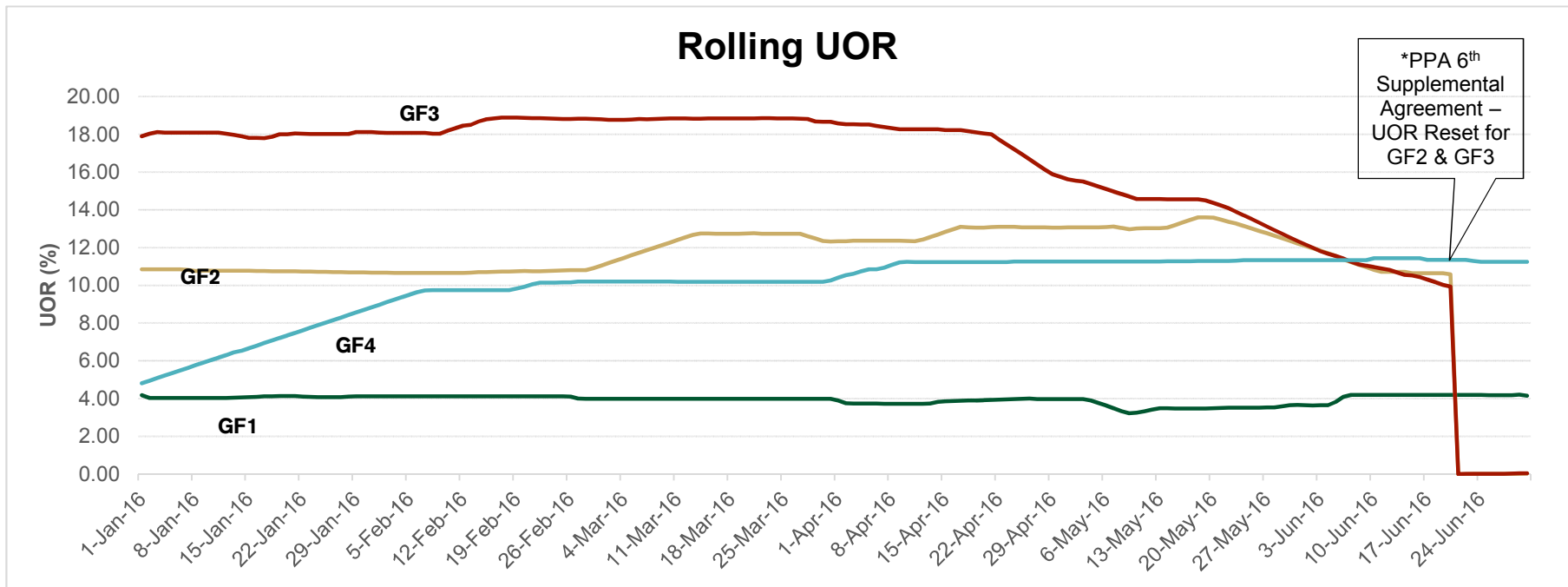


TBE Monthly Capacity Factor



Update on Kapar Energy Ventures

Generating Facility		Installed Capacity (MW)	COD	Fuel	Plant Mode	PPA
GF 1 Thermal Plant	Unit 1	300	1985- MFO 1994 – Gas	Natural Gas/ MFO	Front Firing	25 years (2004 to 2029)
	Unit 2	300	1986 – MFO 1991 - Gas	Natural Gas/ MFO		
GF 2 Thermal Plant	Unit 3	300	1988	Coal/ Natural gas/ Heavy Oil	Opposite Firing	
	Unit 4	300	1989	Coal/ Natural gas/ Heavy Oil	Opposite Firing	
GF 3 Thermal Plant	Unit 5	500	April 2001	Coal/ Natural gas/ Heavy Oil	Opposite Firing	
	Unit 6	500	June 2001	Coal/ Natural gas/ Heavy Oil	Opposite Firing	
GF 4 Gas Turbine	GT 8	110	Aug 1994	Natural Gas/ Distillate	OCGT	15 years (2004 to 2019)
	GT 9	110	Sept 1994	Natural Gas/ Distillate		



Note: UOR for GF2 and GF3 was reset on 21 June 2016 in accordance to the 6th Supplemental Agreement of the PPA.

2QFY2016 Financial Results

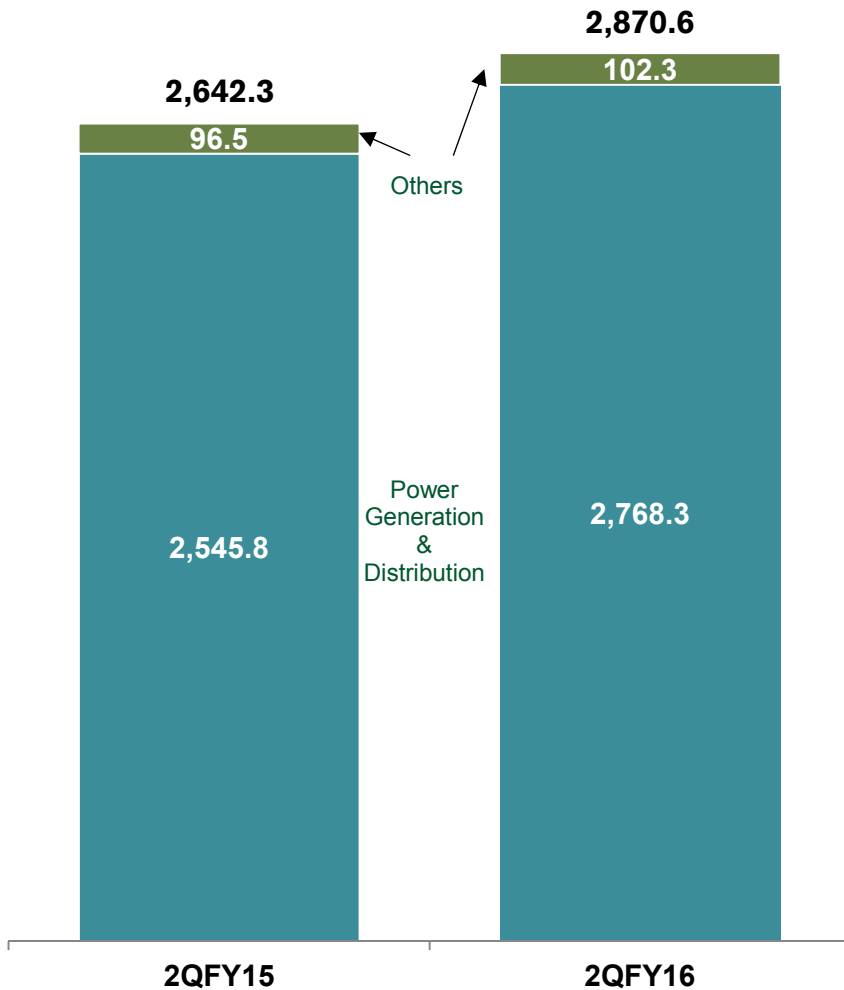
Financial Results

YTD 2QFY15 Actual (Jan – Jun 2015) RMm	2QFY15 Actual (Apr – Jun 2015) RMm		2QFY16 Actual (Apr – Jun 2016) RMm	1QFY16 Actual (Jan – Mar 2016) RMm	YTD 2QFY16 Actual (Jan – June 2016) RMm	YoY Chg YTD2Q16 vs YTD2Q16
2,642.4	1,295.8	Revenue	1,526.5	1,344.1	2,870.6	+8.6%
(1,807.0)	(909.2)	Cost of sales	(1,904.7)	(977.6)	(2,072.4)	+14.7%
835.4	386.6	Gross profit	431.8	366.5	798.2	-4.4%
25.8	17.4	Other income	73.1	20.1	93.2	+>100%
(109.1)	(27.7)	Administrative expenses	(67.0)	(59.2)	(126.2)	+15.7%
(80.0)	(38.6)	Operating expenses	(52.8)	(41.5)	(94.3)	+17.9%
672.2	337.7	Profit from operations	385.1	285.8	670.9	-0.2%
93.7	48.3	Interest income	53.4	38.3	91.7	-2.1%
(416.6)	(202.2)	Finance costs	(272.0)	(190.1)	(462.1)	+10.9%
(16.2)	(26.3)	Share of profit of associates and JV, net of tax	(7.7)	5.8	(1.9)	+88.3%
333.1	157.5	Profit before taxation	158.9	139.8	298.7	-10.3%
(114.4)	(59.8)	Income tax expenses	(15.7)	(40.3)	(56.0)	-51.0%
218.7	97.7	Profit for the period	143.1	99.5	242.6	+10.9%
		Profit attributable to:				
190.2	86	Owners of the Company	129.6	84.1	213.7	+12.4%
28.5	11	Non-controlling interests	13.5	15.4	28.9	+1.4%
4.69	1.90	Basic EPS for profit attributable to the owners (sen)	2.59	1.68	4.27	-9.0%

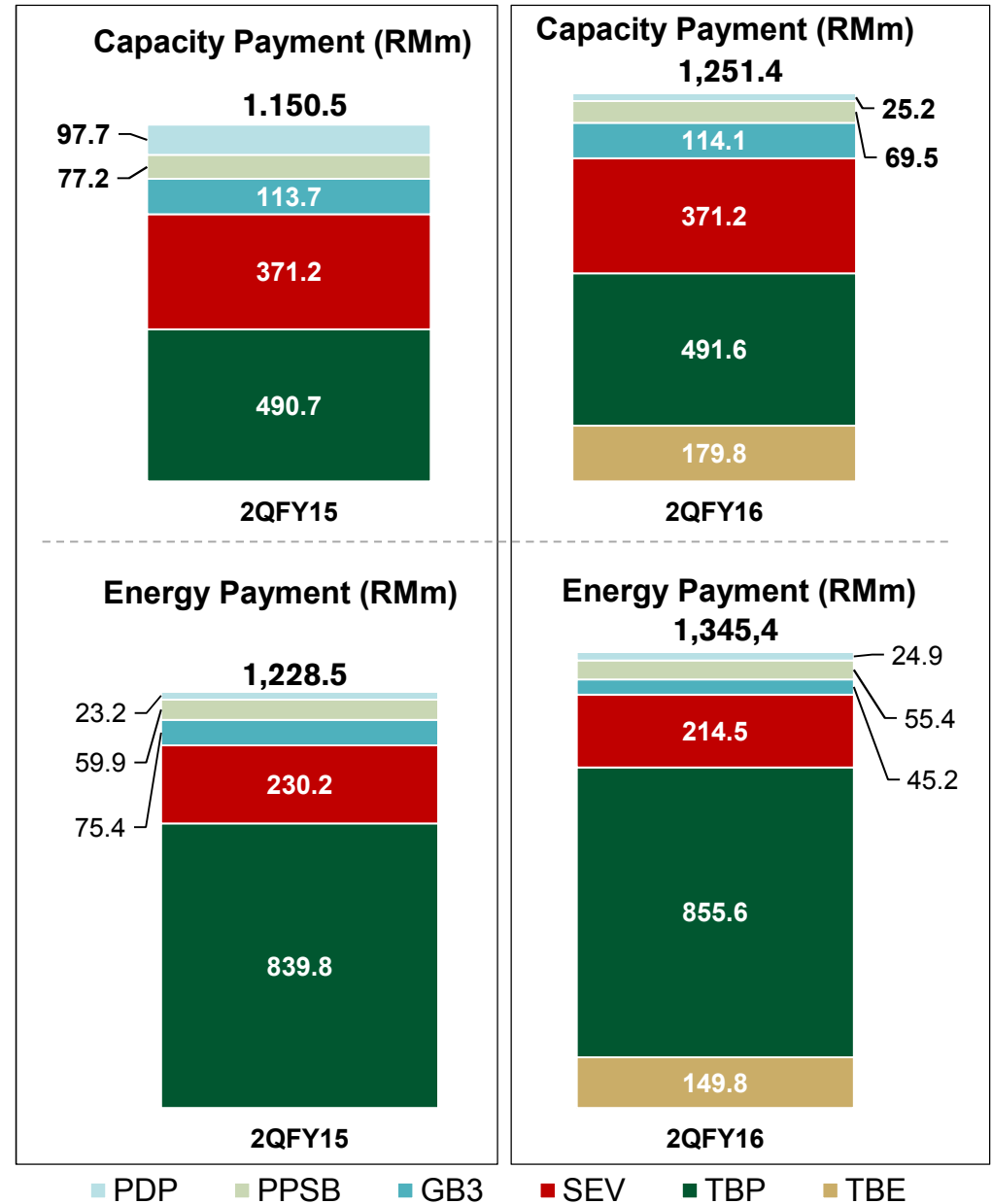
Revenue Mix

Total revenue

RM million



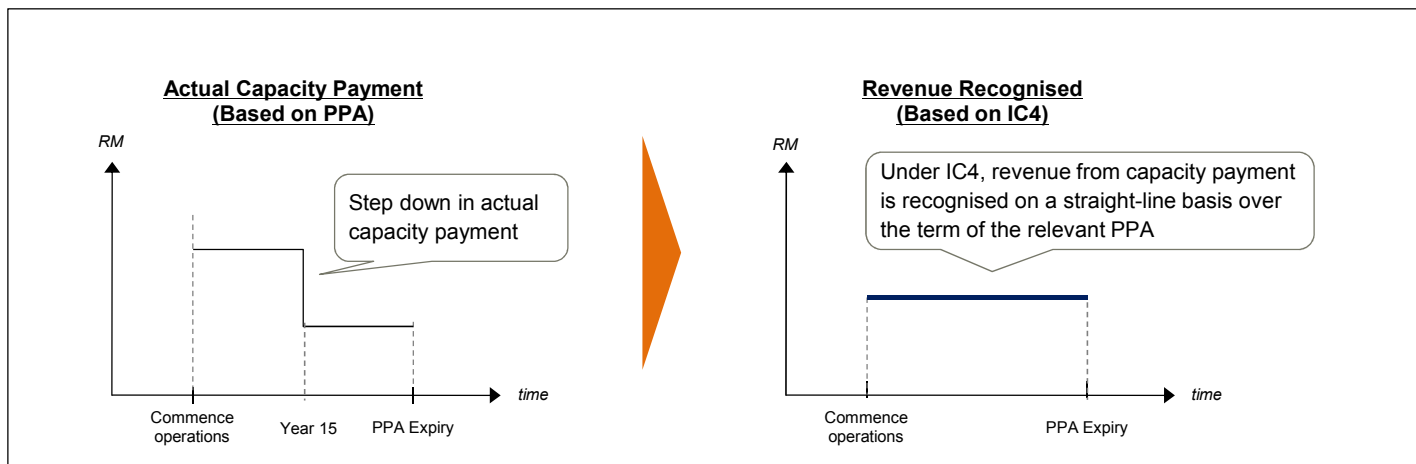
Power generation revenue includes:



■ PDP ■ PPSB ■ GB3 ■ SEV ■ TBP ■ TBE

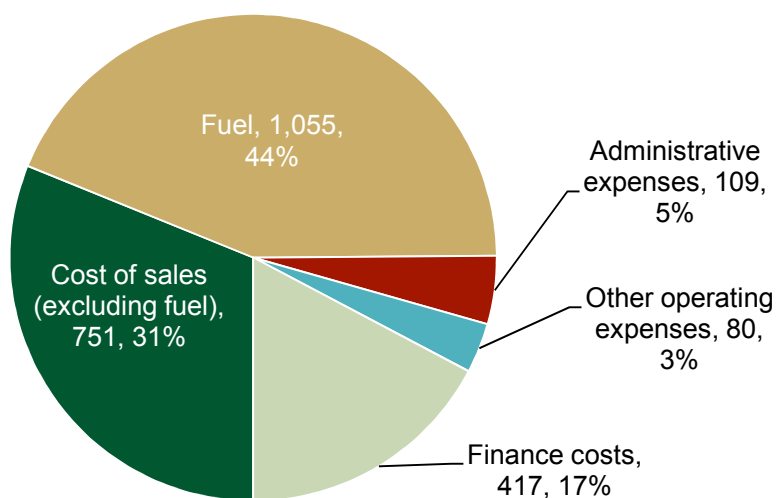
Financial impact on Tanjung Bin Energy /T4

- Following its COD on 21 March 2016, revenue generation is within expectation.
- Impact to FY2016 EBITDA, operating profit and cash flow to be positive, adding approximately 18% to EBITDA
- Expect minimal impact to group net profit due to:
 - (i) High depreciation
 - (ii) TBE's equity was financed with equity loan raised at TBE which is due in March 2017 – interest cost is borne by TBE, thereafter, interest on shareholders loan may affect profitability (this is neutral to the Group)
 - (ii) IC 4 Interpretation impact of lower revenue in early years

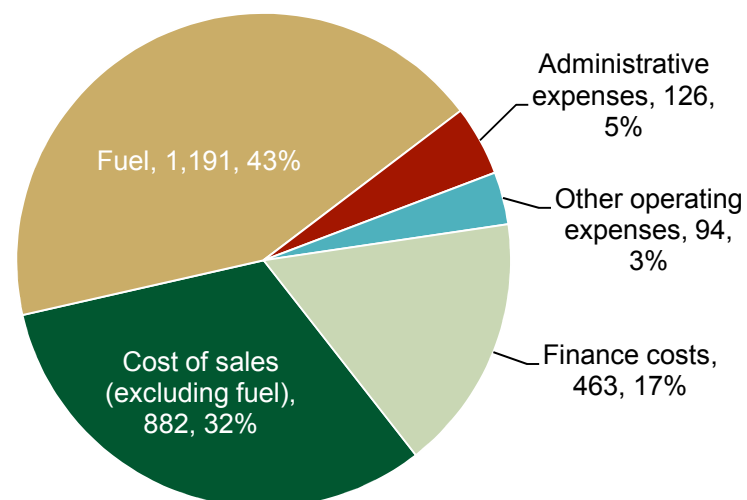


Breakdown of Costs

2QFY2015 (RM million)



2QFY2016 (RM million)



■ Major cost components:

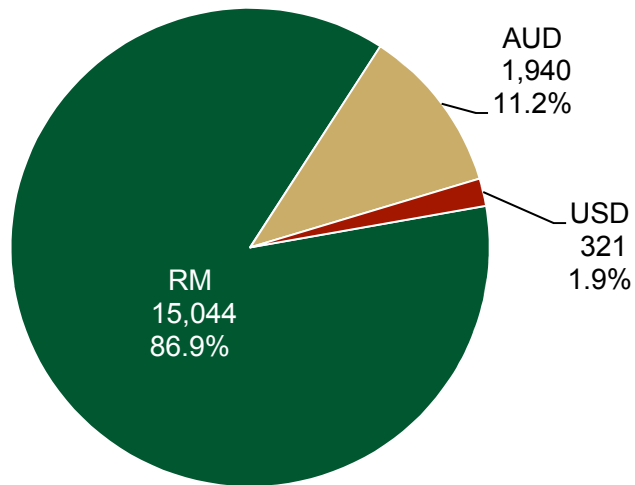
Cost of sales	:	Fuel costs, depreciation and amortisation of intangible assets.
Finance costs	:	Interest expense for project financing
Administrative expenses:		Staff-related costs, professional fees, contributions and corporate social responsibility activities & depreciation of office equipment and furniture and fittings
Other operating expenses:		insurance premiums, cess fund created by the Energy Commission, sales taxes and duties, licence fees, coal handling fees and amortisation and impairment of intangible assets relating to an associate

Investment in Associates & equity accounted Joint Venture

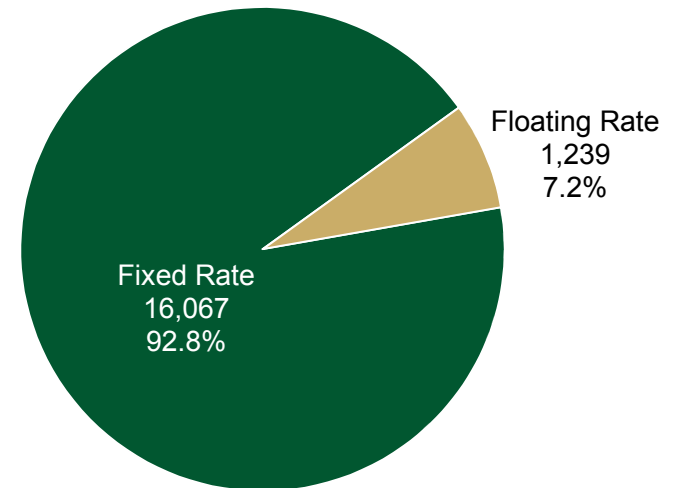
Associate companies	YTD 2QFY2016 Share of profit (RM million)
Kapar Energy Ventures (Malaysia)	(27.454)
Lekir Bulk Terminal (Malaysia)	0.746
Muscat City Desalination /Al Ghubrah (Oman)	(2.069)
Almiyah Attilemcania SPA (Algeria) (Algeria)	(8.972)
Shuaibah Water & Electricity Company / Shuaibah Expansion Project Company (Saudi Arabia)	17.844
Hidd Power Co (Bahrain)	18.055
TOTAL	(1.850)

Debt Analysis

Debt profile by foreign currency (RM million)

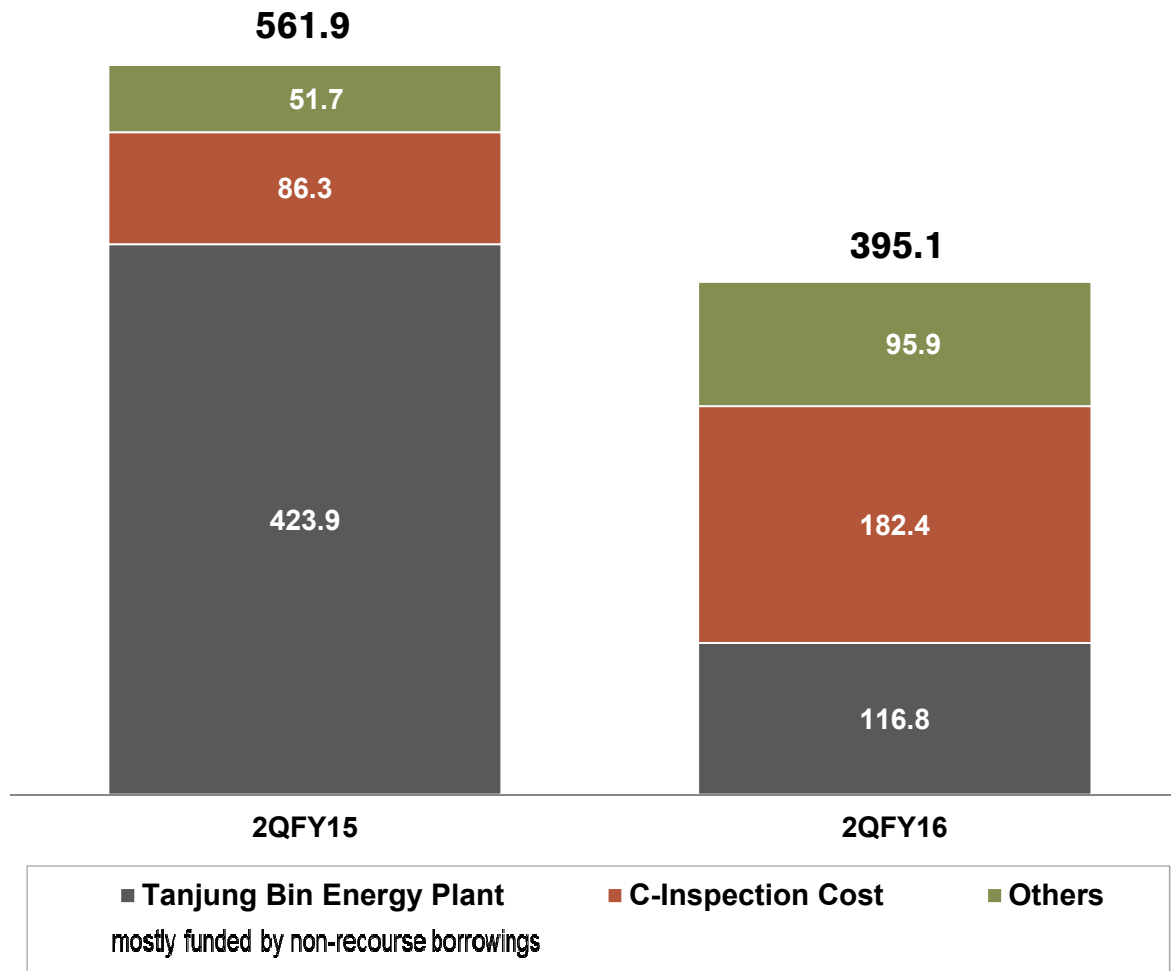


Debt profile by interest rate terms (RM million)



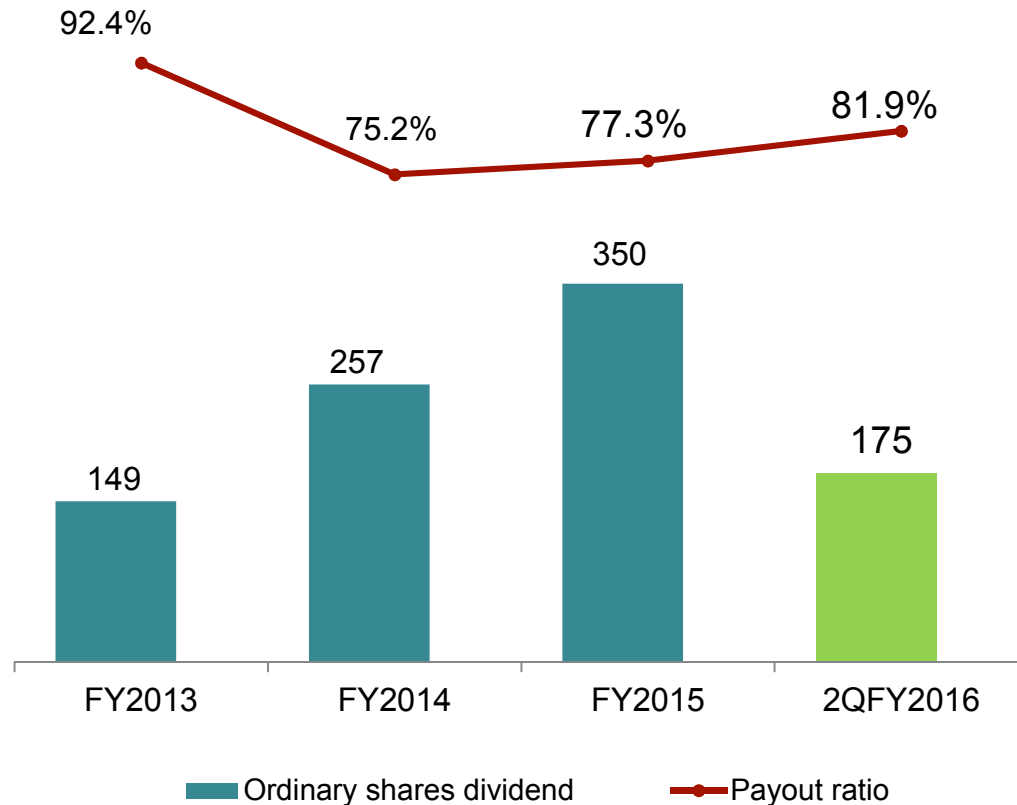
As at End	2QFY2016
Gearing Ratio	3.0x
Net Gearing Ratio	2.4x

Capital Expenditure (RM million)



2QFY2016 Interim Dividend of 3.5 sen per share

Dividend Payout



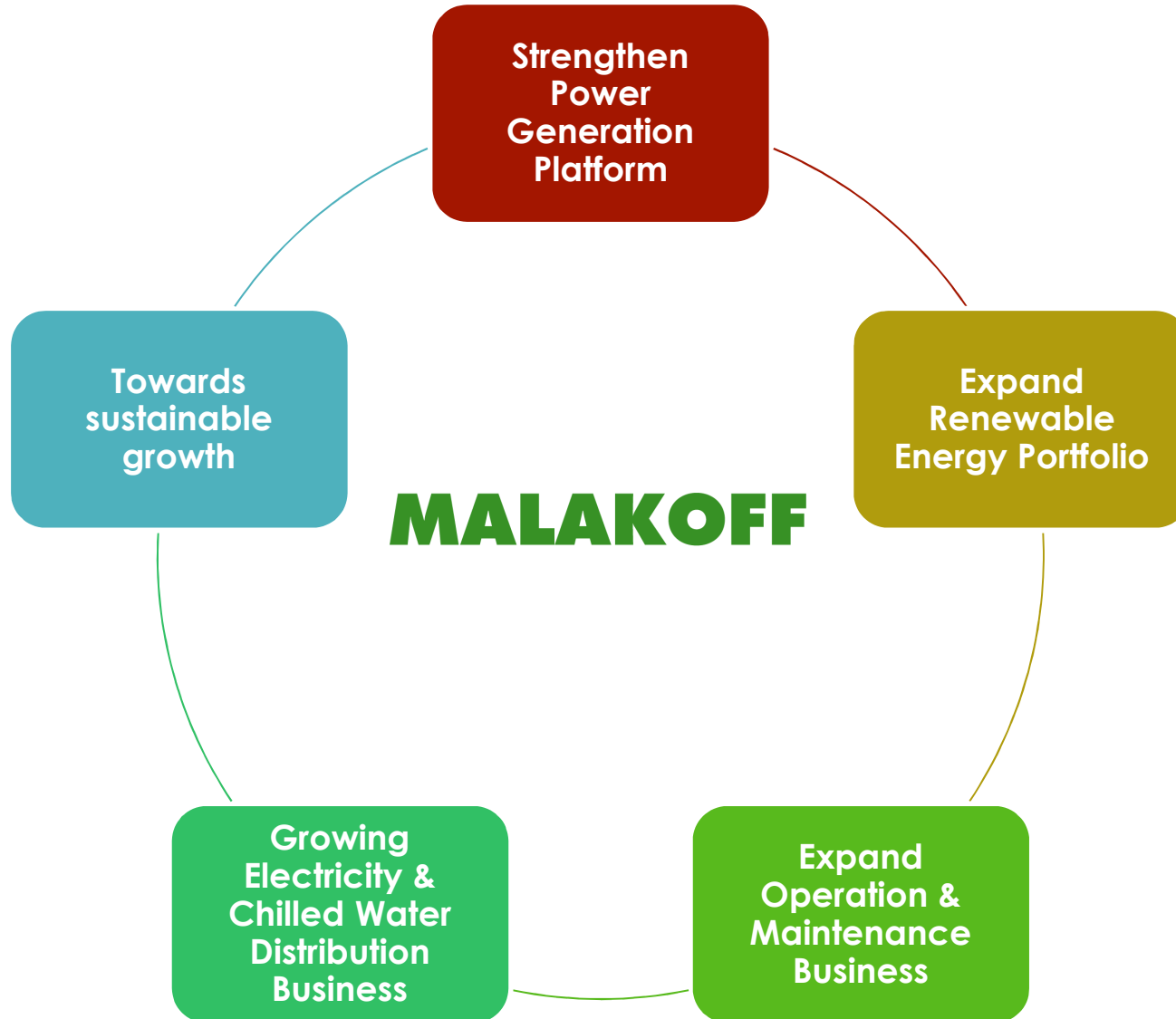
Target FY2016: -

- Dividend payout ratio of not less than 70% of consolidated profit to shareholders

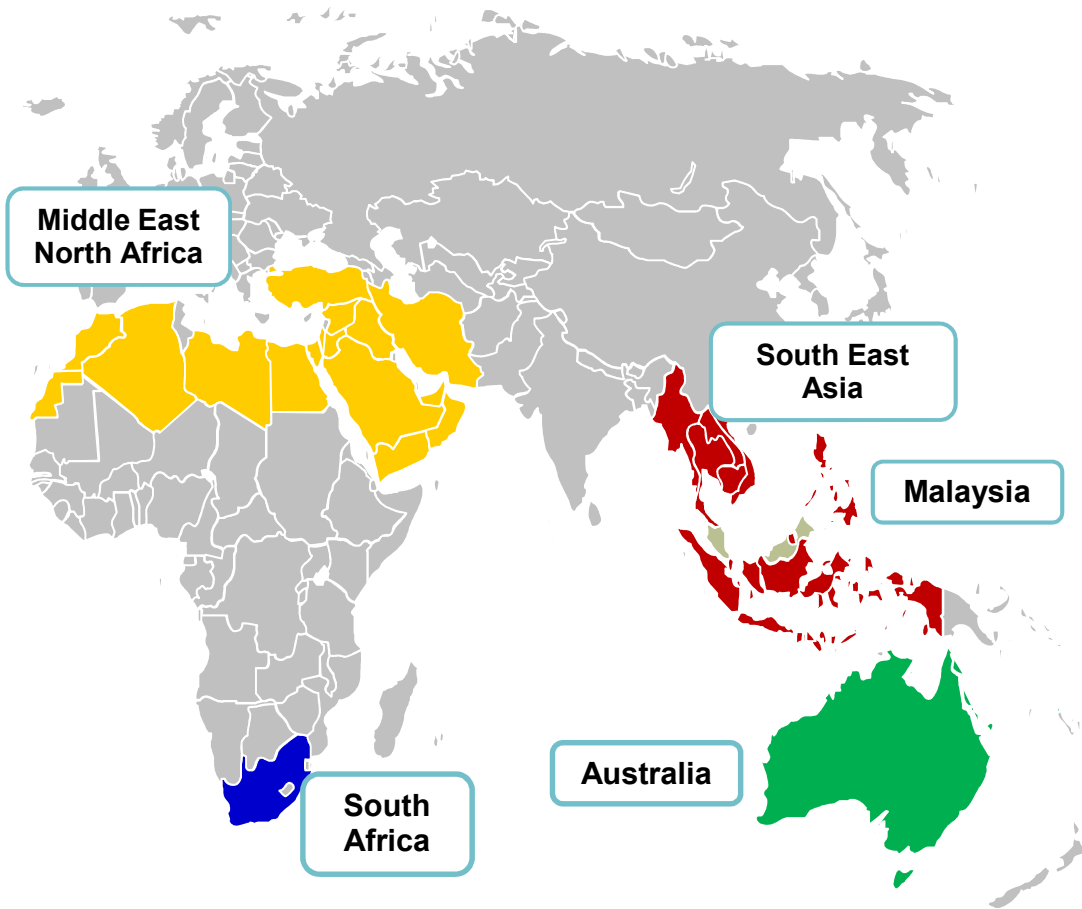
Dividend Payout Ratio is calculated by dividing total ordinary dividends declared in respect of the financial year by the profit attributable to the owners of our Company of the respective financial years. 2014 consolidated profit is higher, hence the drop in %

CORPORATE STRATEGY

Summary of strategies



Growth initiatives

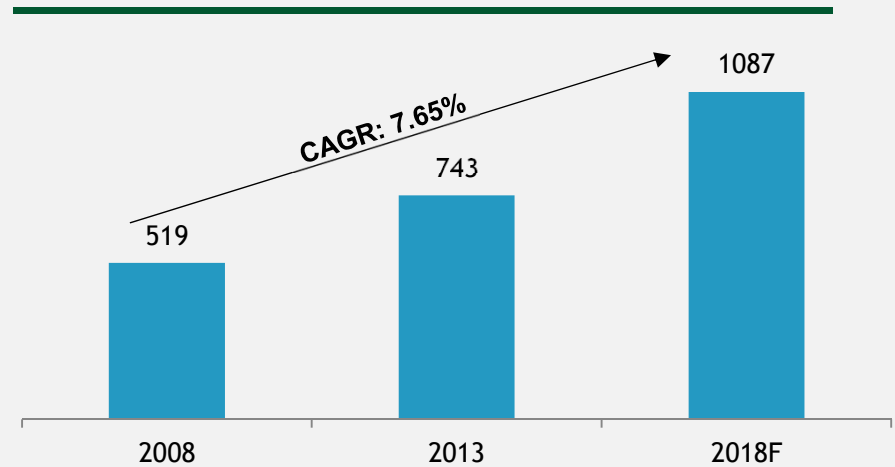


- Limited opportunity in the domestic power generation industry
- Opportunities in solar, whereby the government of Malaysia targets a cumulative solar capacity of 1000MW by 2020, commencing with 300MW in 2017
 - ✓ Award to be based on bidding and non-FiT tariff
 - ✓ Maximum capacity of 50 Mwa for each bidder per bidding window.
- Need to aggressively explore opportunities overseas:-
 - Focus region : MENA, SEA, Australia, South Africa
 - Focus on potential M&As and JVs
- Explore Renewable Energy and new businesses for long term sustainability

Rising electricity demand in South East Asia

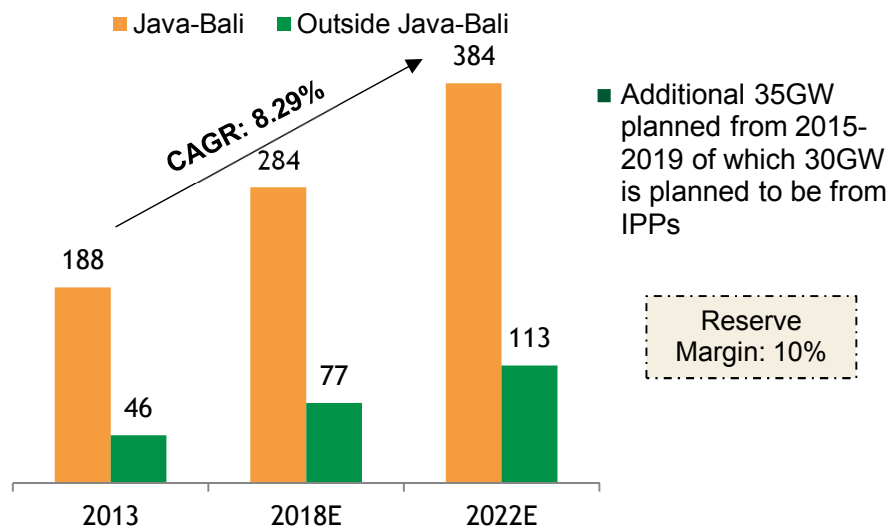
- ✓ SEA's electricity consumption expected to grow at 7.65% CAGR from 2008 to 2018F
- ✓ Increasing demand due to increasing rate of urbanisation, liberalisation of power generation market and abundant availability of fuel
- ✓ Power shortages, tight reserve margins and power utility companies' lack of cash reserves are driving liberalisation of power markets

SEA Electricity Consumption (TWh)

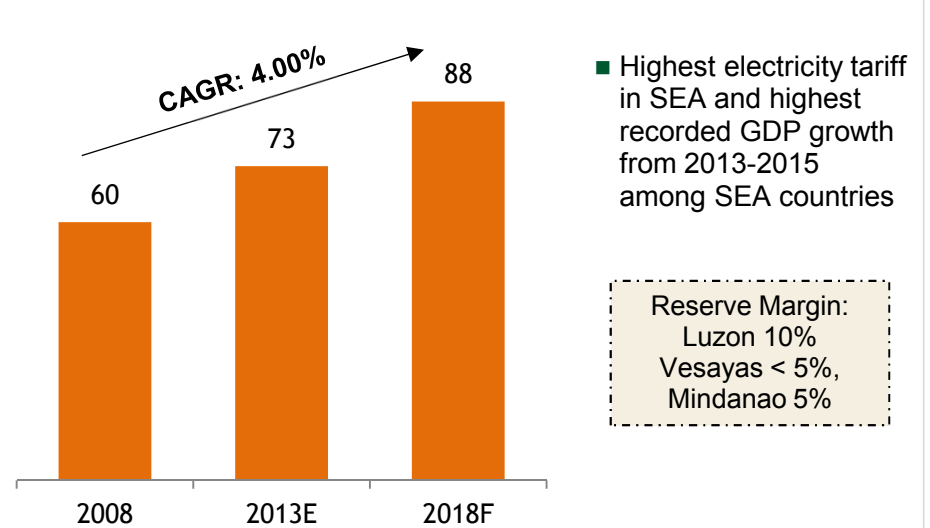


Source: Frost & Sullivan.

Indonesia's Electricity Consumption (TWh)



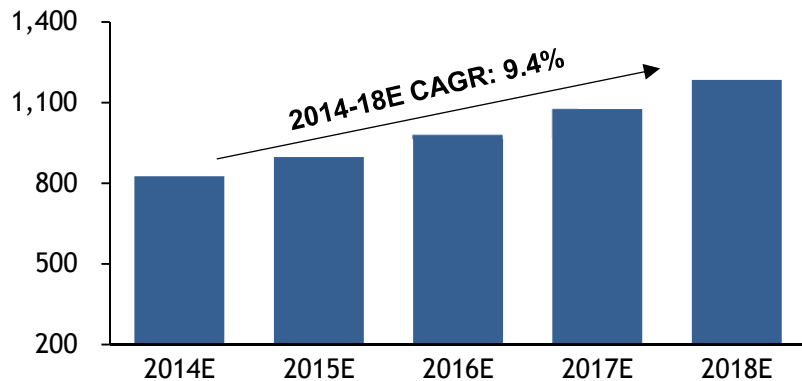
Philippine's Electricity Consumption (TWh)



Source: PT PLN, DOE (Philippines)

Rising electricity & water demand in Middle East

MENA Electricity Demand (TWh)



Electricity and water capacity expansion policies:

Saudi Arabia



- Generation capacity to expand to 120 GW by 2032 as an enormous power augmentation programme by the government to meet increasing demand
- Population growth and the new Economic Cities Programmes to drive demand for water

Bahrain



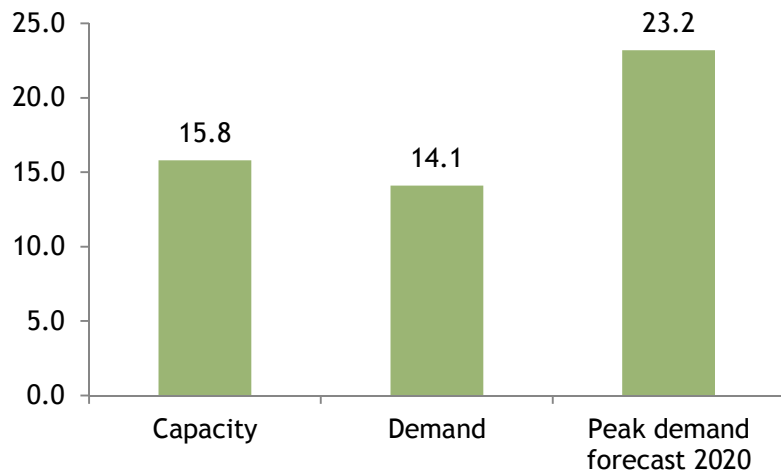
- Plans to increase installed capacity by 2,400 MW by 2016
- Opportunities for private players to buy or increase stakes in existing water plants

Oman



- Government executing plans to increase installed capacity by 2,000 to 5,000 MW over the medium term
- Government looking to expand water production capacity to meet increased water demand expected from growing population and agriculture

GCC Water Demand and Installed Capacity (million m3/day)



Q&A

THANK YOU

**For information, contact:
Ms Zaida Alia Shaari (Investor Relations)
Email: zaida.alia@malakoff.com.my
Tel: +603 - 2264 1661 (Direct)
+603 – 2263 3388 (General)**