



ANALYST BRIEFING

3Q FY2020 Results Announcement

24 November 2020



CONFIDENTIAL

energy & utilities

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3Q 2020 PERFORMANCE HIGHLIGHTS

Key Highlights of 3Q 2020 Financial Results



RM m

	3Q 2020 vs 3Q 2019				9M 2020 vs 9M 2019			
	3Q 2020	3Q 2019*	YoY Change		9M 2020	9M 2019*	YoY Change	
Revenue	1,482.9	1,859.0	▼	20.2%	4,763.0	5,681.2	▼	16.2%
Results from Operating Activities	162.6	297.9	▼	45.4%	657.7	877.7	▼	25.1%
PBT	67.6	139.0	▼	51.4%	370.3	393.2	▼	5.8%
PATMI	50.8	94.5	▼	46.2%	244.9	213.7	▲	14.6%
EBITDA	518.9	623.7	▼	16.8%	1,711.8	1,786.1	▼	4.2%
Basic/Diluted EPS (sen)	1.04	1.93	▼	46.1%	5.01	4.37	▲	14.6%

*3Q and 9M 2019 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 – 3Q 2020



COAL-FIRED POWER PLANTS

- TBP continues to demonstrate sustainability and reliability after completion of the improvement work done in previous years.
 - **Small decline in plant Equivalent Availability Factor (“EAF”) from 94% in 2Q 2020 to 85% in 3Q 2020 due to planned maintenance outage.**
- TBE has observed a **slight decrease in EAF from 94% in 2Q 2020 to 88% in 3Q 2020** due to planned maintenance outage.

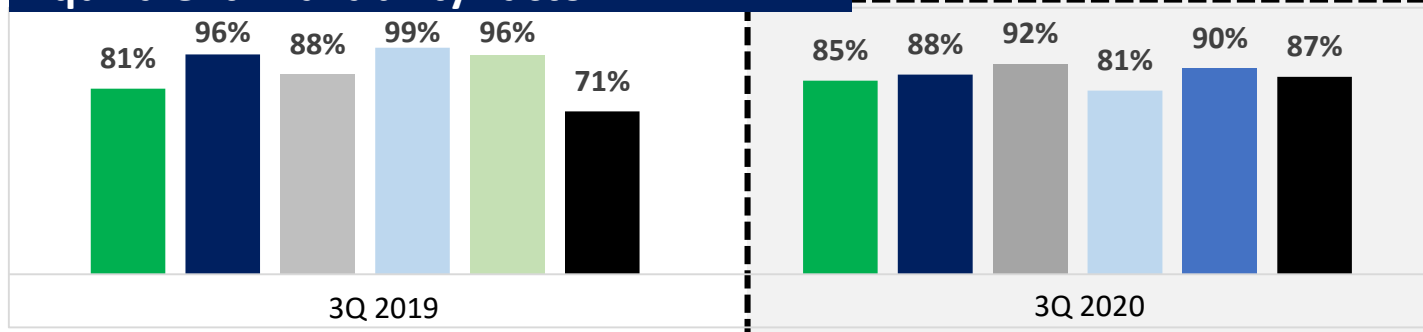


GAS-FIRED POWER PLANTS

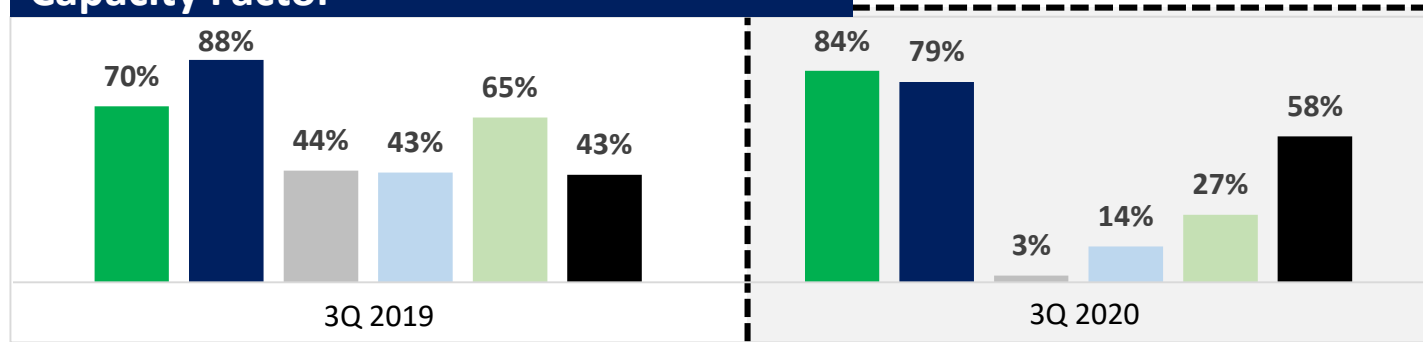
- Gas fired power plants recorded a generally **high EAF** during the quarter under review, **except for GB3 due to planned maintenance outage.**
- Following the reopening of several industrial and public sectors in June 2020 due to the Movement Control Order (“MCO”), the **energy demand from the off-taker for the gas fired plants has seen some increase.** However, it is still below the expected target.

3Q 2020 Plant Performance (Local Assets)

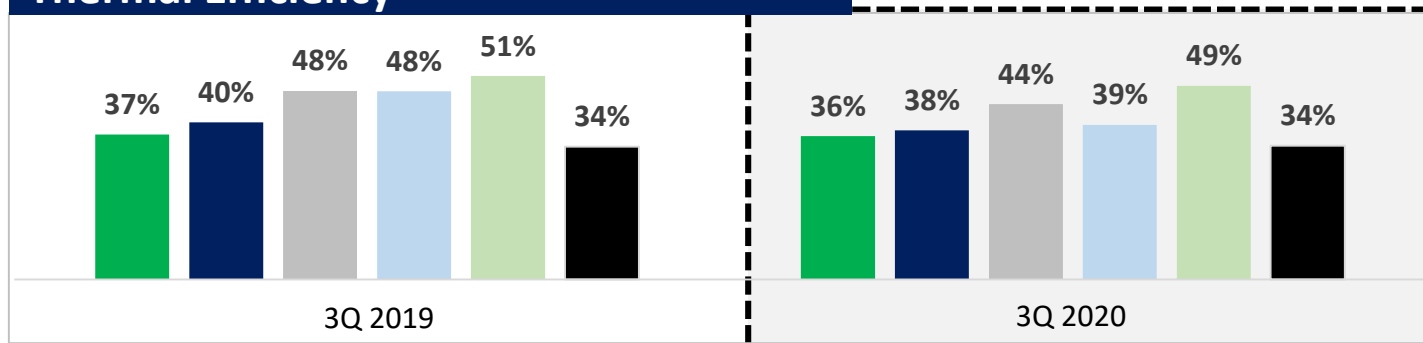
Equivalent Availability Factor



Capacity Factor



Thermal Efficiency



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

3Q 2020 vs 3Q 2019

TBP

- Higher EAF recorded due to low unplanned outage.

TBE

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

SEV

- Higher EAF recorded due to low unplanned outage.

GB3

- Slight decline in EAF due to planned maintenance outage.

PPP

- Lower EAF recorded due to unplanned outage.

KEV

- High EAF due to low planned and unplanned outage.

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

3Q 2020 - Electricity Generated and Sold

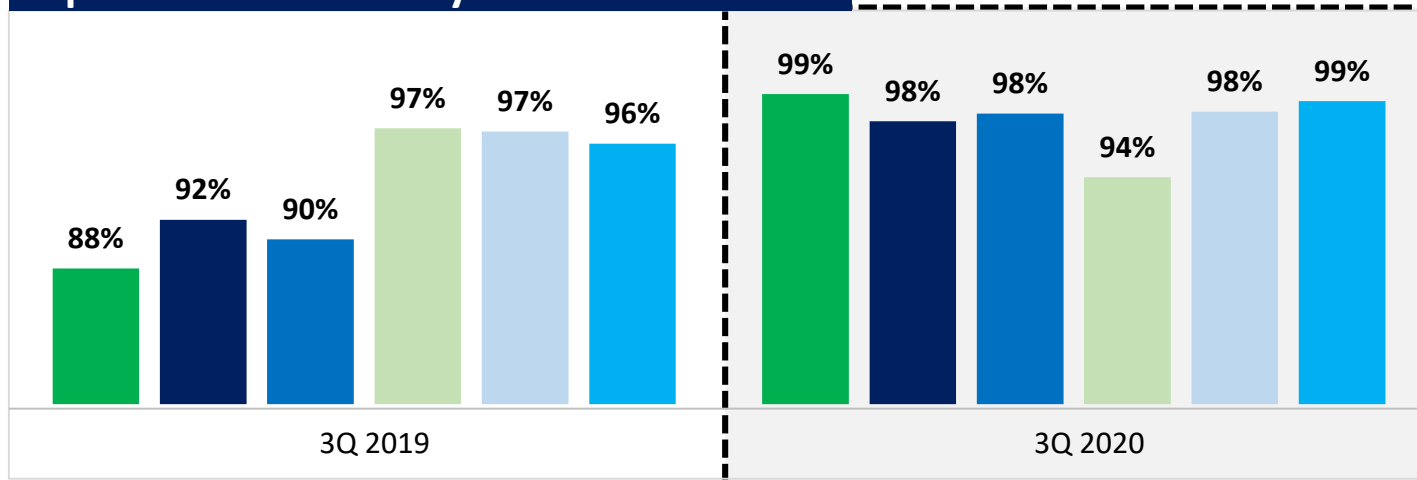


PLANT

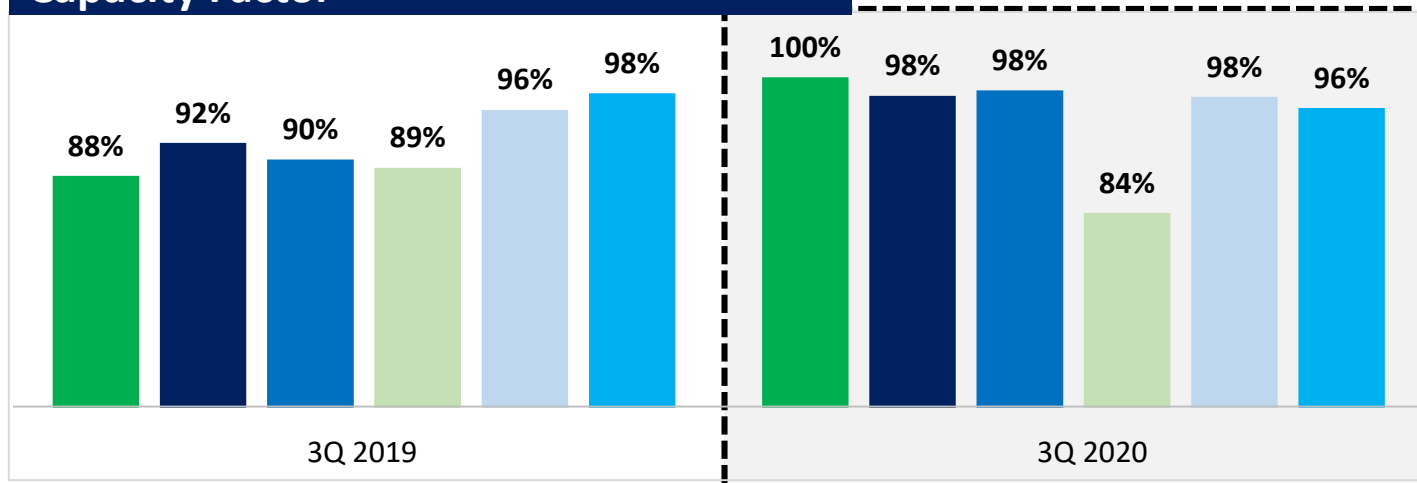
	3Q 2020		3Q 2019	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBP)	4,085.87	3,881.76	3,418.17	3,256.94
Tanjung Bin Power (TBE)	1,852.31	1,753.02	2,041.21	1,945.53
Segari Energy Ventures (SEV)	84.58	79.70	1,284.49	1,274.01
GB3	209.82	204.00	619.61	611.87
Prai Power Plant (PPP)	212.19	208.58	502.78	499.53
Total (Excluding KEV)	6,444.77	6,127.06	7,866.26	7,587.88
Kapar Energy Ventures (KEV)	2,797.64	2,617.30	2,292.95	2,135.33
Total (Including KEV)	9,242.41	8,744.36	10,159.21	9,723.21

3Q 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)

3Q 2020 vs 3Q 2019

SIWPP

- Better performance in 2020 as compared to 2019 with no major outages.

SIWEP

- Sustainable performance throughout 2019 and 2020.

AL HIDD

- Lower availability in power island due to steam turbine defective communication cards and high-pressure feedwater pump motor failure.

AL GHUBRAH

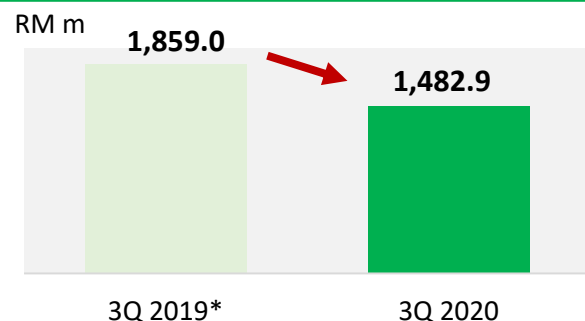
- Sustainable performance throughout 2019 and 2020.



3Q 2020 FINANCIAL RESULTS

Revenue, PBT & PATMI (3Q 2020)

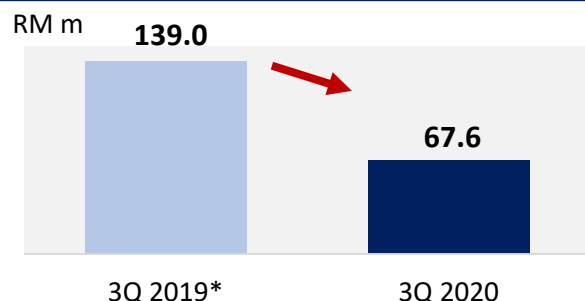
REVENUE



Revenue : ▼ 20.2% YoY

- Primarily due to **lower energy payment from TBP and TBE** given the **decline in Applicable Coal Price (“ACP”)**.
- **Lower energy payment from SEV, GB3 and PPSB** due to decrease in despatch factor in line with lower demand.
- **Lower Daily Utilisation Payment (“DUP”) at TBP** in line with scheduled reduction in tariff and **absence of revenue contribution from Macarthur**.
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019.

PBT

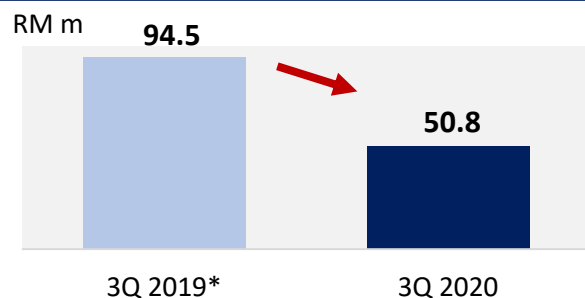


PBT : ▼ 51.4% YoY

PATMI : ▼ 46.2% YoY

- **Lower contribution from TBP and TBE** impacted by decline in ACP.
- **Lower DUP at TBP** upon scheduled reduction in tariff.
- **Absence of contribution from MAPL** following its disposal in December 2019.
- **Absence of gain on remeasurement of existing investment in Shuaibah** following completion of the acquisition of DIL.

PATMI



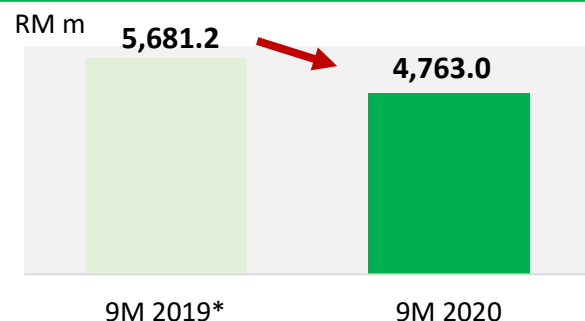
These were moderated by:

- **Contribution from AFSB.**
- **Higher contributions from associates/JVs**, mainly from:
 - Shuaibah following the completion of the acquisition of a 12% additional interest in September 2019.
 - Absence of share of losses from KEV following impairment of the carrying amount of investment in December 2019.
- **Lower net finance costs.**

*3Q 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Revenue, PBT & PATMI (9M 2020)

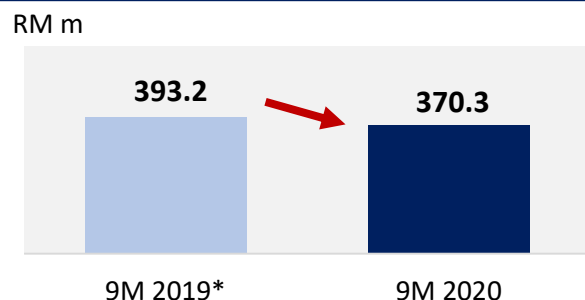
REVENUE



Revenue : ▼ 16.2% YoY

- Primarily due to **lower energy payment** from TBP and TBE given the **decline in ACP** and **lower despatch factor**.
- **Lower energy payment** from SEV, GB3 and PPSB due to **decrease in despatch factor** in line with lower demand.
- **Lower DUP at TBP** in line with scheduled reduction in tariff and **absence of revenue contribution from Macarthur**.
- Moderated by **revenue contribution from AFSB** following completion of the acquisition in December 2019.

PBT



PBT : ▼ 5.8% YoY

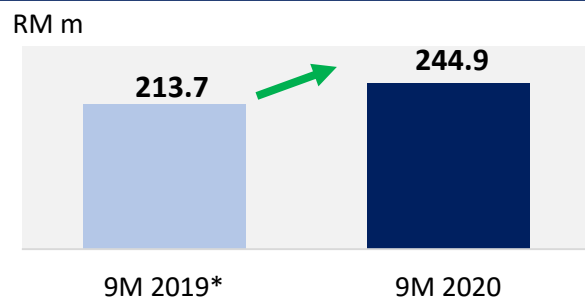
PATMI : ▲ 14.6% YoY

- **Lower DUP at TBP** upon scheduled reduction in tariff.
- **Absence of gain on remeasurement of existing investment in Shuaibah** following completion of the acquisition of DIL.
- **Absence of contribution from MAPL** following its disposal in December 2019.

These were moderated by:

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

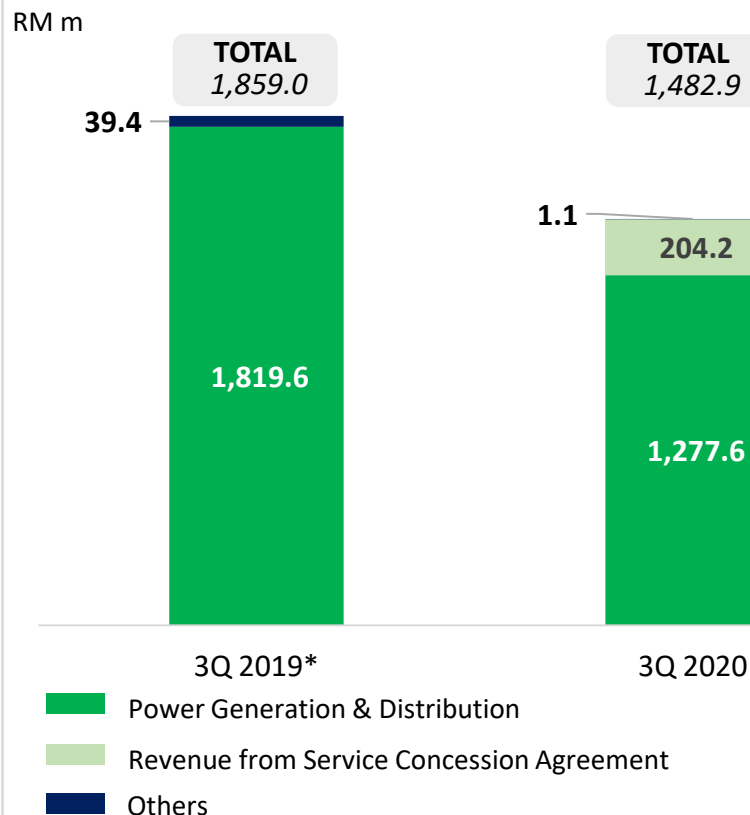
PATMI



*9M 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

3Q 2020 Revenue Mix

REVENUE



POWER GENERATION & DISTRIBUTION

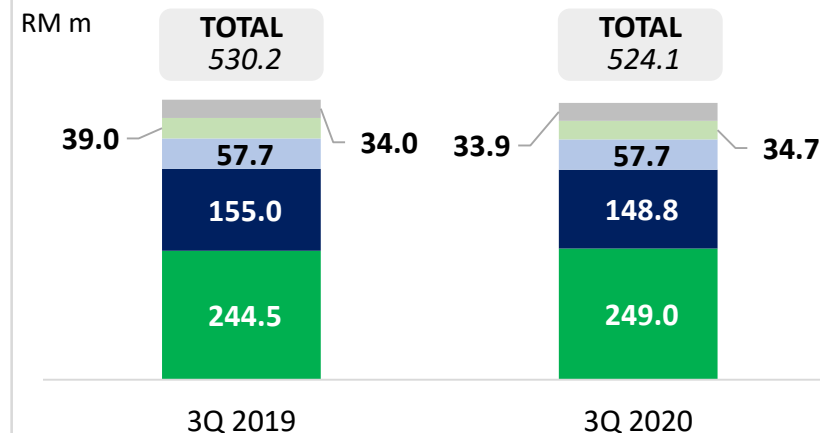
Capacity income + Energy Income + Daily Utilisation Payment + Malakoff Utilities Sdn. Bhd. ("MUSB")

OTHERS

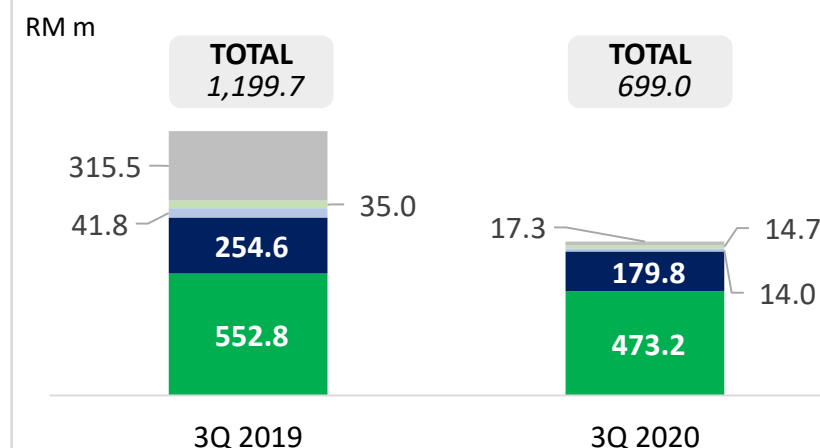
Finance Lease Income + Rental Income + Project Management Fees + O&M Fees

Electricity Generation revenue includes:

CAPACITY INCOME



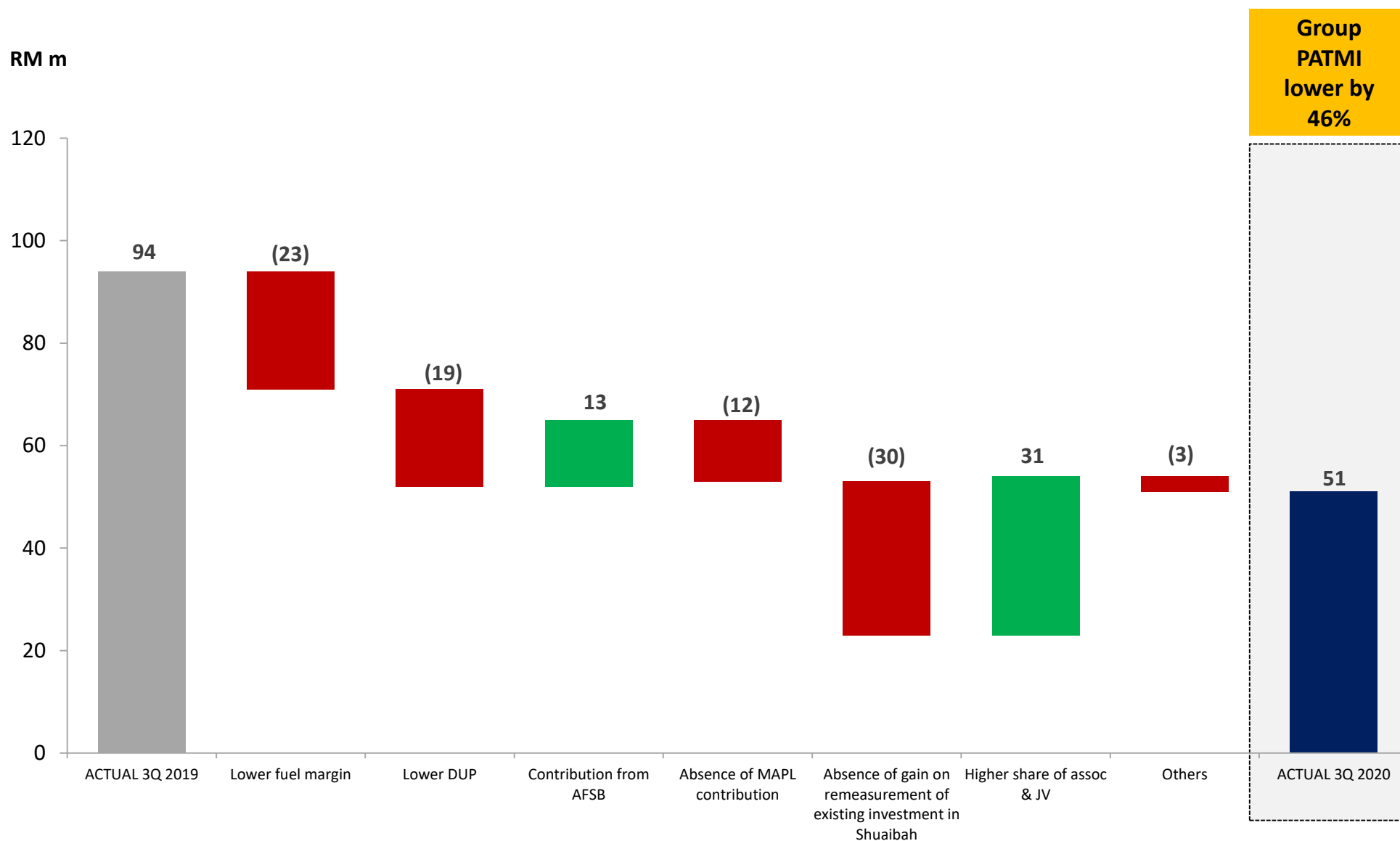
ENERGY INCOME



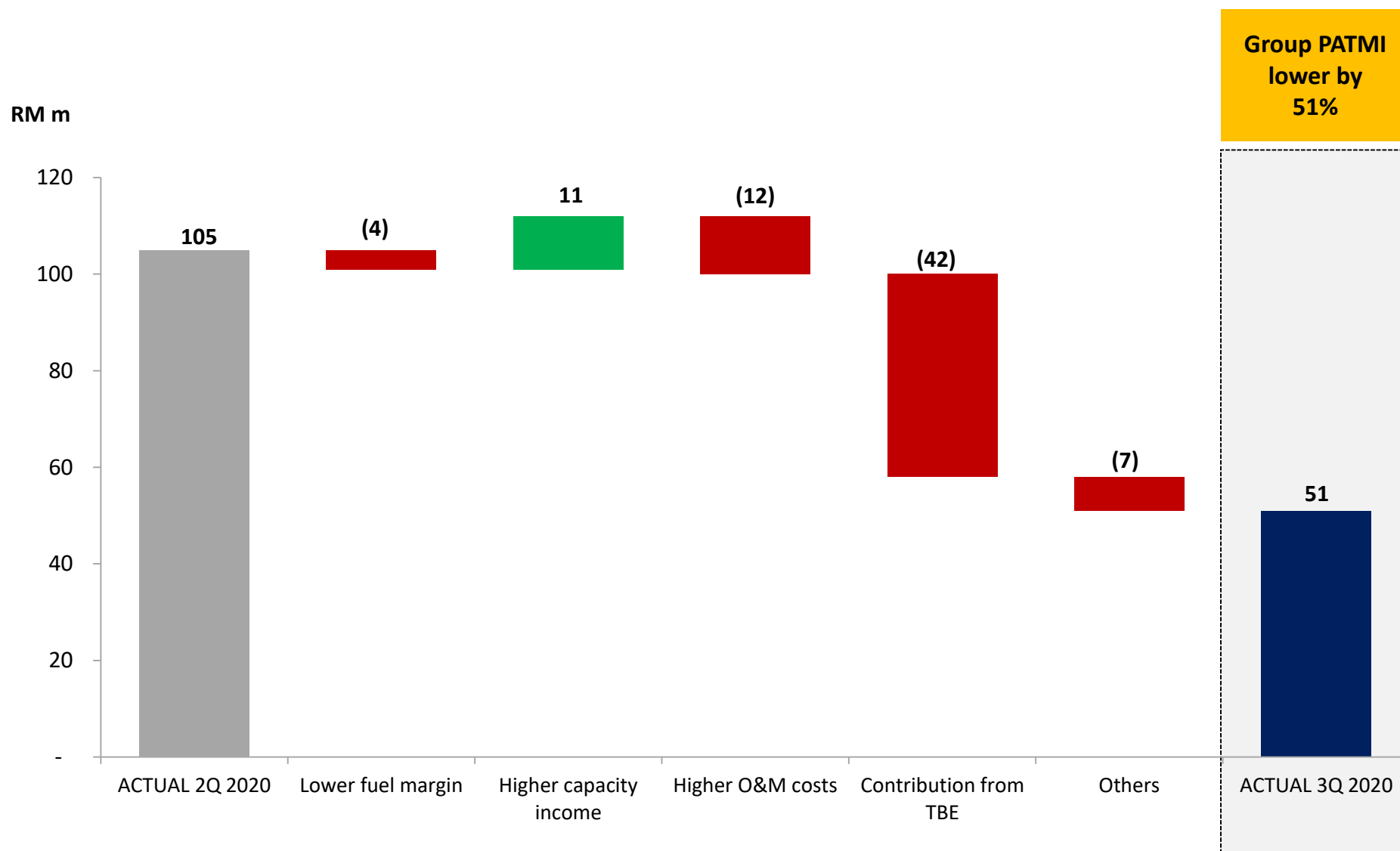
TBP TBE GB3 PPP SEV PDP

*3Q 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

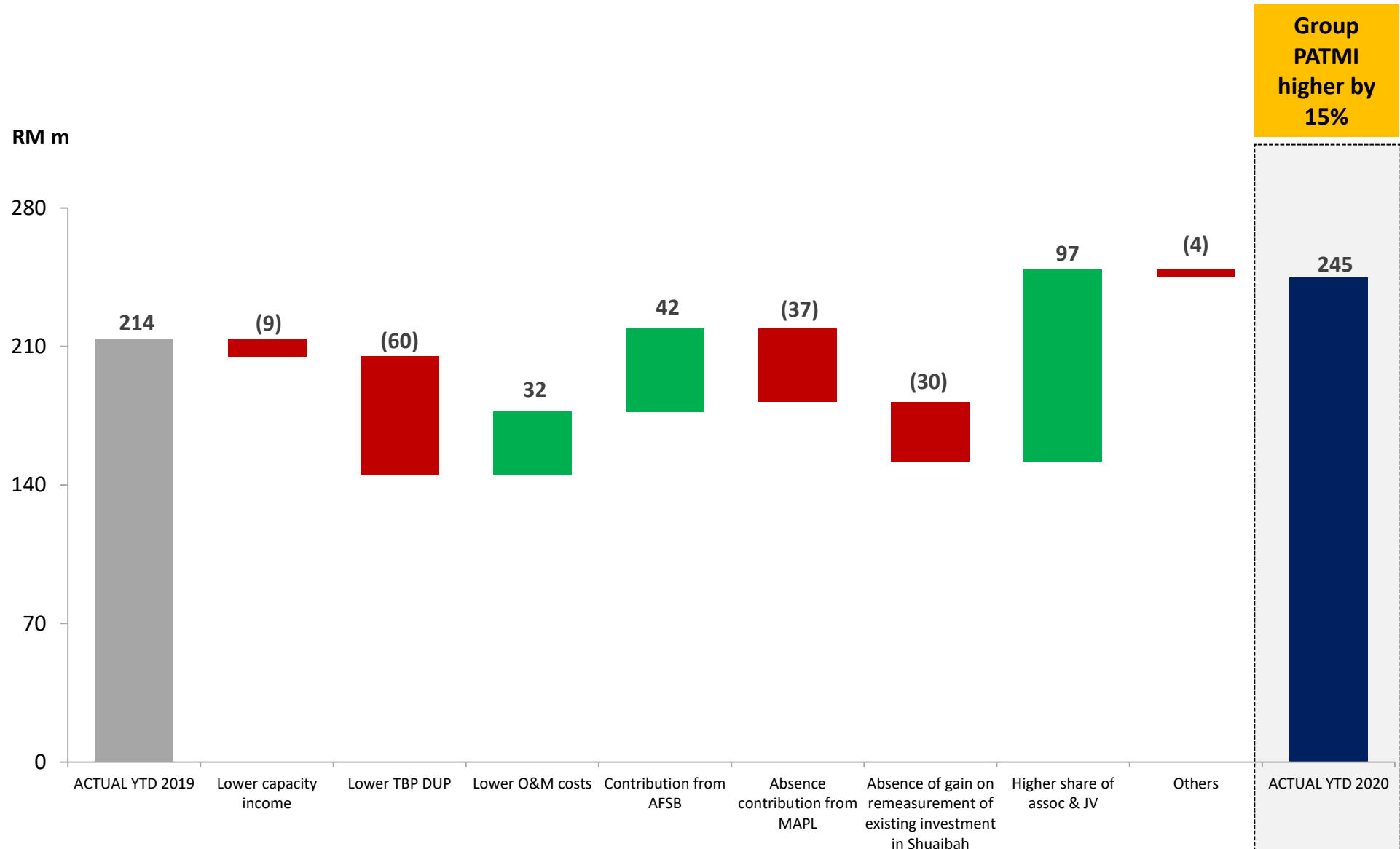
Group PATMI – 3Q 2020 vs 3Q 2019



Group PATMI – 3Q 2020 vs 2Q 2020



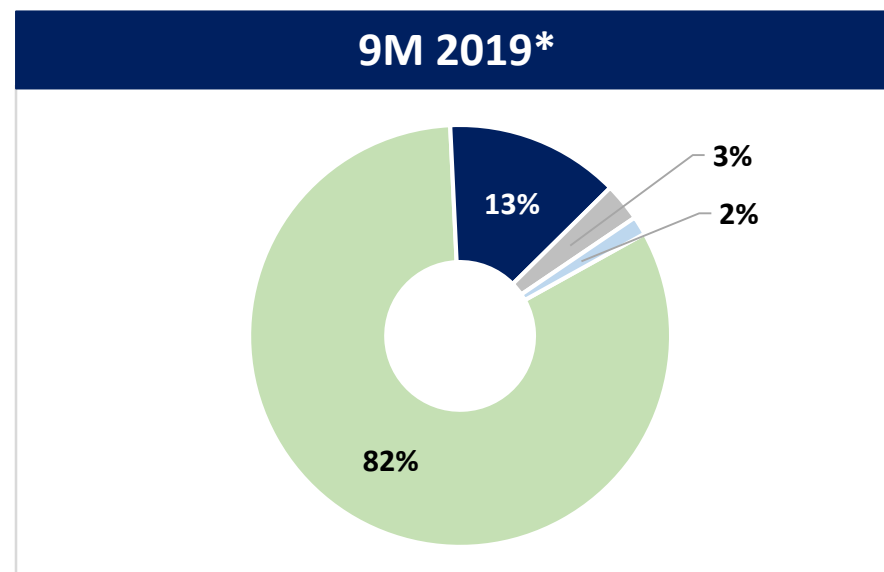
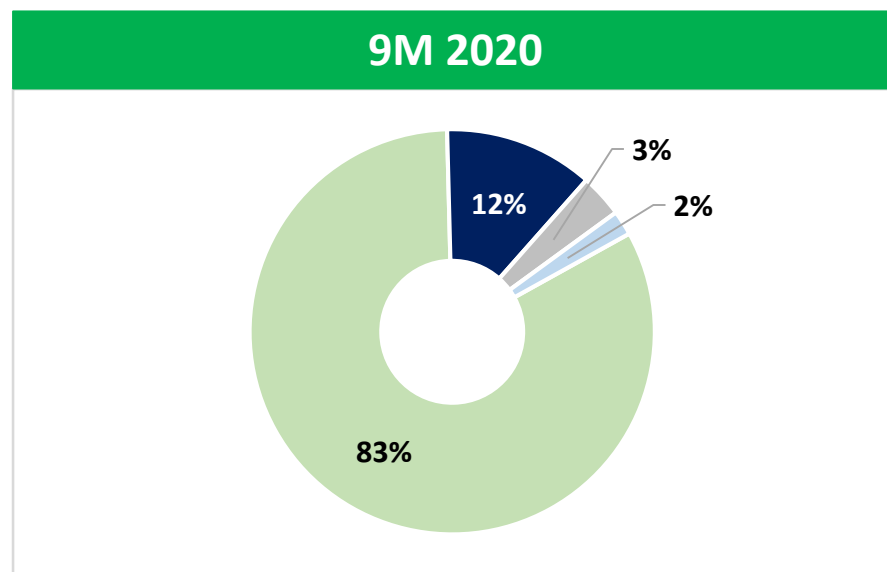
Group PATMI – 9M 2020 vs 9M 2019



Share of Profit from Associates/JVs

RM m	3Q 2020	3Q 2019	% Change (Remarks)	9M 2020	9M 2019	% Change (Remarks)
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	-	(15.5)	Absence of share of losses following impairment of the carrying value of investment in December 2019.	-	(42.4)	Absence of share of losses following impairment of the carrying value of investment in December 2019.
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.8	1.5	+20%	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>	22.8	14.2	+ >100% Higher contribution subsequent to the completion of 12% additional interest in September 2019.	72.6	33.8	+ >100% Higher contribution subsequent to the completion of 12% additional interest in September 2019.
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	23.0	16.9	+36% Higher contribution due to lower plant outage.	58.5	45.6	+28% Higher contribution due to lower plant outage.
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	2.1	1.1	+91%	4.8	3.4	+41%
TOTAL	49.7	18.2	>100%	141.0	44.4	>100%

Breakdown of Costs (9M 2020)



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

Cost of Sales Breakdown (RM m)

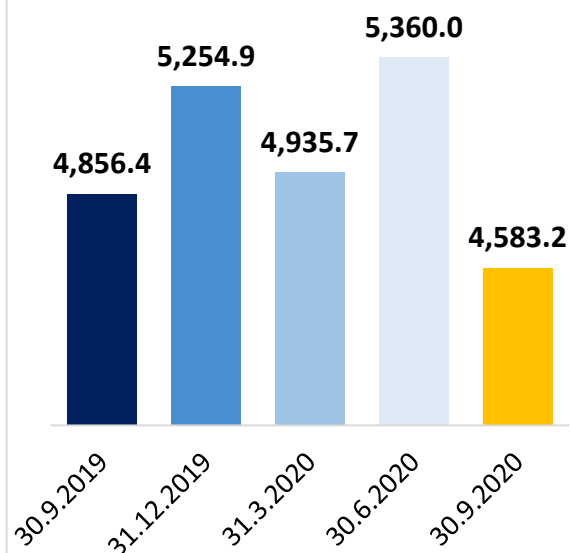
	9M 2020	9M 2019
Fuel	2,226.3	3,394.3
Depreciation and Amortisation of Inspection Costs	637.0	640.4
Amortisation of Intangible Assets	240.9	208.4
Operations and Maintenance Costs	196.8	256.6
Costs from Service Concession Agreements	493.5	-
Others	118.5	152.1
TOTAL	3,913.0	4,651.8

*9M 2019 results include MAPL group financial results which is presented as discontinued operations in the interim financial results.

Cash & Gearing as at 30 September 2020

TOTAL CASH & BANK BALANCES*

RM m

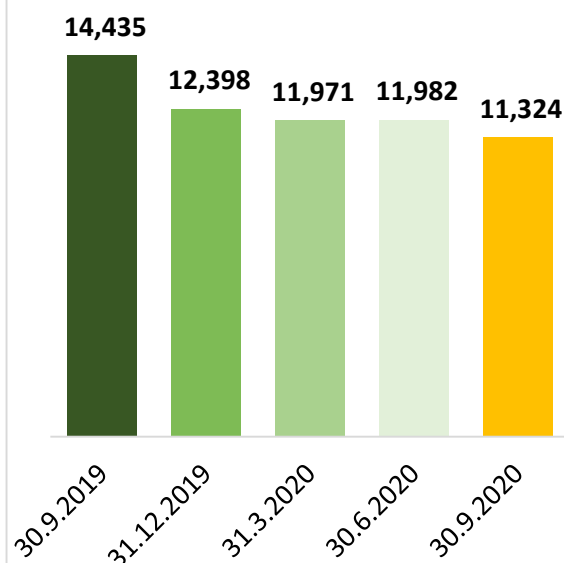


*Includes Cash categorised as Other Investments

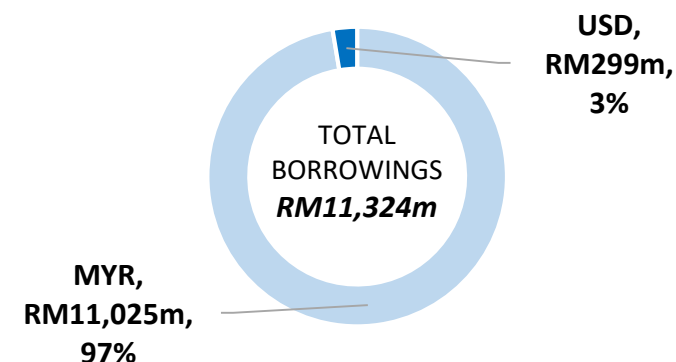
GEARING RATIO & TOTAL BORROWINGS

2.2x Gross	1.9x Gross	1.8x Gross	1.8x Gross	1.7x Gross
1.4x Net	1.1x Net	1.1x Net	1.0x Net	1.0x Net

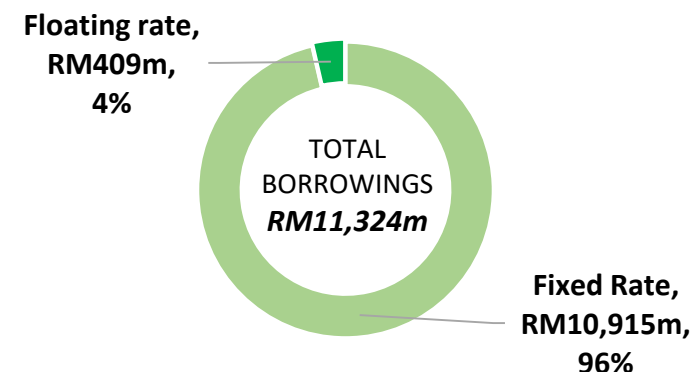
RM m



DEBT PROFILE BY CURRENCY



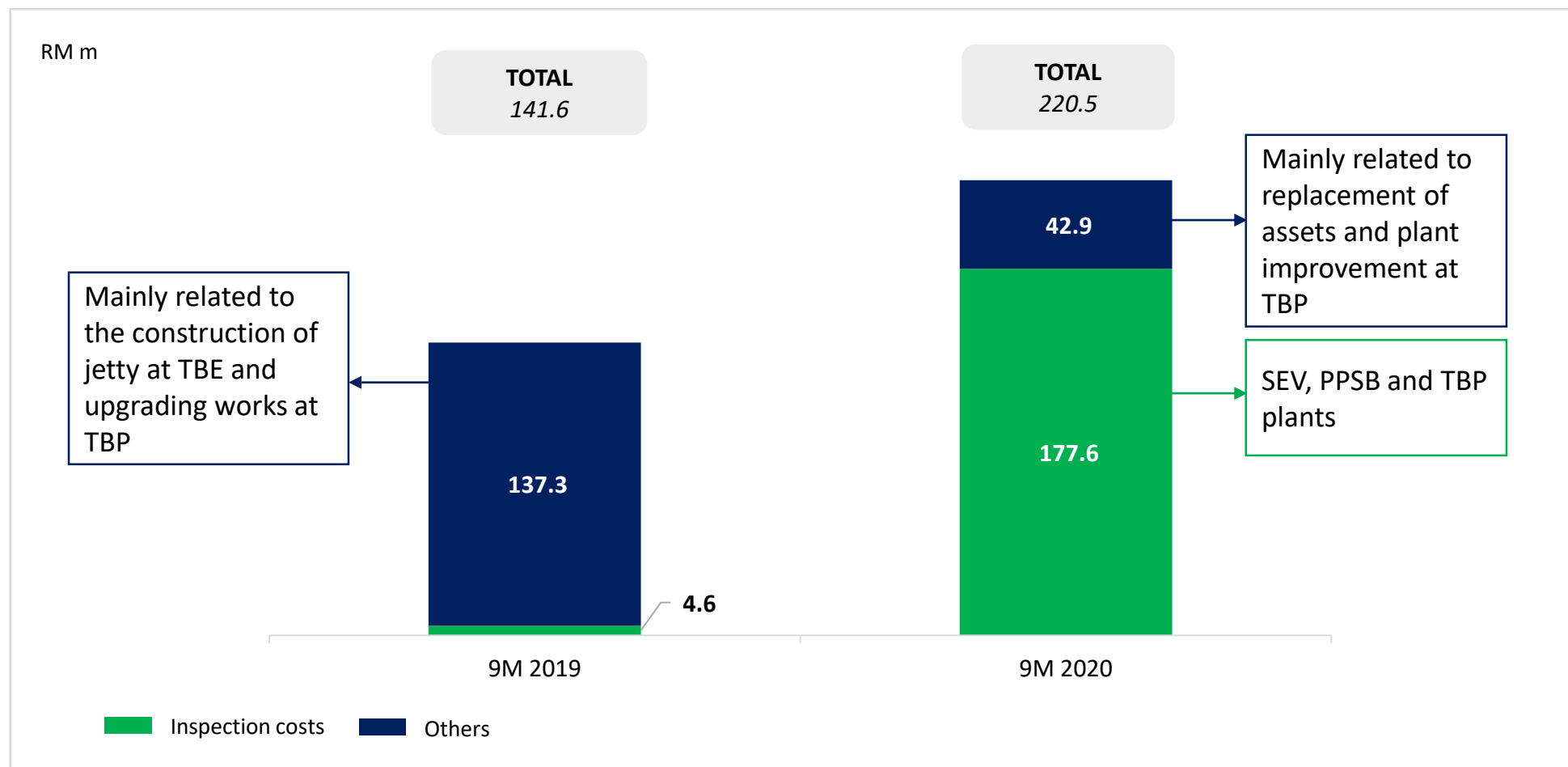
DEBT PROFILE BY FIXED / FLOATING RATE



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

Capital Expenditure as at 30 September 2020

CAPEX (as at 30 September 2020)





CORPORATE UPDATES

3Q 2020 Update – Corporate Development



Northport Rooftop Solar

Description	Northport (Malaysia) Bhd (“Northport”)
Location	Klang, Selangor
Total Capacity	4.98 MWp

- Solar Power Purchase Agreement (“SPPA”) was signed with Northport on 4 September 2020 to develop a rooftop solar project at Northport Distripark Sdn Bhd 2 (“NDSB2”).
- Kick-off meeting with Northport on the development of the project – **14 October 2020**.
- Letter of Confirmation for the appointment of EPCC Contractor was issued to Solarvest Energy Sdn Bhd on **15 October 2020**.
- Project development activities such as license/permits approval and site audit are ongoing.
- **Target COD – 2Q 2021.**

3Q 2020 Update – Corporate Development



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 finalizing EPCC contract, land matters, financing, EIA study, obtaining development order and Water Rights Agreement (“WRA”) **are ongoing**.
- Recommendation for appointment of the lender’s Insurance Advisors is on-going, appointed **WSP as Independent Checking Engineer**.
- Appointment of **ARH as Independent Quantity Surveyor** to verify on the EPCC price/costing and **HSS Integrated Sdn Bhd as C&S and M&E consultants** for development order application.
- First EIA draft report is currently under review.
- Expected to meet **financial close in April 2021**.
- **Target COD – December 2024**.



Acquisition of land by Malakoff R&D Sdn Bhd

Description	Eksklusif Persona Sdn Bhd
Location	Alor Gajah, Melaka
Total Area	71.44 hectares @ 176.5 acres
Purchase Consideration	RM150 million

- Malakoff R&D Sdn Bhd, a wholly-owned subsidiary of MCB had entered into a **Sale and Purchase Agreement (“SPA”) with Eksklusif Pesona Sdn Bhd on 22 September 2020**.
- The proposed land acquisition is for the **potential development of renewable energy projects** to be undertaken by MCB Group, including but not limited to large scale solar, waste-to-energy, biomass and biogas power projects.

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Investor Relations Contact

Malakoff Corporation Berhad
Level 11, Block 4 Plaza Sentral
Jalan Stesen Sentral 5
50470, Kuala Lumpur

T: +603 2263 3388

F: +603 2263 3377

E: ir@malakoff.com.my

W: www.malakoff.com.my