

# MALAKOFF

A Member of  MMC Group

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**POWERING COMMUNITIES.**

## **ANALYST BRIEFING** ***Q1 FY2022 Results Announcement***

**25 May 2022**



Confidential Document

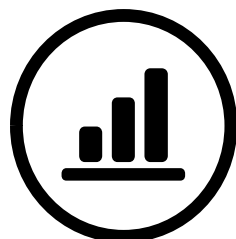
Malakoff Corporation Berhad



## Q1 FY2022 PERFORMANCE HIGHLIGHTS

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# Key Highlights of Q1 FY2022 Financial Results



RM m

## Q1 FY2022 vs Q1 FY2021

	Q1 FY2022	Q1 FY2021	YoY Change
Revenue	1,883.8	1,351.2	<span style="color: green;">▲</span> 39.4%
Results from Operating Activities	184.2	211.4	<span style="color: red;">▼</span> 12.9%
PBT	98.2	96.7	<span style="color: green;">▲</span> 1.6%
PATMI	50.9	60.4	<span style="color: red;">▼</span> 15.7%
EBITDA	549.1	551.3	<span style="color: red;">▼</span> 0.4%
Basic/Diluted EPS (sen)	1.04	1.24	<span style="color: red;">▼</span> 16.1%



## REVIEW OF OPERATIONS

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# Thermal Power Generation (Local Assets)



## Q1 FY2022 PLANT PERFORMANCE REVIEW



### COAL-FIRED POWER PLANTS

- TBP recorded a **lower Equivalent Availability Factor (“EAF”)** from 91% in Q4 FY2021 to **78% in Q1 FY2022** due to a **Unit 20 Major Outage**.
- TBE has observed a **significant increase in EAF** from 37% in Q4 2021 to **50% in Q1 2022** following the **LP1 last stage blade failure**. The unit has **resumed its operations on 14 Feb 2022**.



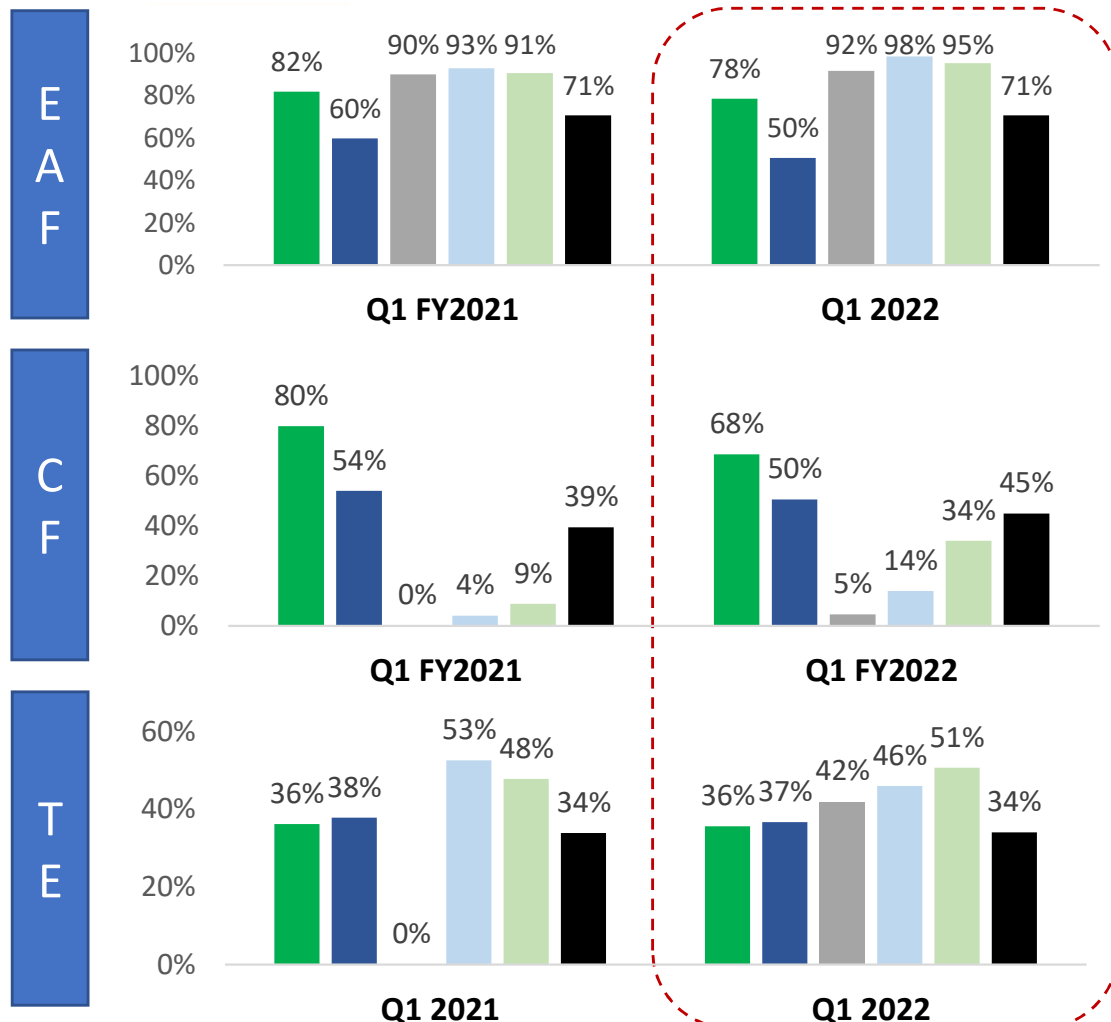
### GAS-FIRED POWER PLANTS

- **Gas fired power plants** recorded a generally **high EAF** during the quarter under review.
- It is observed that the **energy demand from the off-taker for the gas-fired plants is slightly higher compared to the Capacity Factor recorded in 4Q 2021**, presumably due to the **unavailability of a few Coal Fired Power Plants and gas curtailments**.

# Thermal Power Generation (Local Assets)



## Q1 FY2022 PLANT OPERATIONAL PERFORMANCE



Q1 2022 vs Q1 2021	
TBP	<ul style="list-style-type: none"> <li>Lower EAF &amp; CF recorded due to planned outages.</li> </ul>
TBE	<ul style="list-style-type: none"> <li>Significantly lower EAF recorded due to unplanned outage on LP Steam Turbine Blades damage since Nov 2021. The unit has resumed its operations on 14 Feb 2022.</li> </ul>
SEV GB3 PPP	<ul style="list-style-type: none"> <li>Higher EAF recorded due to low planned outages in Q1 FY2022.</li> </ul>
KEV	<ul style="list-style-type: none"> <li>Consistent EAF recorded due to high planned outages. Unit 5 on planned outage throughout Q1 FY2022.</li> </ul>

■ TBP ■ TBE ■ SEV ■ GB3 ■ PPP ■ KEV

EAF: Equivalent Availability Factor, CF : Capacity Factor, TE : Thermal Efficiency

# Thermal Power Generation (Local Assets)



## Q1 FY2022 ELECTRICITY GENERATED & SOLD

PLANT	Q1 FY2022			Q1 FY2021		
	Power Generated (GWh)	Electricity Sold (GWh)	% of Pen. Msia Electricity Generation*	Power Generated (GWh)	Electricity Sold (GWh)	% of Pen. Msia Electricity Generation*
Tanjung Bin Power (TBP)	3,386.20	3,115.94	9.62%	3,801.73	3,599.16	11.49%
Tanjung Bin Energy (TBE)	1,096.35	1,043.87	3.22%	1,242.12	1,181.37	3.77%
Segari Energy Ventures (SEV)	136.45	134.15	0.41%	0.00	0.03	-
GB3	201.61	195.91	0.60%	54.43	53.38	0.17%
Prai Power Plant (PPP)	264.95	258.64	0.80%	69.10	67.31	0.21%
<b>Total (Excluding KEV)</b>	<b>5,085.50</b>	<b>4,748.51</b>	<b>14.66%</b>	<b>5,167.37</b>	<b>4,901.26</b>	<b>15.65%</b>
Kapar Energy Ventures (KEV)	2,161.22	2,013.79	6.22%	1,892.45	1,766.10	5.64%
<b>Total (Including KEV)</b>	<b>7,246.77</b>	<b>6,762.30</b>	<b>20.87%</b>	<b>7,059.82</b>	<b>6,667.36</b>	<b>21.29%</b>

\* Energy Sold / Peninsular Malaysia's System Generation (GSO)

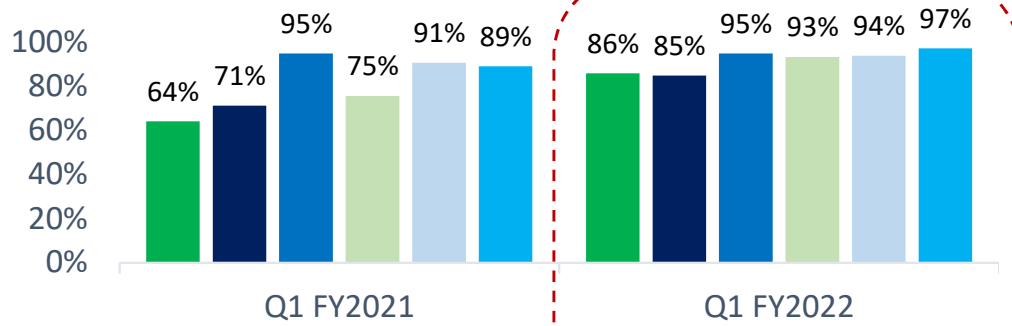
Source: Grid System Operator (GSO) Website

# Thermal Power Generation & Water Desalination (Int’nl Assets)

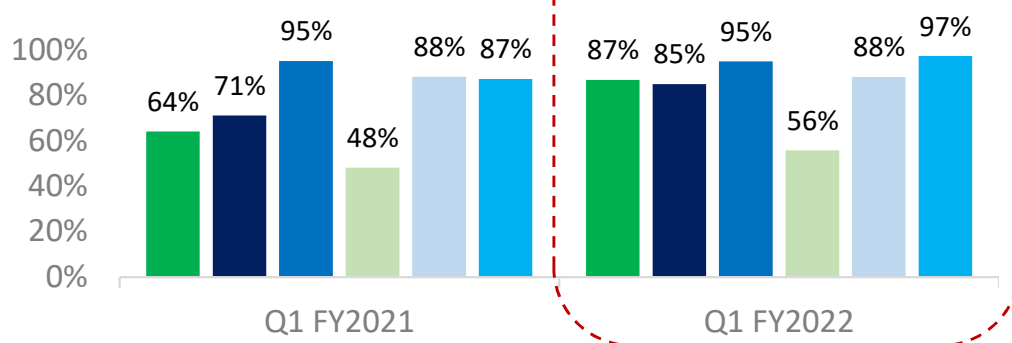


## Q1 FY2022 PLANT PERFORMANCE

E  
A  
F



C  
F



### Q1 2022 vs Q1 2021

<b>Shuaibah Phase III IWPP</b> <i>(Shuaibah Water &amp; Electricity Company, SWEC)</i>	<ul style="list-style-type: none"> <li>Improved performance in Q1 2022 as the plant experienced less forced outages due to equipment failure and lower scheduled outages.</li> </ul>
<b>Shuaibah Phase III Expansion IWP</b> <i>(Shuaibah Expansion Project Company, SEPCO)</i>	<ul style="list-style-type: none"> <li>Performance throughout Q1 2021 was sustained in Q1 2022.</li> </ul>
<b>AL HIDD IWPP</b> <i>(HIDD Power Company, HPC)</i>	<ul style="list-style-type: none"> <li>Improved performance in Q1 2022 with scheduled outages and gas turbine inspection executed as planned.</li> </ul>
<b>AL GHUBRAH IWP</b> <i>(Muscat City Desalination Company)</i>	<ul style="list-style-type: none"> <li>Improved performance in Q1 2022 with the completion of seawater intake pipe cleaning work.</li> </ul>

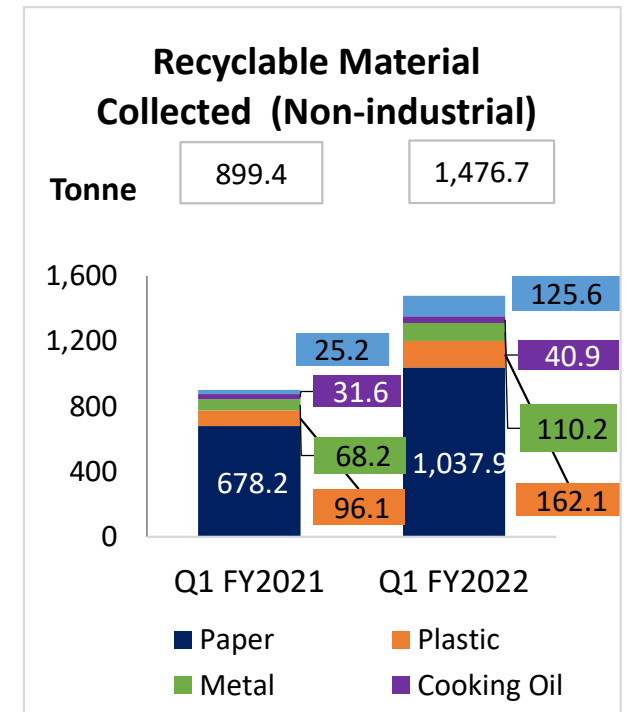
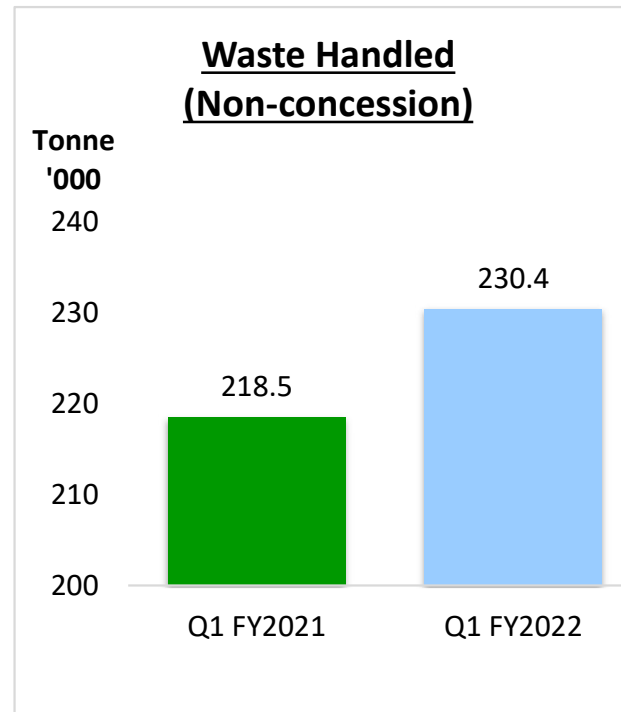
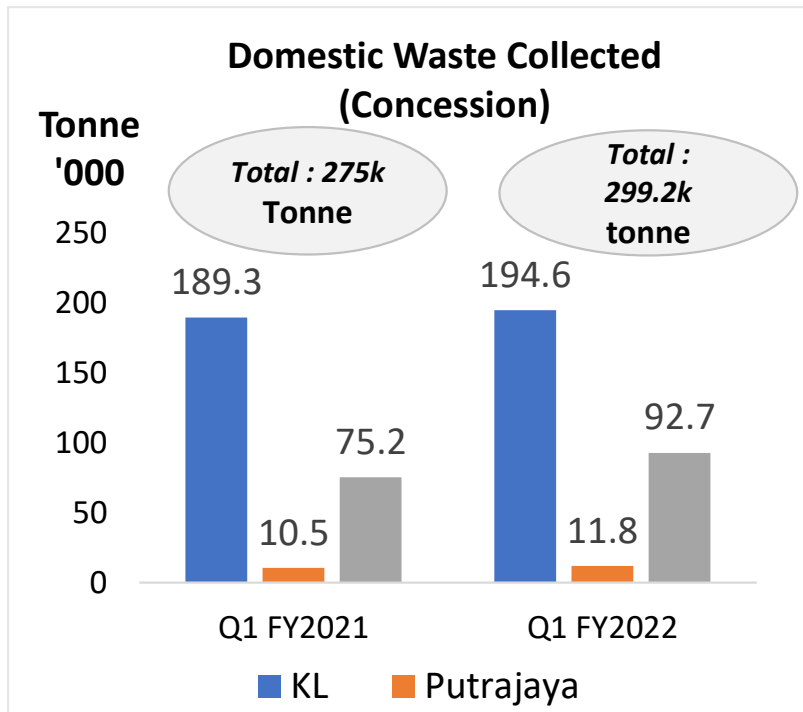


EAF: Equivalent Availability Factor, CF : Capacity Factor





## Q1 FY2022 OPERATIONAL PERFORMANCE



- Domestic waste collected in KL, Pahang & Putrajaya increased in Q1 FY2022 (+8%) to a total of 299.2k as compared to the corresponding quarter.

- Increase in waste handled in Q1 FY2022 was mainly due to the high incoming tonnage from Transfer Stations, Green Waste and Mini Incinerator facilities.

- Higher Recyclable Material Collected (64%) was mainly due to the higher waste collected and various recycling programmes conducted in Q1 FY2022.



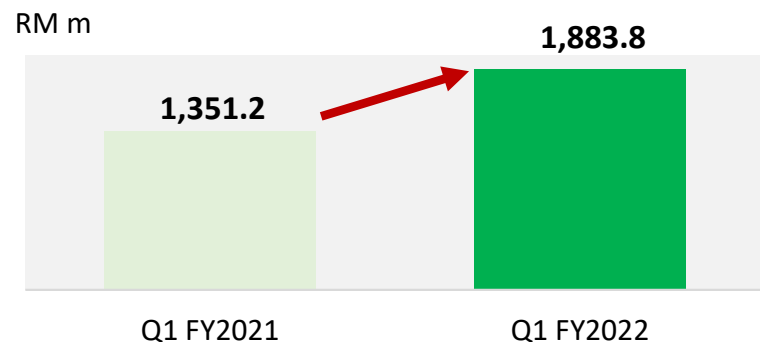
## Q1 2022 FINANCIAL RESULTS



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# Revenue, PBT & PATMI (Q1 FY2022)

## REVENUE



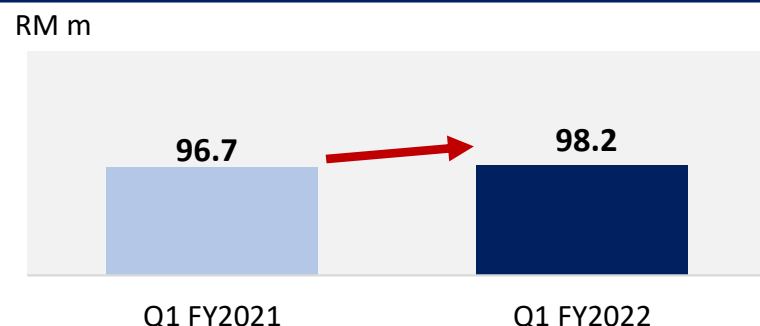
Revenue : ▲ 39.4% YoY

- Primarily attributable to **higher energy payment from TBP and TBE** due to **higher Applicable Coal Price (“ACP”)**.
- **Higher energy payment from gas plants** due to **increase in despatch factor** in line with higher demand.

Partially offset by:

- **Lower capacity payment from TBE** as plant was on outage due to Low-Pressure Turbines blade failure.

## PBT



PBT : ▲ 1.6% YoY

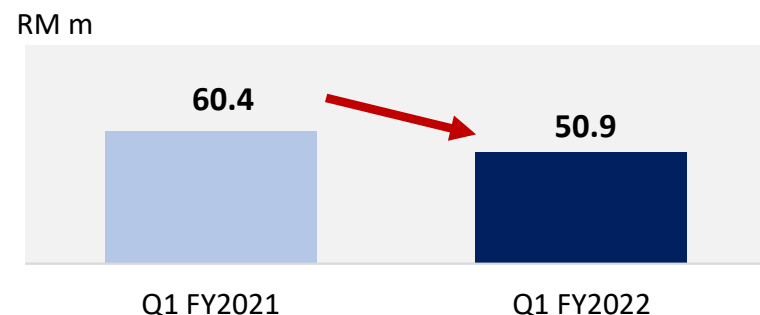
PATMI : ▼ 15.7% YoY

- **Higher contribution** from TBP given the increase in ACP.
- **Higher contribution** from Alam Flora.
- **Higher contribution** from associates/JVs.

Moderated by:

- **Lower contribution from TBE** caused by the plant outage.
- **Higher depreciation and amortisation charges.**

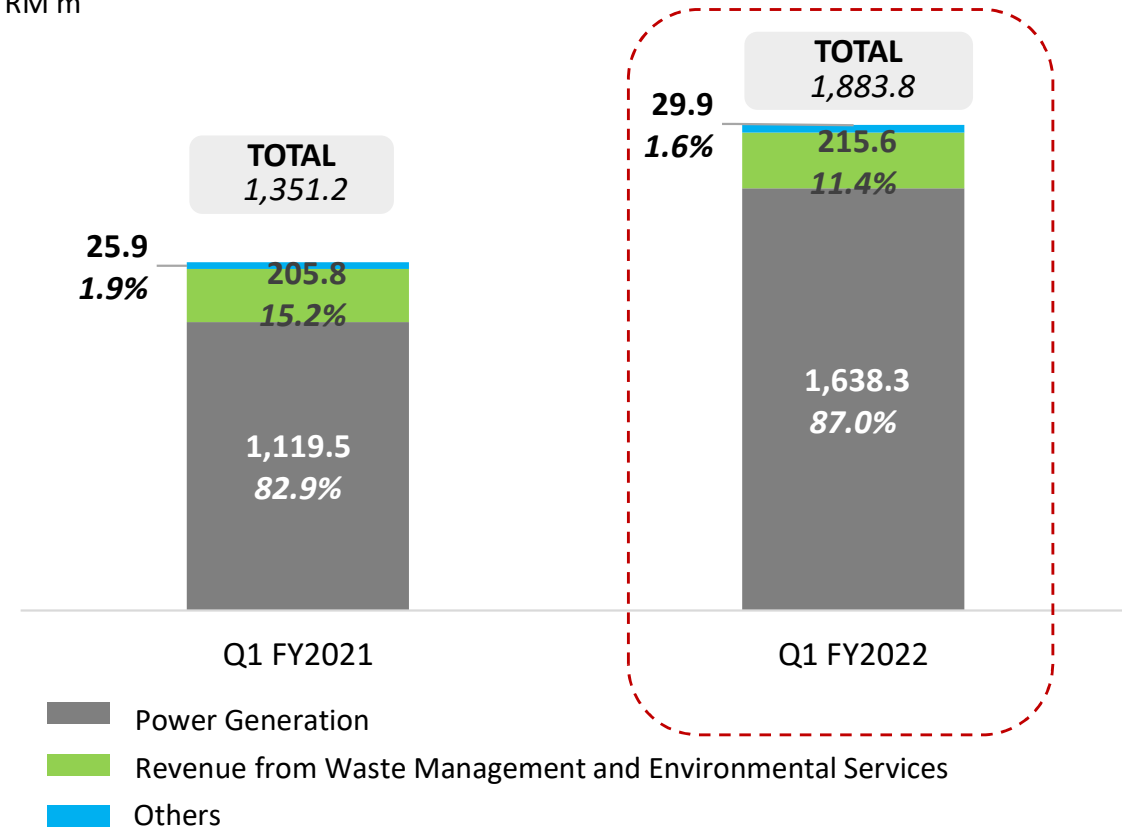
## PATMI



# Q1 FY2022 Revenue Mix

## REVENUE

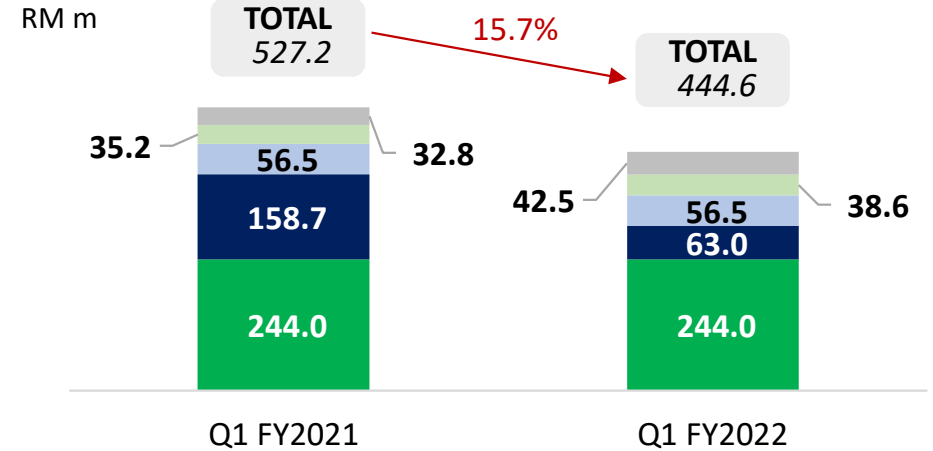
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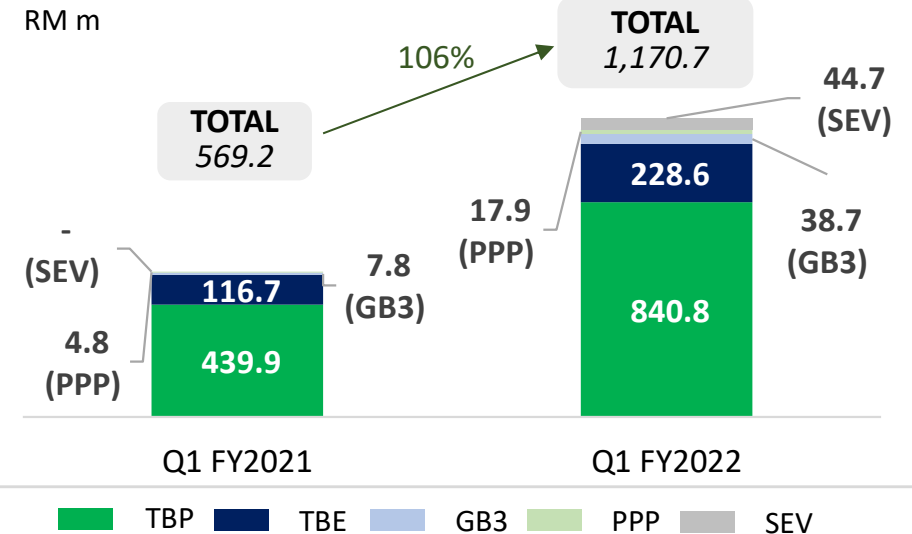
<b>POWER GENERATION &amp; DISTRIBUTION</b>	<i>Capacity income + Energy Income + Daily Utilisation Payment</i>
<b>OTHERS</b>	<i>Rental Income + Project Management Fees + O&amp;M Fees + Malakoff Utilities Sdn. Bhd. ("MUSB")</i>

## ELECTRICITY GENERATION REVENUE INCLUDES:

### CAPACITY INCOME

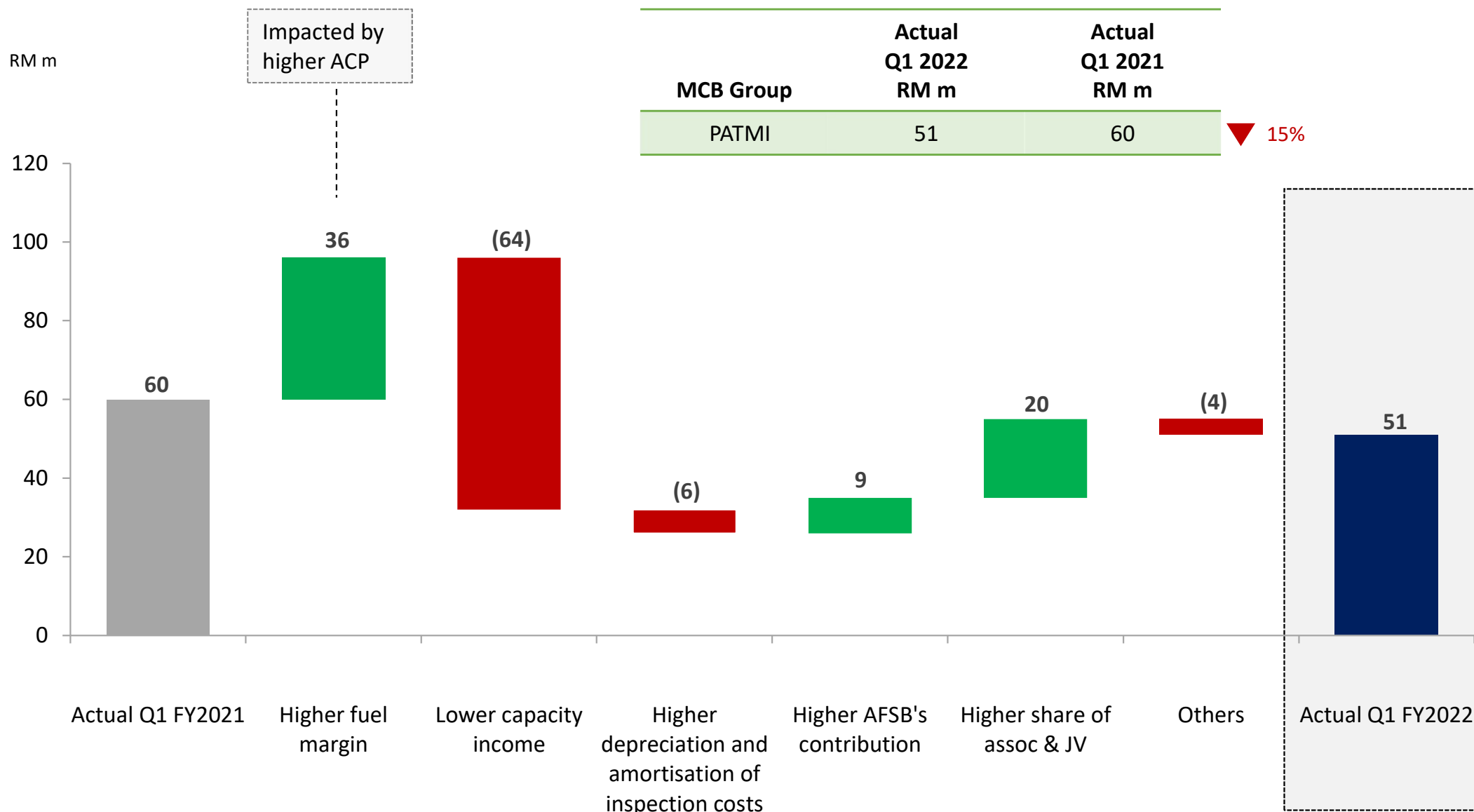


### ENERGY INCOME

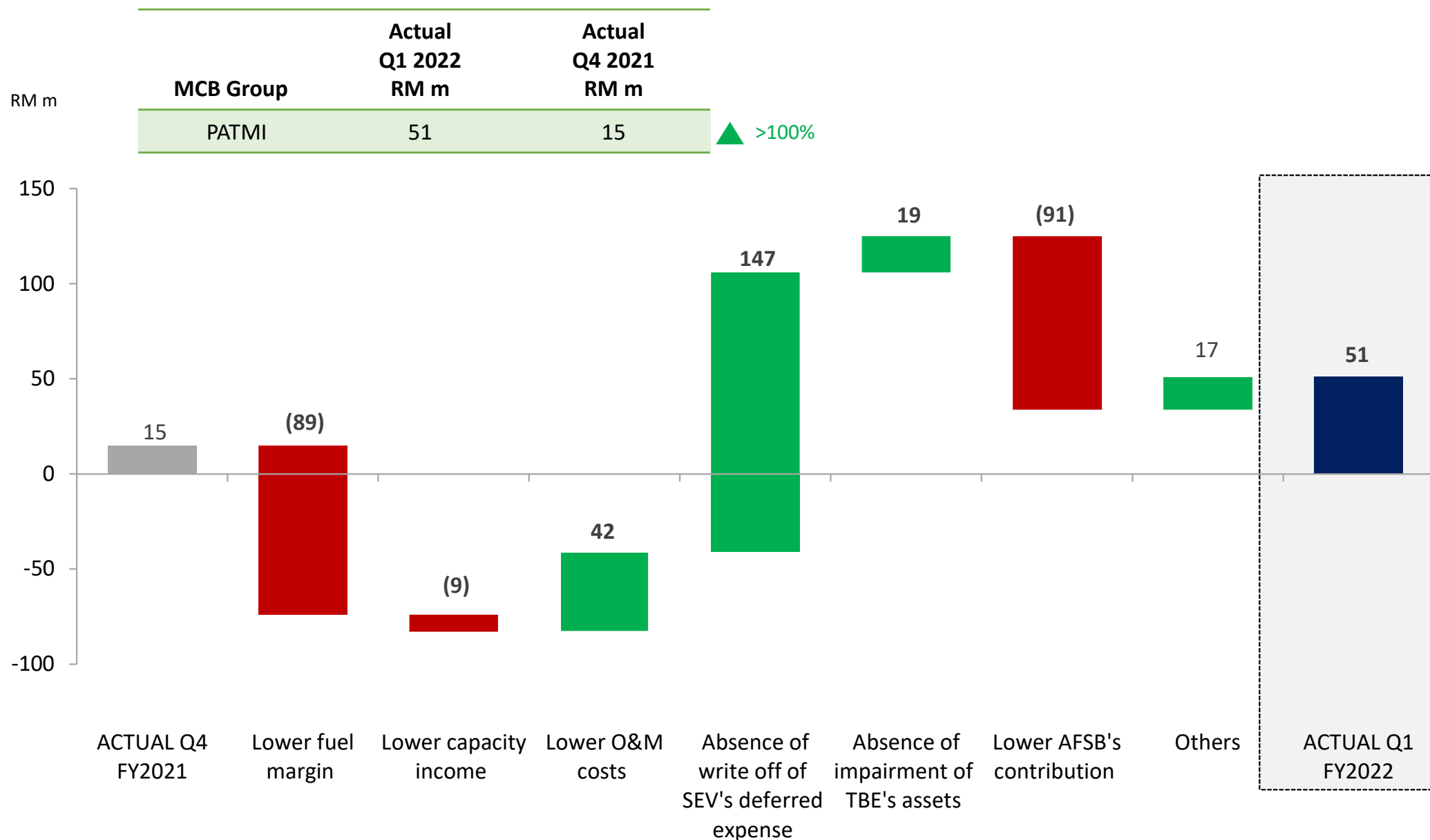


TBP TBE GB3 PPP SEV

# Group PATMI – Q1 FY2022 vs Q1 FY2021 (YoY)



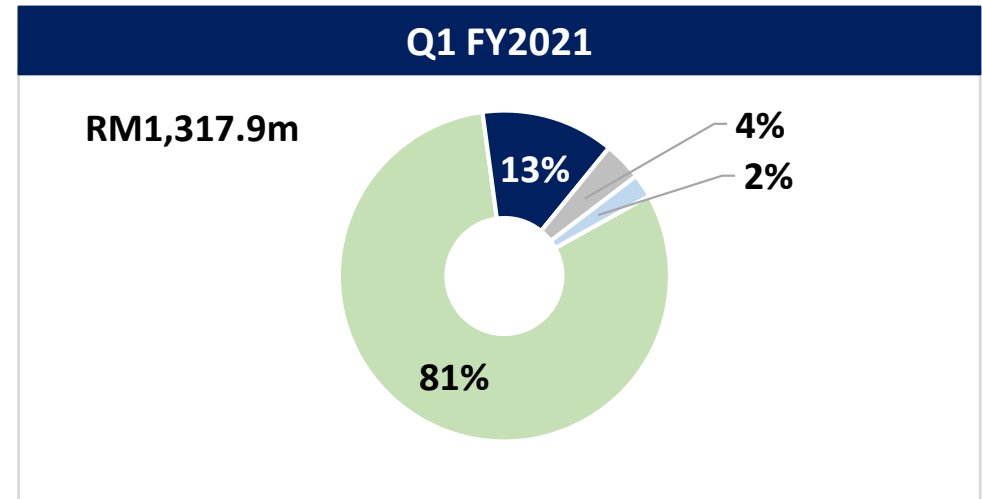
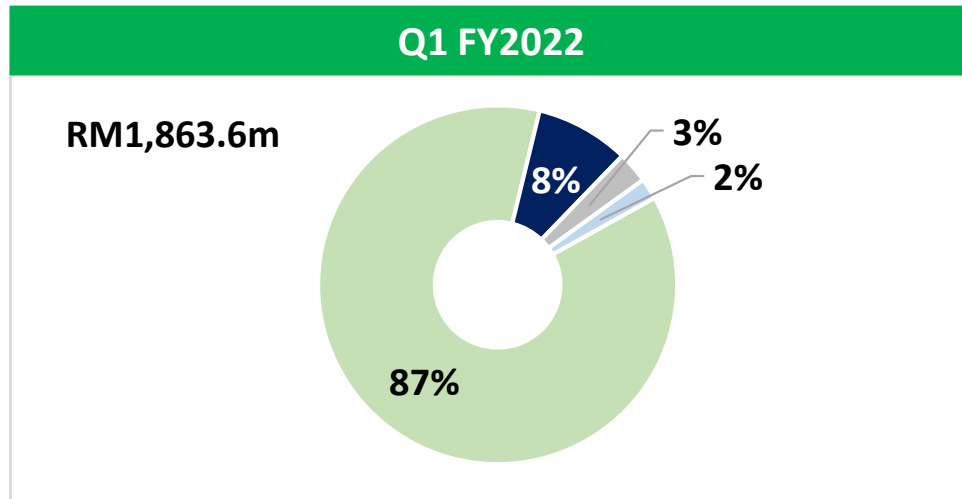
# Group PATMI – Q1 FY2022 vs Q4 FY2021 (QoQ)



# Share of Profit from Associates/JVs

RM m	Q1 FY2022	Q1 FY2021	% Change (Remarks)
<b>Shuaibah Water &amp; Electricity Company (SWEC), Saudi Arabia</b> <b>Shuaibah Expansion Project Company Limited (SEPCO), Saudi Arabia</b> <i>(MCB effective equity 24% &amp; 23.8%, respectively)</i>	28.0	18.2	<b>+54%</b> <i>Higher contribution as lower plant outage, administrative expenses and finance costs.</i>
<b>Hidd Power Co, Bahrain</b> <i>(MCB effective equity 40%)</i>	15.4	6.4	<b>&gt;100%</b> <i>Due to favorable gas margin and lower finance costs.</i>
<b>Muscat City Desalination Company, Oman</b> <i>(MCB effective equity 32.5%)</i>	2.0	2.1	<b>-5%</b>
<b>Muscat City Desalination Operation &amp; Maintenance Company (MCDOMCO), Oman</b> <i>(MCB effective equity 50%)</i>	2.0	1.1	<b>+82%</b>
<b>Zec Solar Sdn. Bhd.</b> <i>(MCB effective equity 49%)</i>	0.3	-	<b>+100%</b>
<b>TOTAL</b>	<b>47.7</b>	<b>27.8</b>	<b>+72%</b>

# Breakdown of Costs (Q1 FY2022)



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

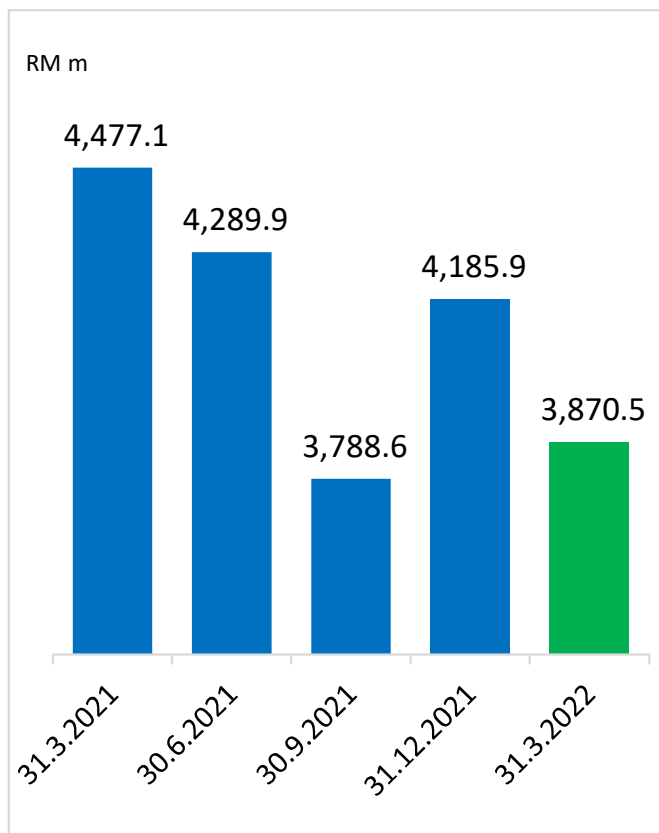
## Cost of Sales Breakdown (RM m)

	Q1 FY2022	Q1 FY2021
Fuel	1,064.7	514.3
Depreciation and Amortisation of Inspection Costs	223.2	215.9
Amortisation of Intangible Assets	79.0	79.1
Operations and Maintenance Costs	66.8	75.4
Waste Management and Environmental Services Costs	155.3	158.1
Others	29.2	24.1
<b>TOTAL</b>	<b>1,618.2</b>	<b>1,066.9</b>



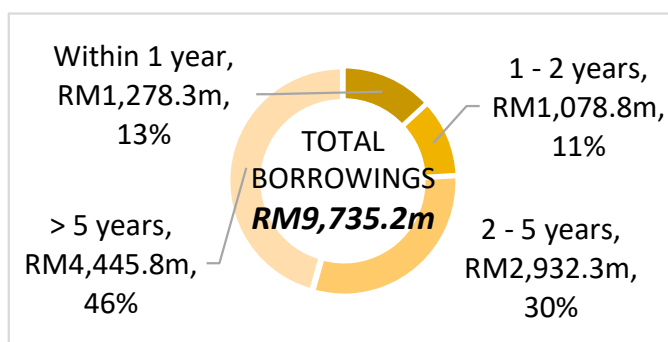
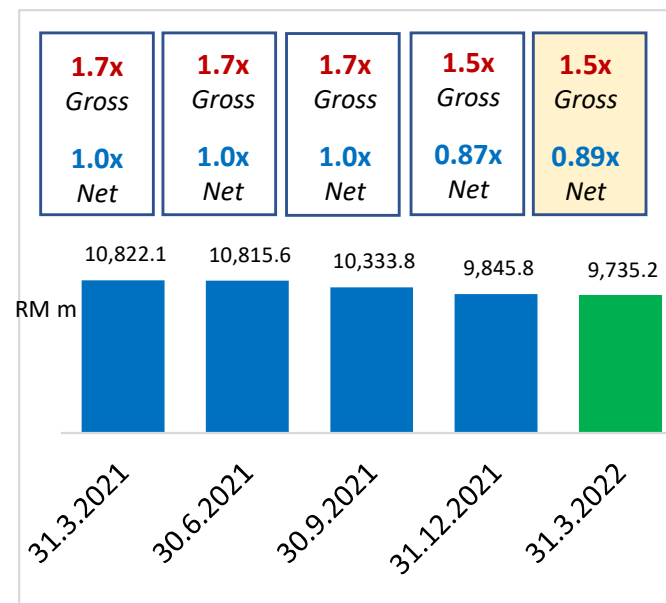
# Cash & Gearing as at 31 March 2022

## TOTAL CASH & BANK BALANCES\*

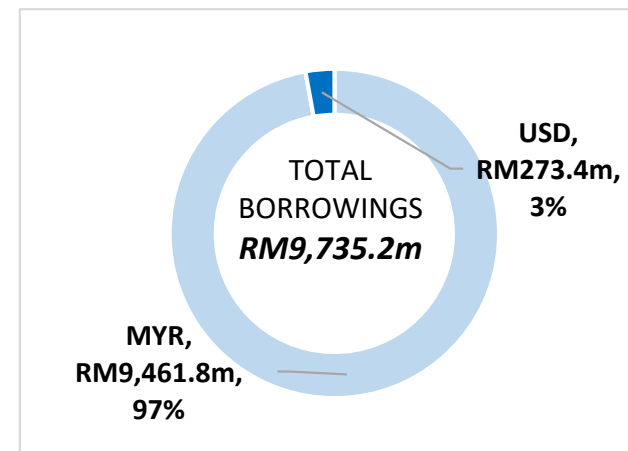


\*Includes Cash categorised as Other Investments

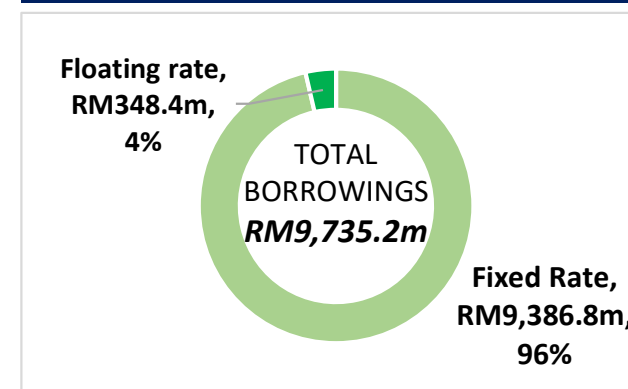
## GEARING RATIO, TOTAL BORROWINGS & DEBT AGEING



## DEBT PROFILE BY CURRENCY



## DEBT PROFILE BY FIXED / FLOATING RATE

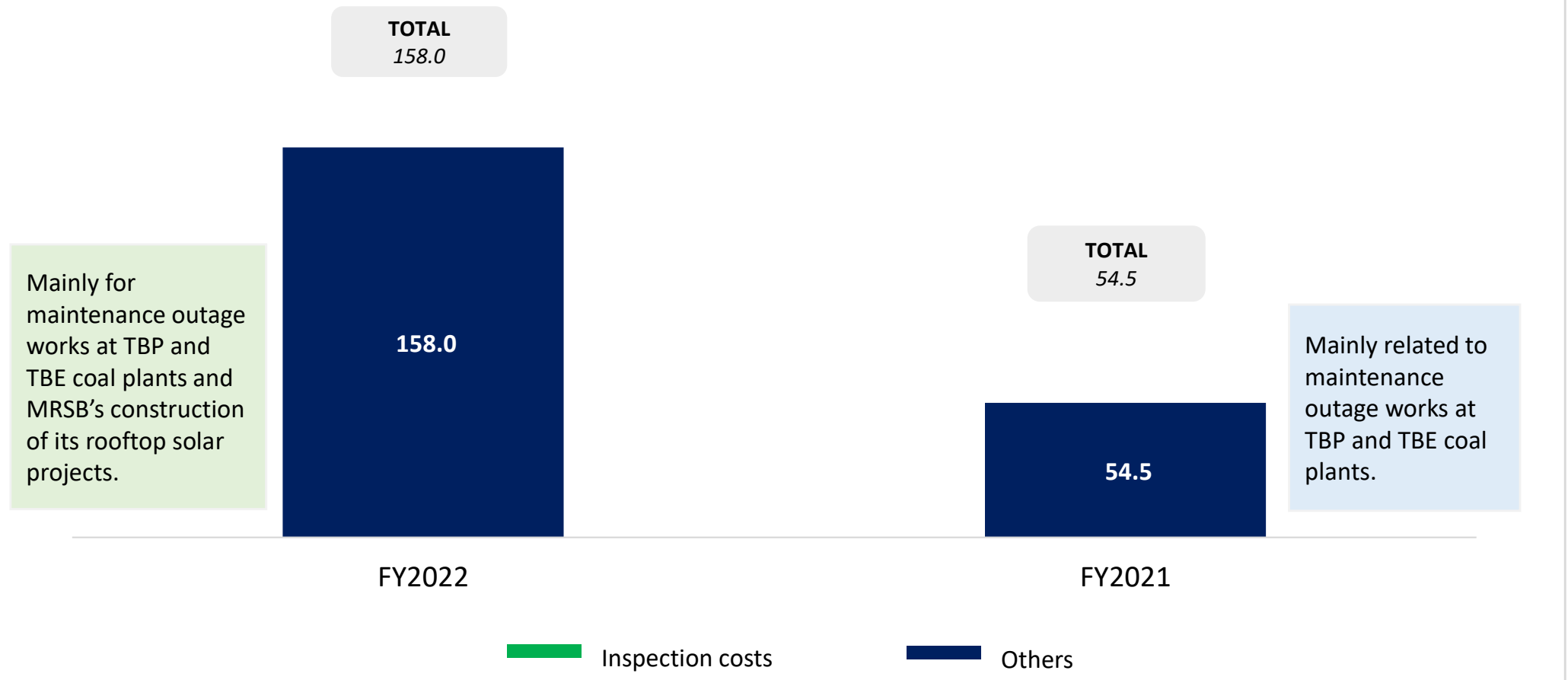


The Group continues to embark on stringent capital management while maintaining gearing at a healthy level.

# Capital Expenditure as at 31 March 2022

## CAPEX (as at 31 March 2022)

RM m





# CORPORATE UPDATES

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# Spearheading Decarbonisation Initiatives

*Potential Utilisation of Hydrogen/Ammonia to create a Decarbonised Society*

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**ITOCHU**



## Malakoff Signs MoU with ITOCHU on Decarbonisation Initiatives

- On 25 Apr 2022, Malakoff and ITOCHU Corporation (Japan) entered into a Memorandum of Understanding (“MoU”) to conduct a feasibility study on decarbonisation via the utilisation of hydrogen/ammonia in the state of Johor, Malaysia
- The objective of this MoU is to explore the development of :
  - An ammonia receiving terminal and the decarbonisation of coal-fired power plants owned by Malakoff through ammonia co-firing
  - A new combined cycle gas turbine power plant utilising high hydrogen content fuel, subject to the outcome of a feasibility study
- The MoU marks a major milestone as we embark on our journey towards Net Zero Carbon Emissions by 2050

# Accelerating Growth in Environmental Solutions

*Key Progress in the Non-Concession Segment*

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Recycling collaboration programme between **AFES** and **Permodalan Nasional Berhad** held in conjunction with the Recycle Now For a Sustainable Future event

*1<sup>st</sup> April 2022*



Recycling collaboration programme between **AFES** and **AEON Mall Alpha Angle**

*1<sup>st</sup> April 2022*

# THANK YOU



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