



Analyst Briefing

Q2 FY2023 Results Announcement

29 August 2023

Contents

1

Macroeconomic Review

2

Key Highlights

3

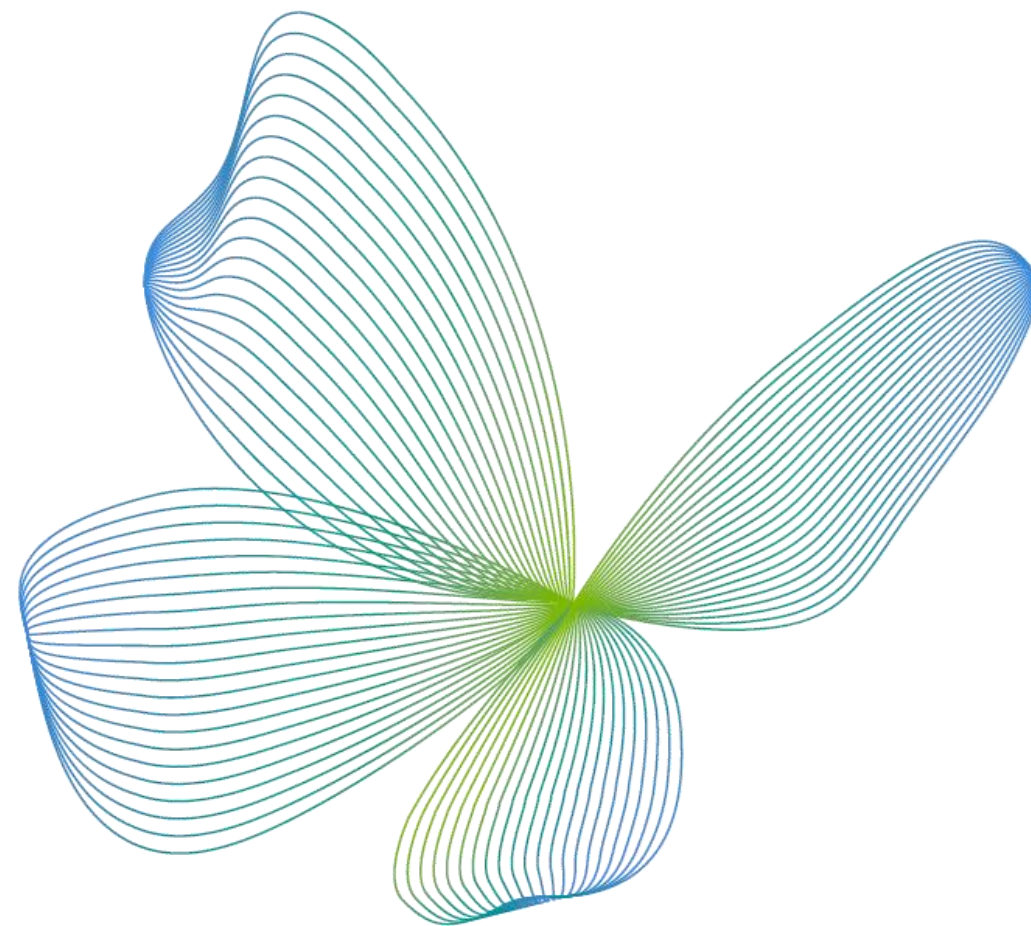
Operational Performance

4

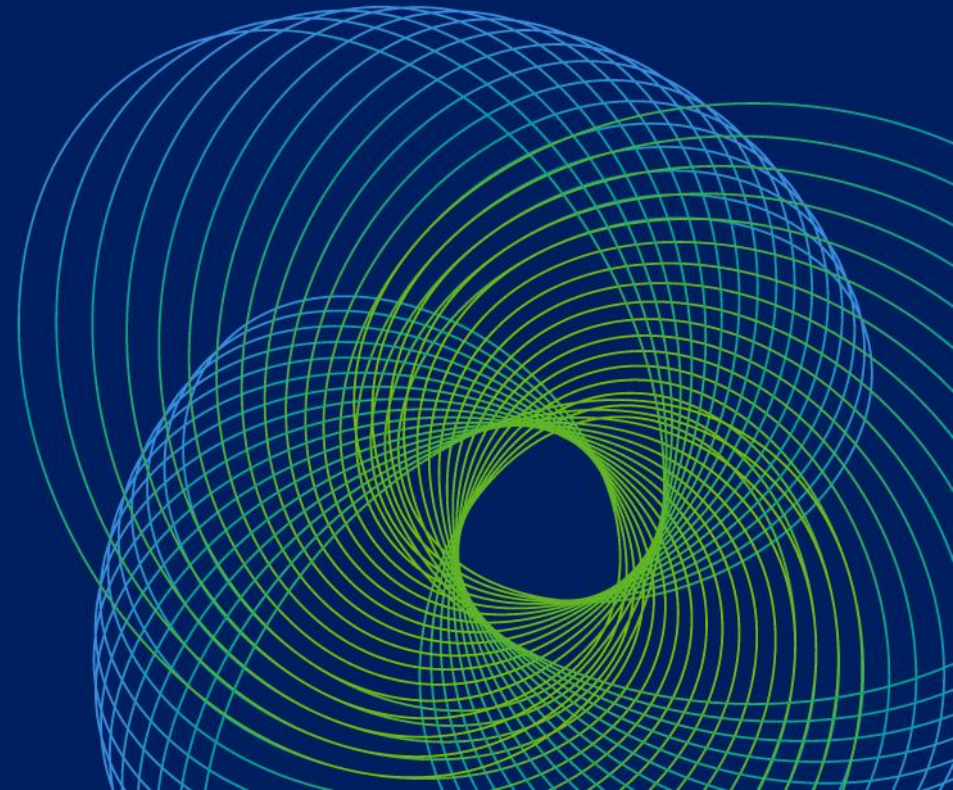
Financial Performance

5

Corporate Updates

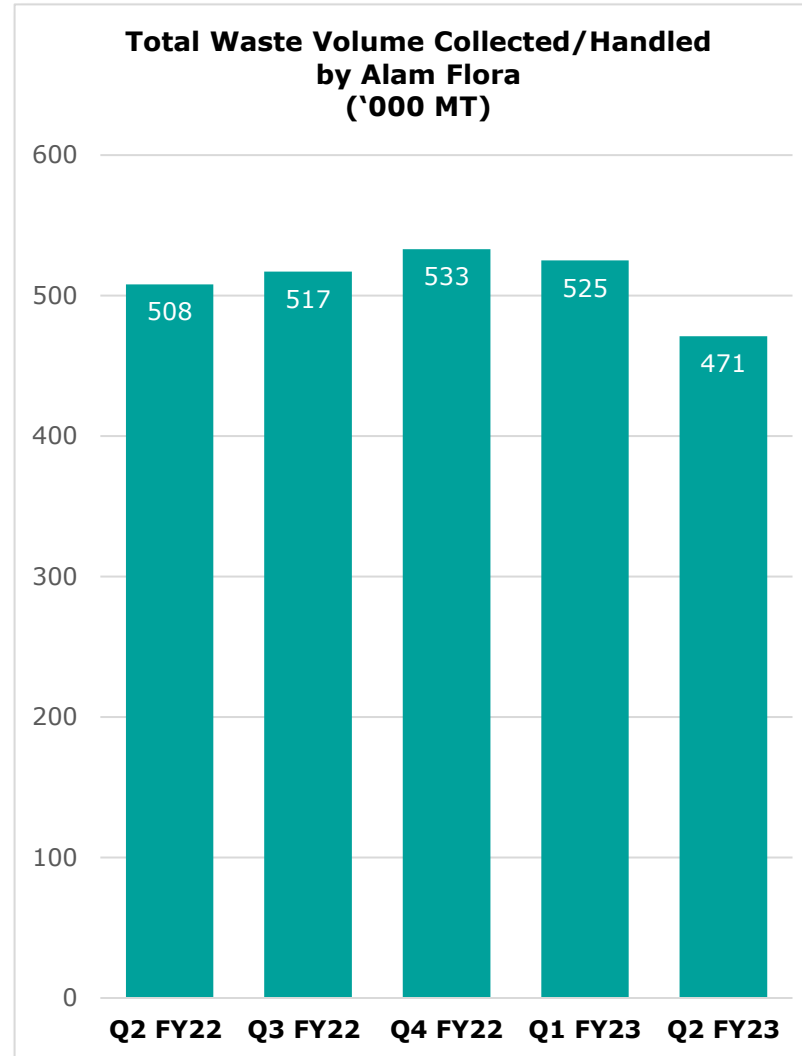
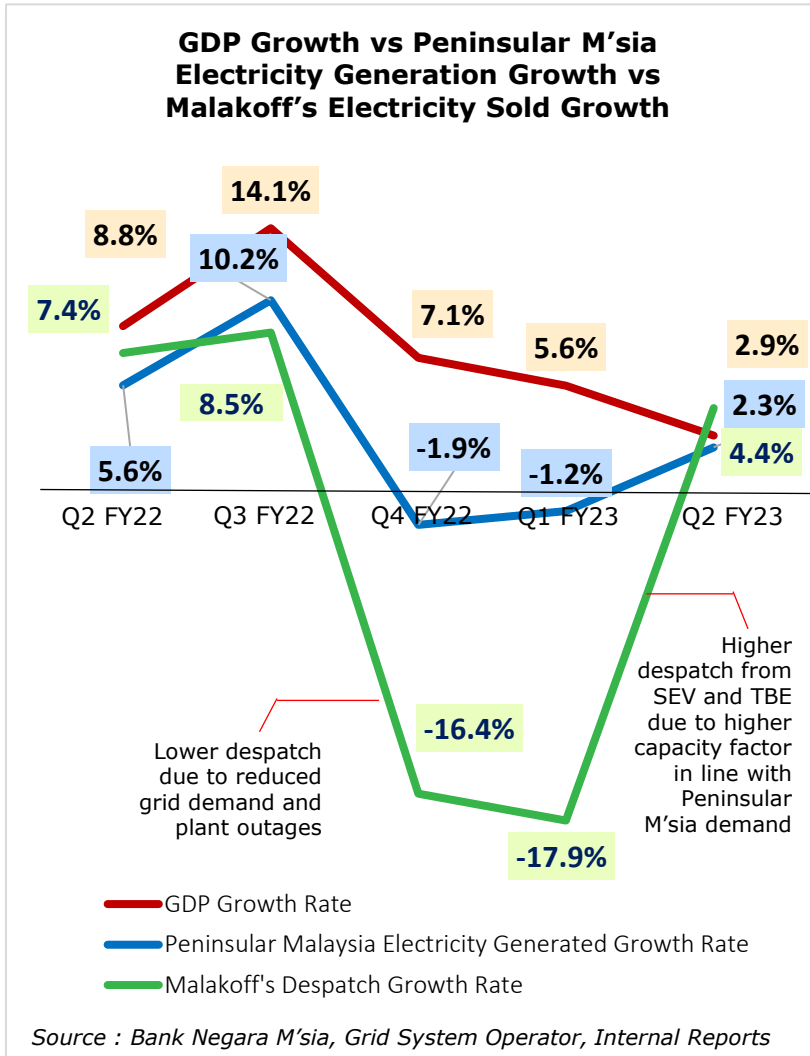


Macroeconomic Review



Electricity Generation & Waste Volume

Higher Despatch to the Grid on the Back of Increased Power Demand

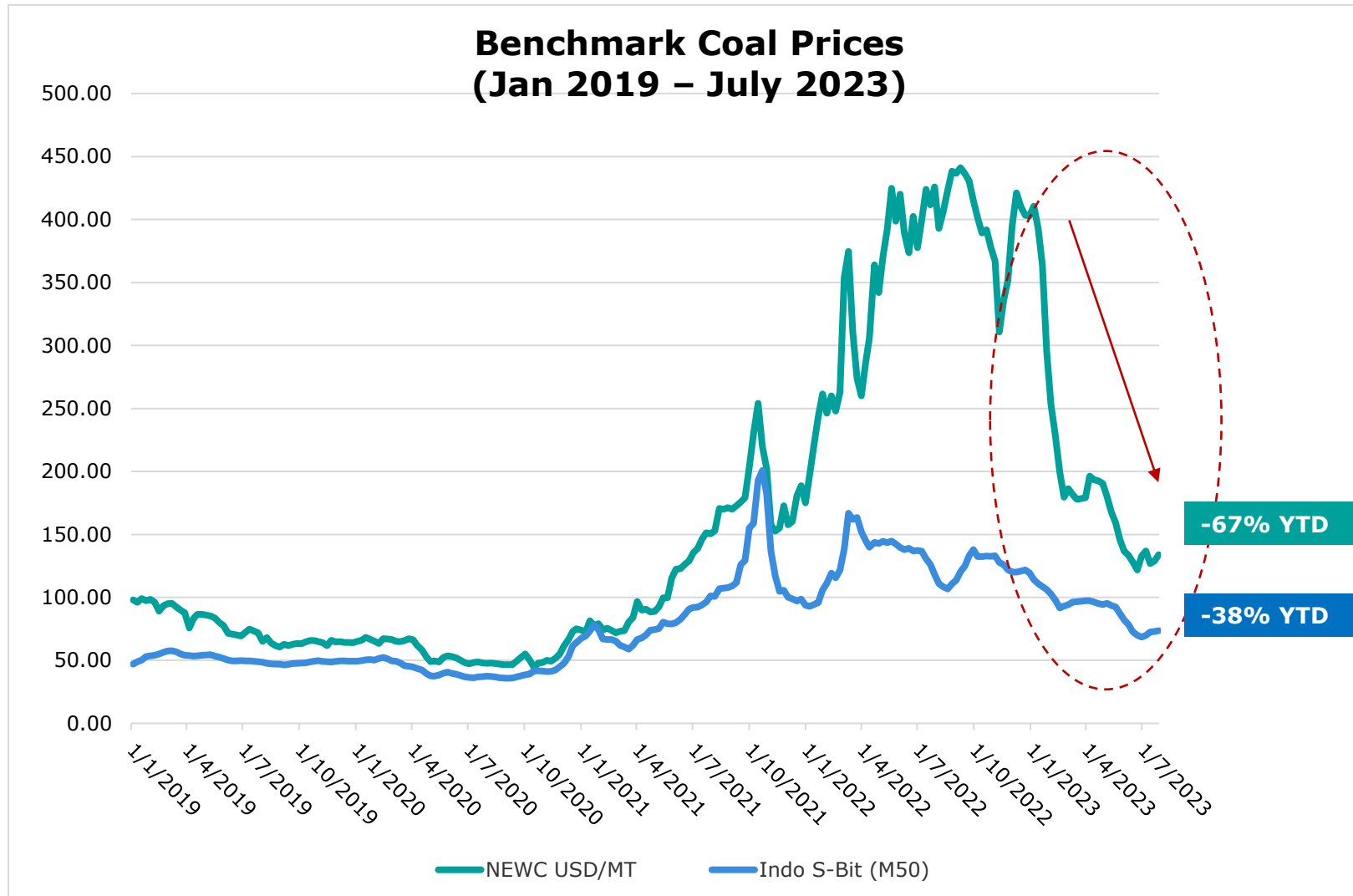


In the period under review, there was a noticeable increase in the growth rate of electricity generation in Peninsular Malaysia, which can be attributed to the ongoing economic recovery. Malakoff's despatch growth was in line with the nation's prevailing demand, particularly from TBE and SEV.

Total waste collected/handled by Alam Flora continued to be significant to the Group. Notwithstanding the overall decline due to reduced waste handled in the non-concession business, domestic waste in the concession business and recyclables increased by 2.2% and 21.2%, respectively.

Downtrend in Benchmark Coal Prices

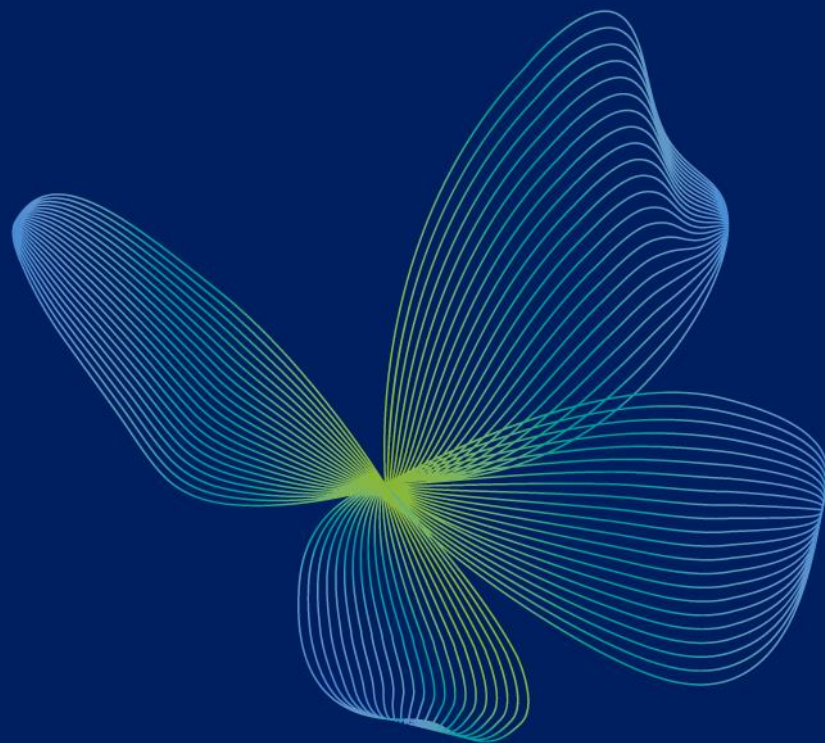
Slowdown in Demand, Push for Global RE Transition



Indonesian sub-bituminous and Newcastle benchmark coal prices declined by 38% and 67% respectively (YTD July 2023), with the same trend reflected in the current Applicable Coal Price ("ACP").

The Group expects challenges to the overall FY2023 performance, taking into consideration the impact from global coal prices. **Nonetheless, the Group will continue to optimize its plants' operational efficiencies to cushion the adverse impact.**

Key Highlights



Key Highlights of Q2 FY2023 Financial Results



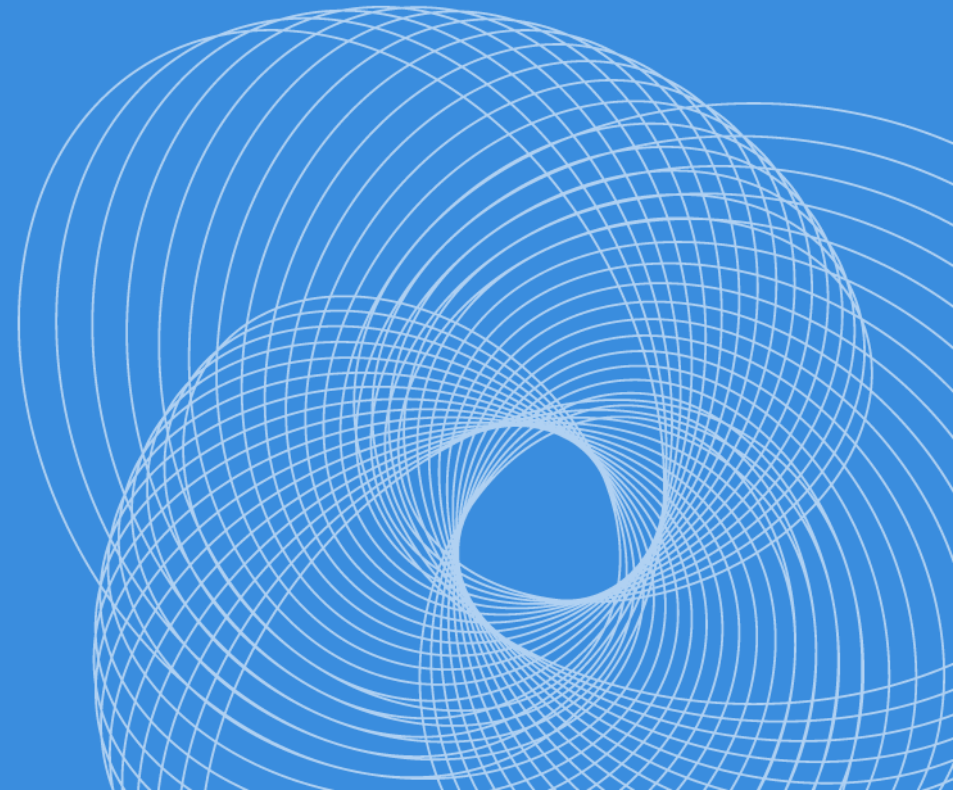
RM m

	Q2 FY2023	Q2 FY2022	YoY Change	1H FY2023	1H FY2022	YoY Change
Revenue	2,364.9	2,318.5	+ 2.0%	4,650.0	4,202.3	+ 10.7%
Results from Operating Activities	(359.0)	273.4	- 231.3%	(339.5)	457.7	- 174.2%
(LBT)/PBT	(453.7)	196.6	- 330.8%	(538.2)	294.8	- 282.6%
(LATMI)/PATMI	(318.7)	119.1	- 367.6%	(394.4)	170.0	- 332.0%
(LBITDA)/EBITDA	(50.1)	671.6	- 107.5%	267.9	1,220.7	- 78.1%
Basic/Diluted EPS (sen)	(6.52)	2.44	- 367.2%	(8.55)	3.00	- 385.0%

Note : EPS 2022 adjusted in accordance to the guidance provided by MFRS 133



Operational Performance





Thermal Power Generation (Local Assets)

Q2 FY2023 PLANT PERFORMANCE REVIEW



COAL-FIRED POWER PLANTS

- **TBP** recorded an **increase in Equivalent Availability Factor ("EAF")** from **72%** in Q1 FY2023 to **82% in Q2 FY2023**.
- **TBE** has observed an **increase in EAF** from **92%** in Q1 FY2023 to **98% in Q2 FY2023**.



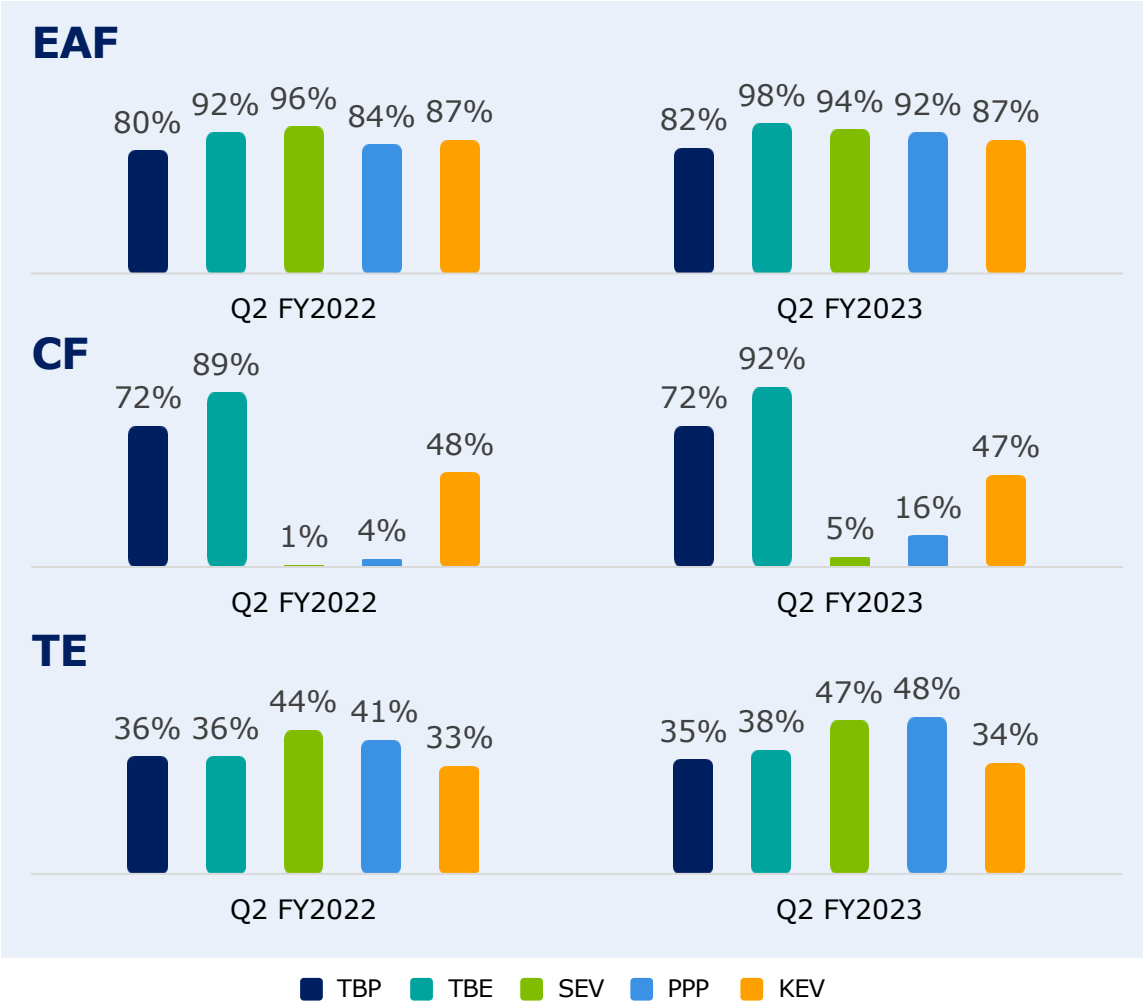
GAS-FIRED POWER PLANTS

- **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 was low but within the expected target**.



Thermal Power Generation (Local Assets)

Q2 FY2023 PLANT PERFORMANCE



Q2 FY2023 vs Q2 FY2022

TBP	>	• Higher EAF recorded due to low unscheduled outages.
TBE	>	• Higher EAF recorded due to low scheduled and unscheduled outages.
SEV	>	• Lower EAF recorded due to unscheduled outages.
PPP	>	• Higher EAF recorded due to low scheduled outage.
KEV	>	• EAF remains unchanged due to low scheduled and unscheduled outages.

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



Thermal Power Generation (Local Assets)

Q2 FY2023 ELECTRICITY GENERATED & SOLD

Plant	Q2 FY2023			Q2 FY2022		
	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)	3,483.85	3,320.14	9.75%	3,498.23	3,320.54	9.69%
Tanjung Bin Energy (TBE)	2,096.21	2,019.63	5.93%	1,927.62	1,823.02	5.32%
Segari Energy Ventures (SEV)	146.51	142.21	0.42%	33.48	32.20	0.09%
Prai Power Plant (PPP)	129.07	126.09	0.37%	32.78	32.08	0.09%
Total (Excluding KEV)	5,855.63	5,608.06	16.46%	5,492.11	5,207.84	15.20%
Kapar Energy Ventures (KEV)	2,272.51	2,126.07	6.24%	2,337.44	2,179.78	6.36%
Total (Including KEV)	8,128.14	7,734.13	22.71%	7,829.55	7,387.62	21.57%

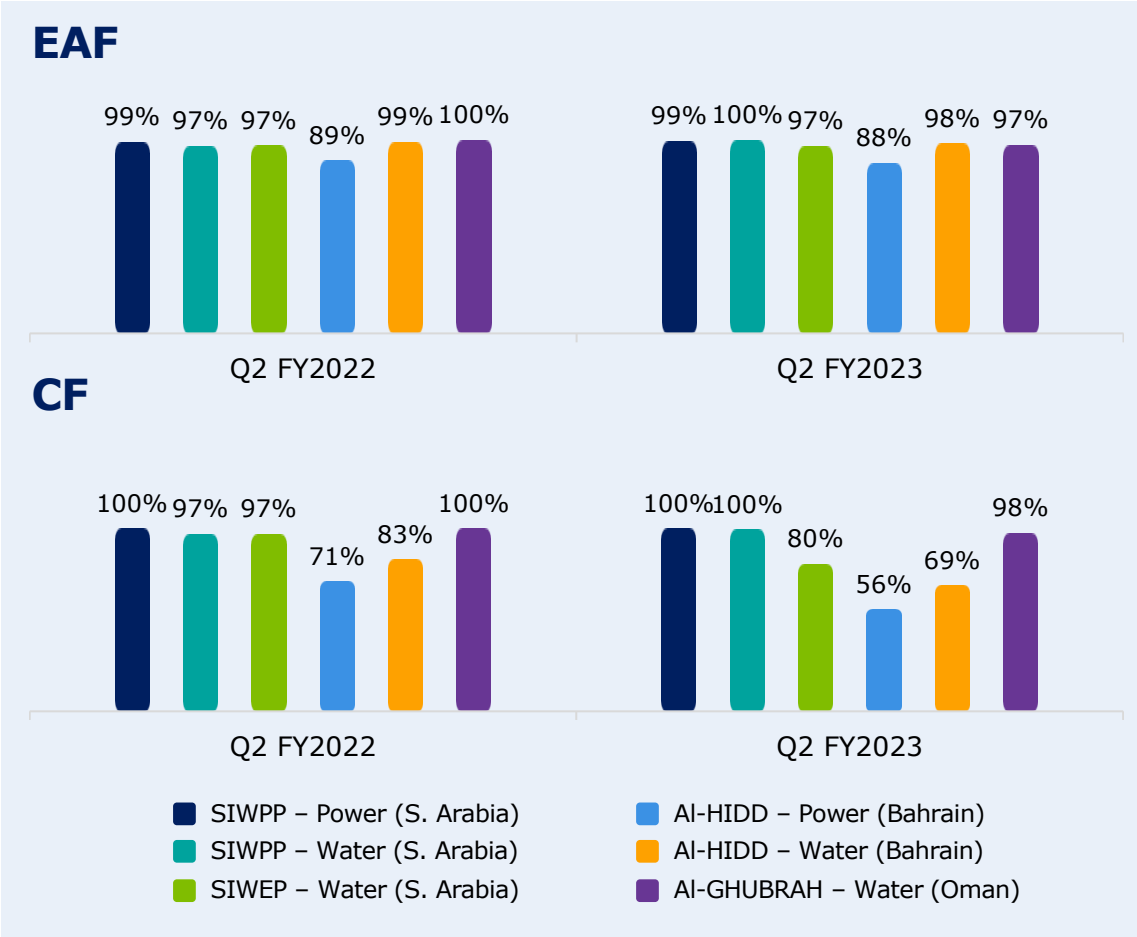
*Energy Sold / Peninsular Malaysia's System Generation

Source: Grid System Operator (GSO) Website



Thermal Power Generation & Water Desalination (International Assets)

Q2 FY2023 PLANT PERFORMANCE



Q2 FY2023 vs Q2 FY2022

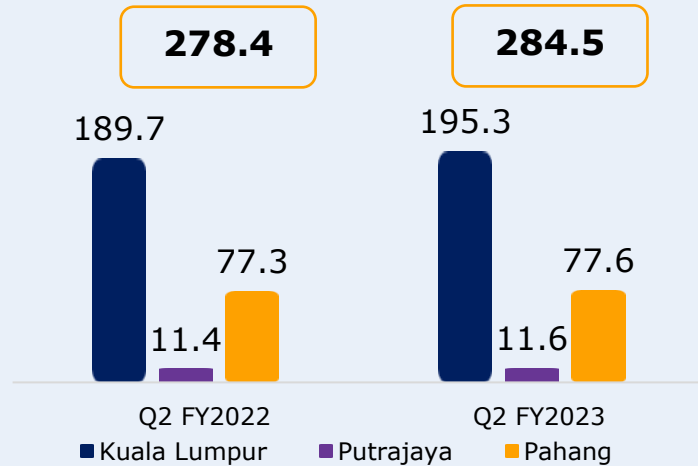
- Shuaibah Phase III IWPP**
(Shuaibah Water & Electricity Company, SWEC)
 - **Sustainable performance** in Q2 FY2023 performance despite Unit 20 and Unit 10 trip events.
- Shuaibah Phase III Expansion IWP**
(Shuaibah Expansion Project Company, SEPCO)
 - **Sustainable performance** in Q2 FY2023 despite maintenance works, shutdown for repair work, dispatch instruction and deration due to high seawater temperature.
- AL HIDD IWPP**
(HIDD Power Company, HPC)
 - **Slight decline** in Q2 FY2023 performance due to gas turbine C-inspection and trips, steam turbine operation mode restrictions, auxiliary boiler trips, Chlorine dosing failure, HRSG issues as well as MED inspections.
- AL GHUBRAH IWP**
(Muscat City Desalination Company)
 - Q2 FY2023 **performance affected by Dual Media Filter flanges replacement work.**

Note: EAF - Equivalent Availability Factor, CF - Capacity Factor, MED - Multi Effect Distillation, IWP – Independent Water Plant, IWPP – Independent Water and Power Plant, HRSG – Heat Generator Steam Recovery



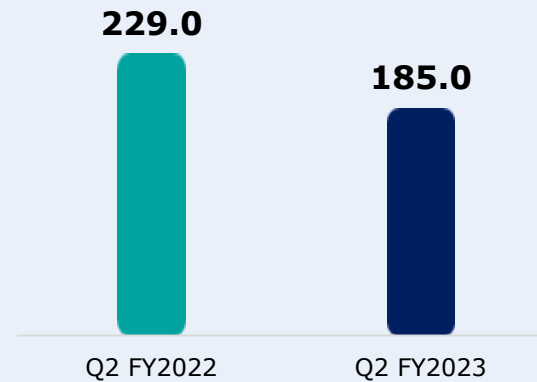
Q2 FY2023 OPERATIONAL PERFORMANCE

Waste Collected (Concession) (^000 MT)



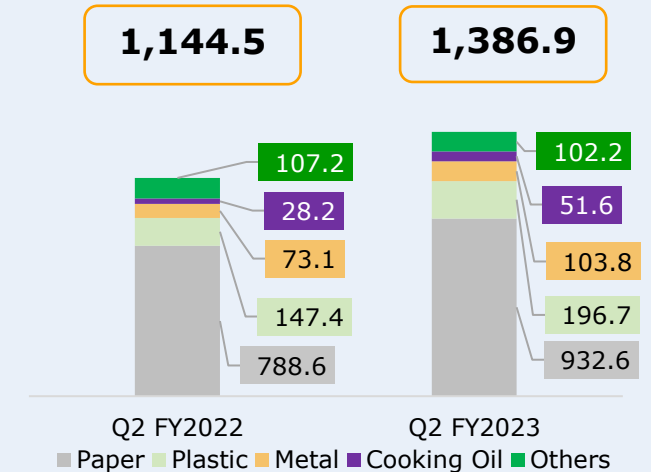
- Domestic waste collected in KL, Pahang & Putrajaya **increased in Q2 FY2023 (+2.2%)** to a total of **284.5k tonnes** as compared to the corresponding quarter.
- The increase was mainly due to **higher waste generated** in the concession areas.

Waste Handled (Non-Concession) (^000 MT)



- Waste Handled **reported a reduction of 19.2%** in Q2 FY2023 against the corresponding quarter.
- The **reduction** was mainly due to a **decrease in waste handled in the non-concession business.**

Recyclable Material Collected (Tonnes)



- **Higher Recyclable Material Collected (+21.2%)** was mainly due to the **higher waste collected** and the **implementation of a new buyback centre in Pahang.**

Financial Performance



Revenue, LBT & LATMI (Q2 FY2023)

Revenue

RM m



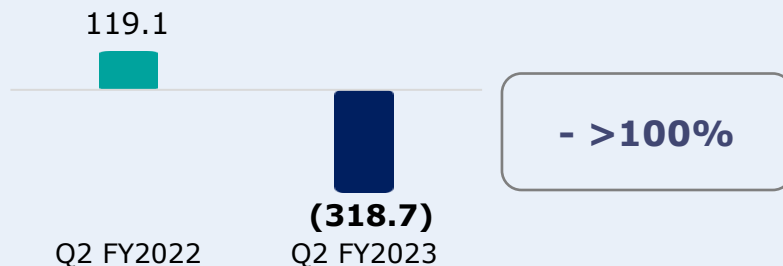
PBT/(LBT)

RM m



PATMI/(LATMI)

RM m



Revenue Increase:

- **Higher energy payment from TBE and SEV plants** given the higher Applicable Coal Price ("ACP") and increase in despatch factor, respectively.
- **Higher capacity income from TBE** due to shorter duration of forced outage ("FO").

Partially offset by:

- **Lower energy payment from TBP** plant impacted by the decline in ACP.
- **Absence of contribution from GB3** following the expiry of its PPA.

Increase in LBT & LATMI:

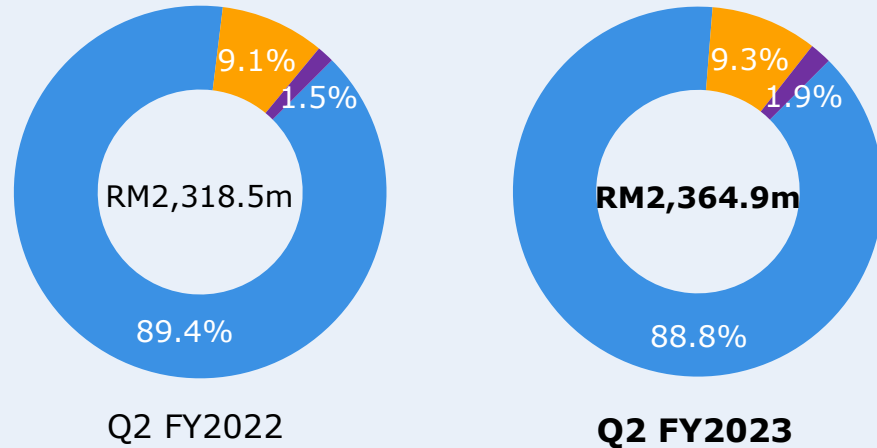
- **Substantial negative fuel margin** recorded at TBP and TBE coal plants impacted by higher weighted average fuel costs.
- **Lower contribution from GB3** following expiry of its PPA.
- Lower share of profit from associates and JV.
- Higher operating insurance costs.

Partially moderated by:

- **Higher capacity income from TBE** given shorter duration of FO.
- **TBE's partial insurance claim for LP turbine blade failure.**
- Lower net finance costs in line with scheduled repayments of borrowings.

Revenue Mix (Q2 FY2023)

Revenue



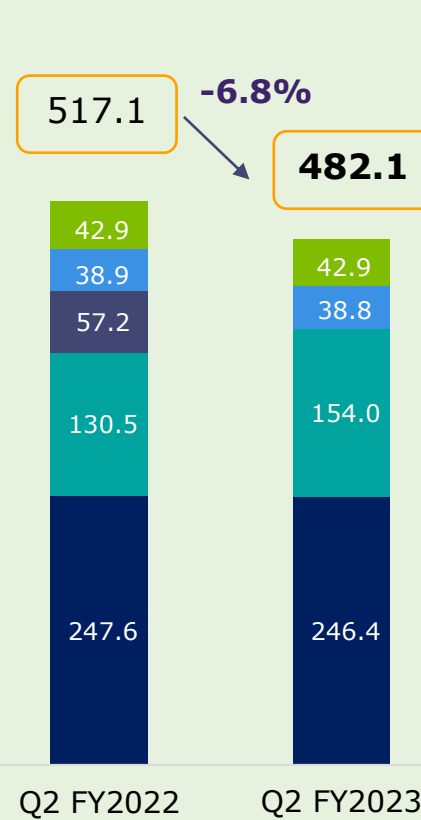
Q2 FY2022

Q2 FY2023

- Power Generation & Distribution
Capacity income + Energy Income + Daily Utilisation Payment
- Waste Management & Environmental Services
- Others
Rental Income + Project Management Fees + O&M Fees + Malakoff Utilities Sdn. Bhd. ("MUSB")

Capacity Income

RM m



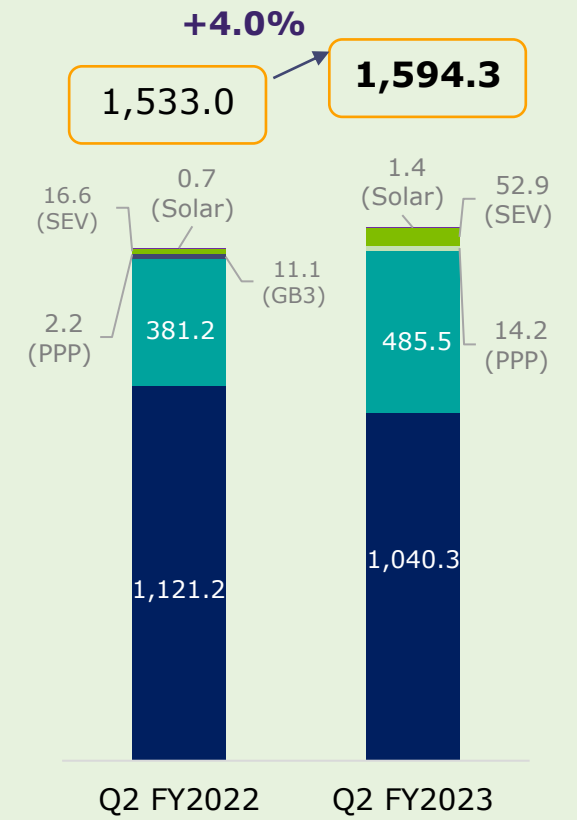
Q2 FY2022

Q2 FY2023

■ TBP ■ TBE ■ GB3 ■ PPP ■ SEV ■ Solar

Energy Income

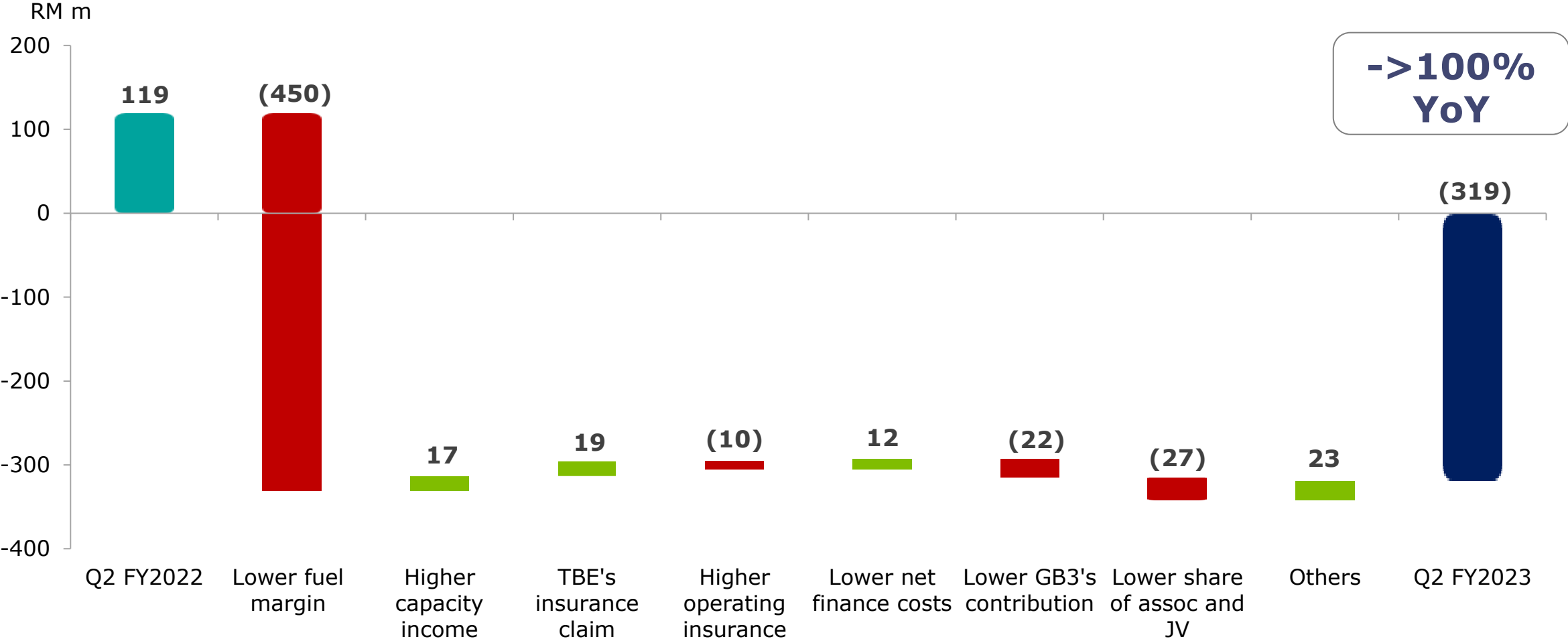
RM m



Q2 FY2022

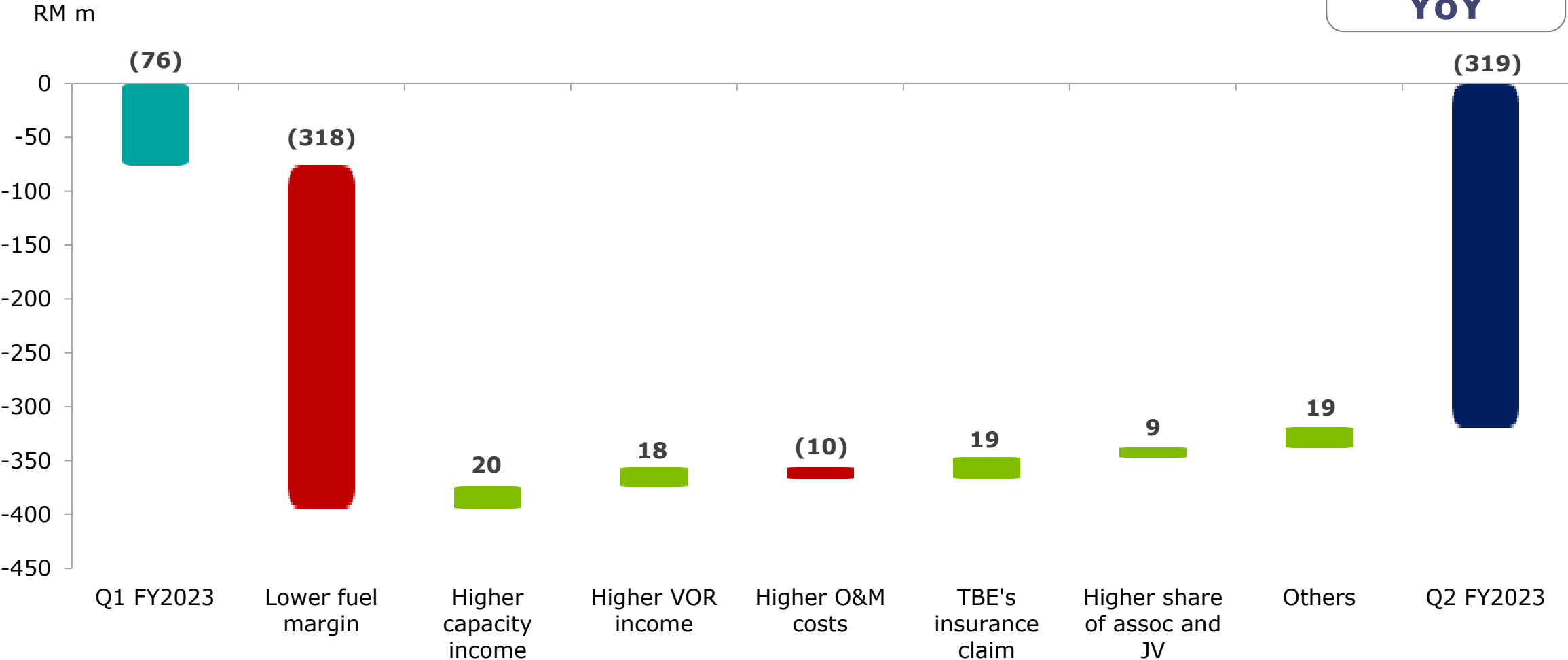
Q2 FY2023

Group PATMI – Q2 FY2023 vs Q2 FY2022 (YoY)

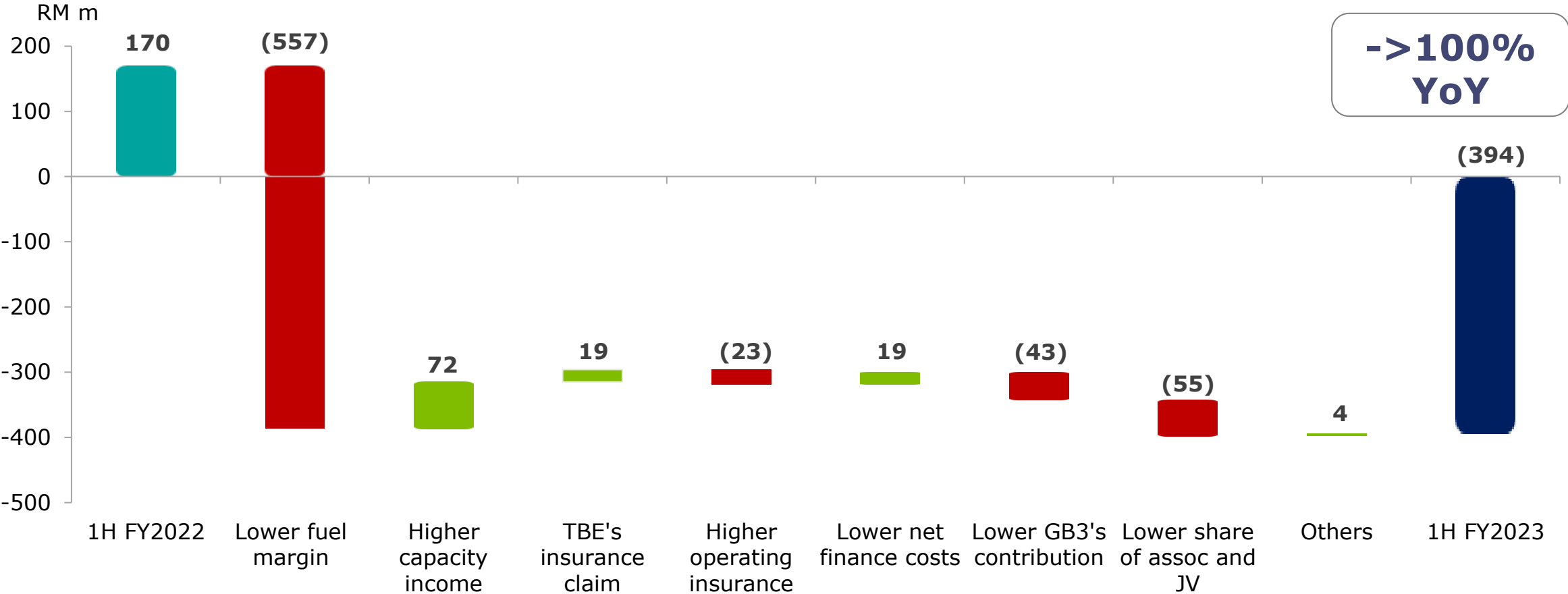


Group PATMI – Q2 FY2023 vs Q1 FY2023 (QoQ)

-> 100%
YoY



Group PATMI – 1H FY2023 vs 1H FY2022 (YoY)

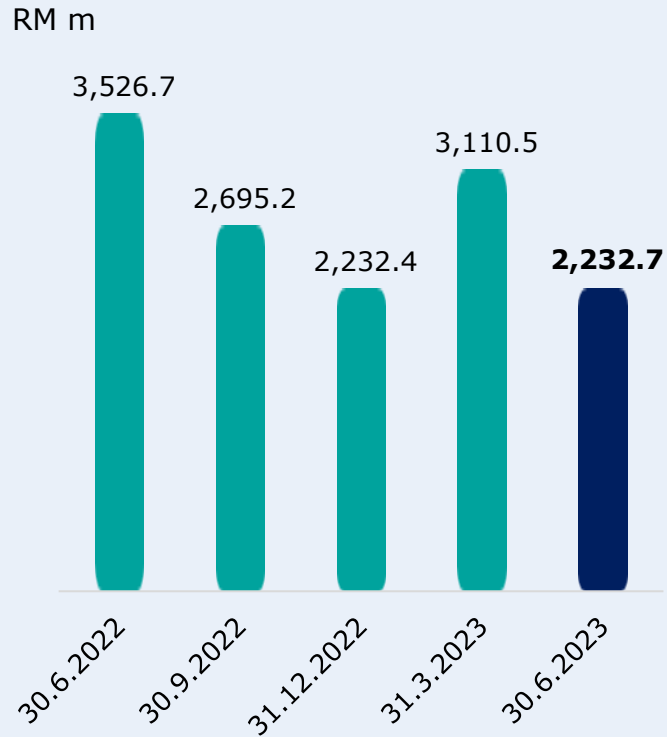


Share of Profit from Associates/JVs

RM m	Q2 FY2023	Q2 FY2022	% Change (Remarks)	1H FY2023	1H FY2022	% Change (Remarks)
Shuaibah Water & Electricity Company (SWEC), Saudi Arabia Shuaibah Expansion Project Company Limited (SEPCO), Saudi Arabia <i>(MCB effective equity 24% & 23.8%, respectively)</i>	24.0	28.8	-17% <i>Lower profits due to changes in accounting treatment</i>	38.7	56.8	-32% <i>Lower profits due to changes in accounting treatment</i>
Hidd Power Co, Bahrain <i>(MCB effective equity 40%)</i>	-	22.0	-100% <i>Profit not recognized consequent to impairment assessment carried out in 2022</i>	-	37.5	-100% <i>Profit not recognized consequent to impairment assessment carried out in 2022</i>
Muscat City Desalination Company, Oman <i>(MCB effective equity 32.5%)</i>	2.1	2.2	-5%	4.8	4.2	+14%
Muscat City Desalination Operation & Maintenance Company (MCDOMCO), Oman <i>(MCB effective equity 50%)</i>	3.6	2.7	+33%	5.6	4.7	+19%
Others	(0.2)	0.2	-200%	-	0.4	-100%
TOTAL	29.5	55.9	-47%	49.1	103.6	-53%

Cash & Gearing as at 30 June 2023

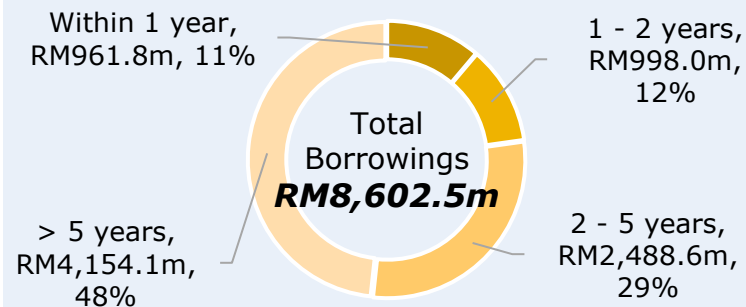
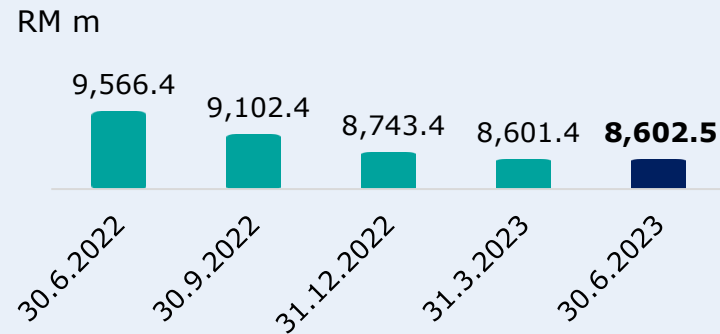
Total Cash & Bank Balances*



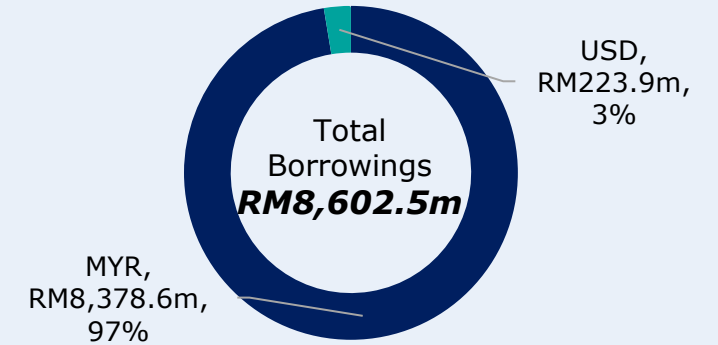
*Includes Cash categorised as Other Investments

Gearing Ratio, Total Borrowings & Debt Ageing

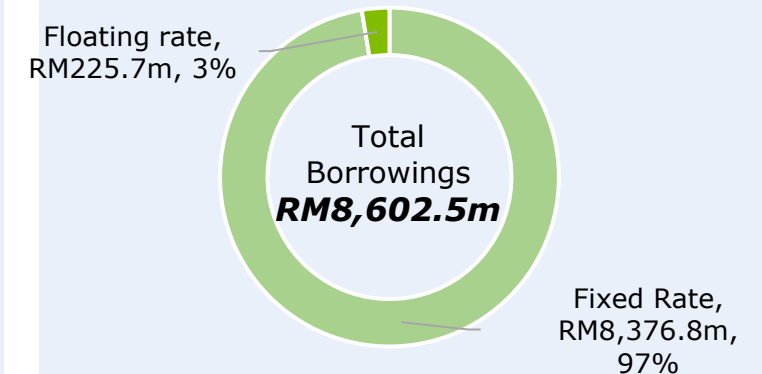
1.44x Gross	1.34x Gross	1.31x Gross	1.31x Gross	1.41x Gross
0.91x Net	0.94x Net	0.97x Net	0.83x Net	1.05x Net



Debt Profile by Currency

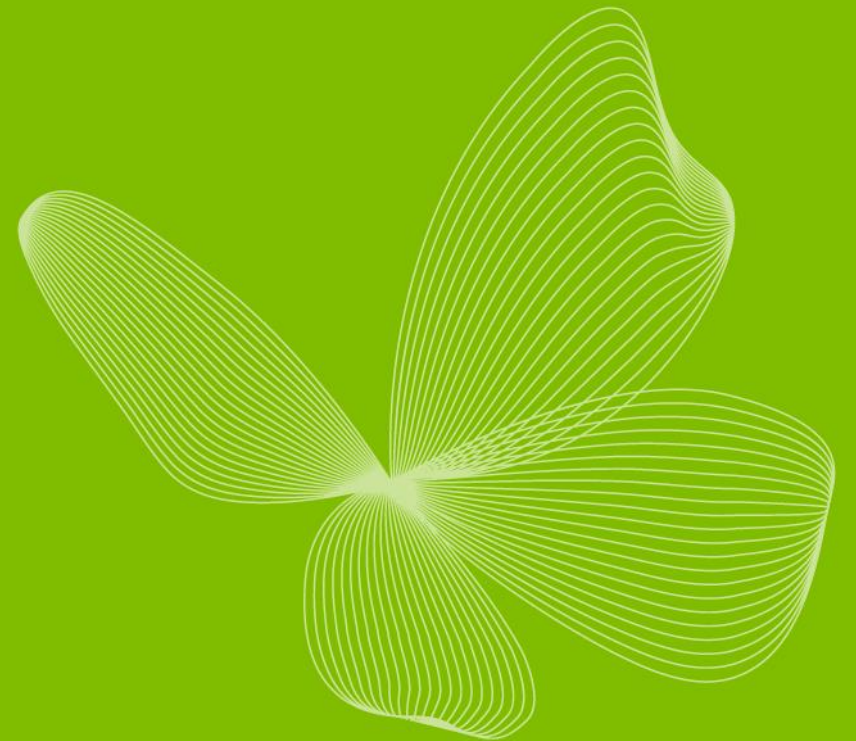


Debt Profile by Fixed / Floating Rate





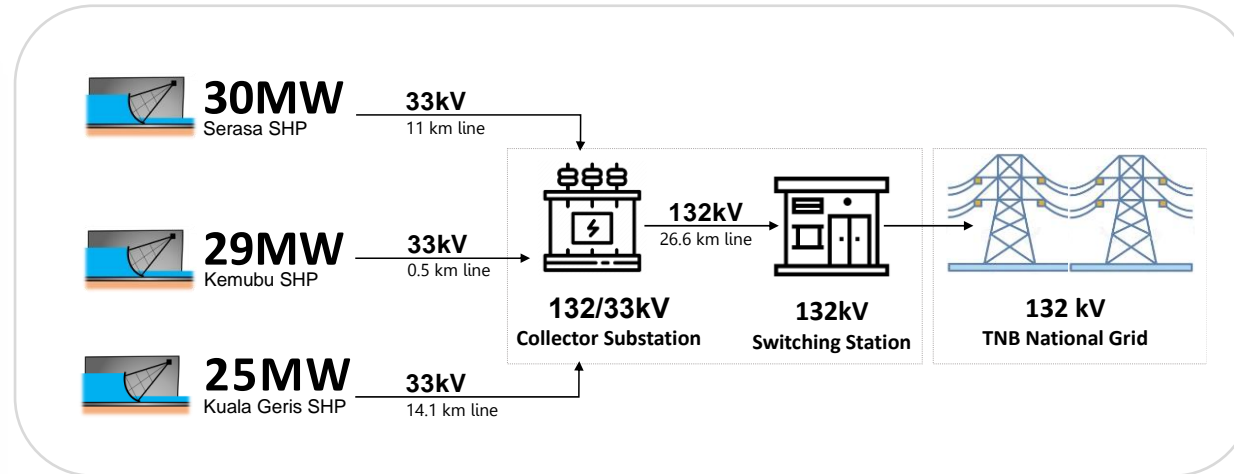
Corporate Updates



Malakoff Achieves Financial Close in RP Hydro's ASEAN Green SRI Sukuk Wakalah



L-R : Dato' Farisah bt Mohd Farid (CEO, RP Hydro), Tan Sri Che Khalib Mohamad Noh (Group MD, MMC), Anwar Syahrin Abdul Ajib (MD/CEO, Malakoff)



- On **July 14**, Malakoff achieved **financial close** on RP Hydro Kelantan Sdn Bhd ("RP Hydro"), an **84 MW installed capacity project** to be developed along Sungai Galas in the Kuala Krai district of Kelantan (the "Project").
- The Project will be financed through a combination of **ASEAN Green SRI Sukuk Wakalah issuance of RM975 million** in nominal value and shareholders' equity contribution based on a Finance-to-Equity Ratio ("FE Ratio") of 80:20.
- The Project is testament to our commitment in **expanding our presence in clean energy generation as hydropower plants have been proven to be the cleanest low-carbon alternative**, offering the **lowest GHG emissions per unit of electricity generated**.

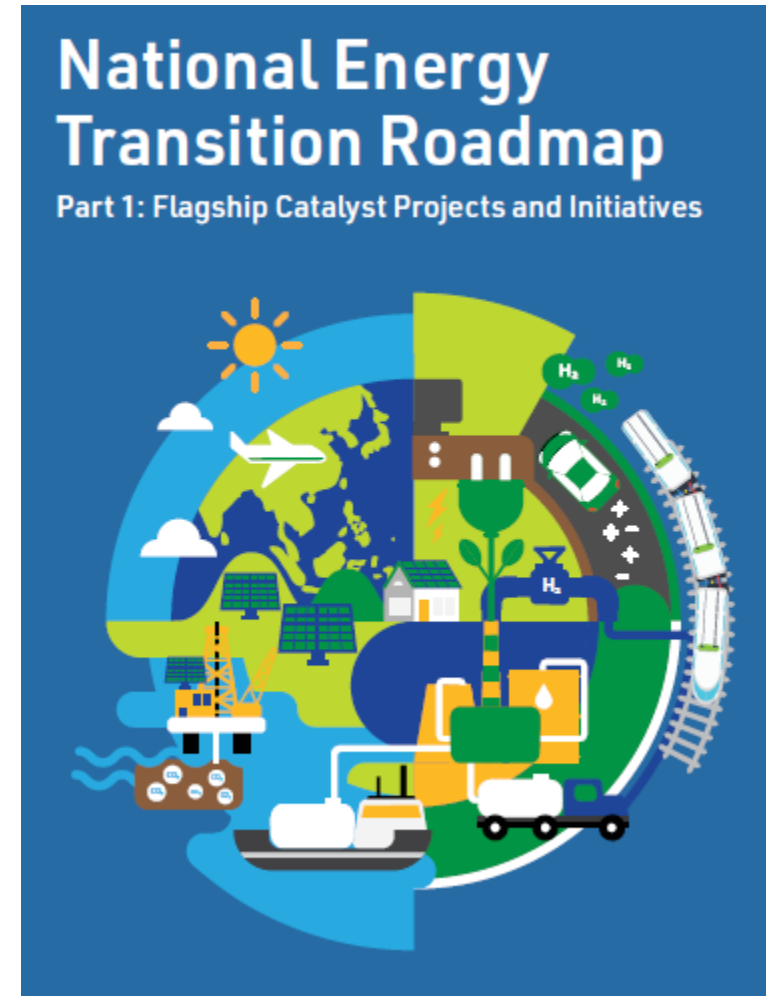
NETR Phase 1 Flagship Catalyst Project - Malakoff's Biomass Cofiring Project

On July 27, Government of Malaysia **launched the first phase of the National Energy Transition Roadmap (NETR)**, marking the beginning of the government's efforts to transition towards a more sustainable energy landscape with a higher reliance on renewable energy sources.

Amongst the 10 flagship catalyst projects and initiatives, **Malakoff will be leading the co-firing initiative at the existing 2,100MW Tanjung Bin Power Plant by burning biomass along with coal.**

Biomass sources include Empty Fruit Bunch (EFB) pellets, wood chips, wood pellets, bamboo pellets, coconut husk and rice husk.

A pilot phase of co-firing will commence in 2024 with a view to scale up to a minimum of 15% biomass co-firing capacity by 2027.



Recovery Initiative Sustainable Eco-Facility (RISE)

- **RISE Kuala Lumpur** leads the way in Recovery & Recycling municipal solid waste to implement **Circular Economy** model and commit to Sustainability.
- The facility is designed based on **semi-automated process to accept recyclable materials that have been separated at the source from municipal solid waste** generated either from single stream or dual stream sources.
- Recyclable materials are sorted to specifications, then baled and shredded for marketing to end-user manufacturers and reprocess into new products.
- RISE, a **30,124 sqft facility**, is capable of processing **50 tonnes per day**.
- On 17th January 2023, RISE commenced manual operations and has **processed 857 tonnes waste since its commencement of operations**. RISE will be **officially launched on 15th September 2023**.



Recognition of Malakoff and its Subsidiaries

On July 26, Malakoff Corporation Berhad (“Malakoff”) and its subsidiary Alam Flora Sdn Bhd (“Alam Flora”) received notable recognition as Company of the Year (Energy) for Sustainable Leadership Award and Company of the Year (Waste Management) for Excellence in Community Support Initiatives.

Subsequently on August 18, Alam Flora Environmental Solutions Sdn Bhd was recognized by Malaysian Green Technology and Climate Change Corporation (MGTC) in the category of Renewable Energy.



malakoff
A Member of  MMC Group



**SUSTAINABILITY
&
CSR MALAYSIA
AWARDS**

Company of the Year
(Energy)



alamflora
a malakoff company



**SUSTAINABILITY
&
CSR MALAYSIA
AWARDS**

Company of the Year
(Waste Management)



afes
a malakoff company

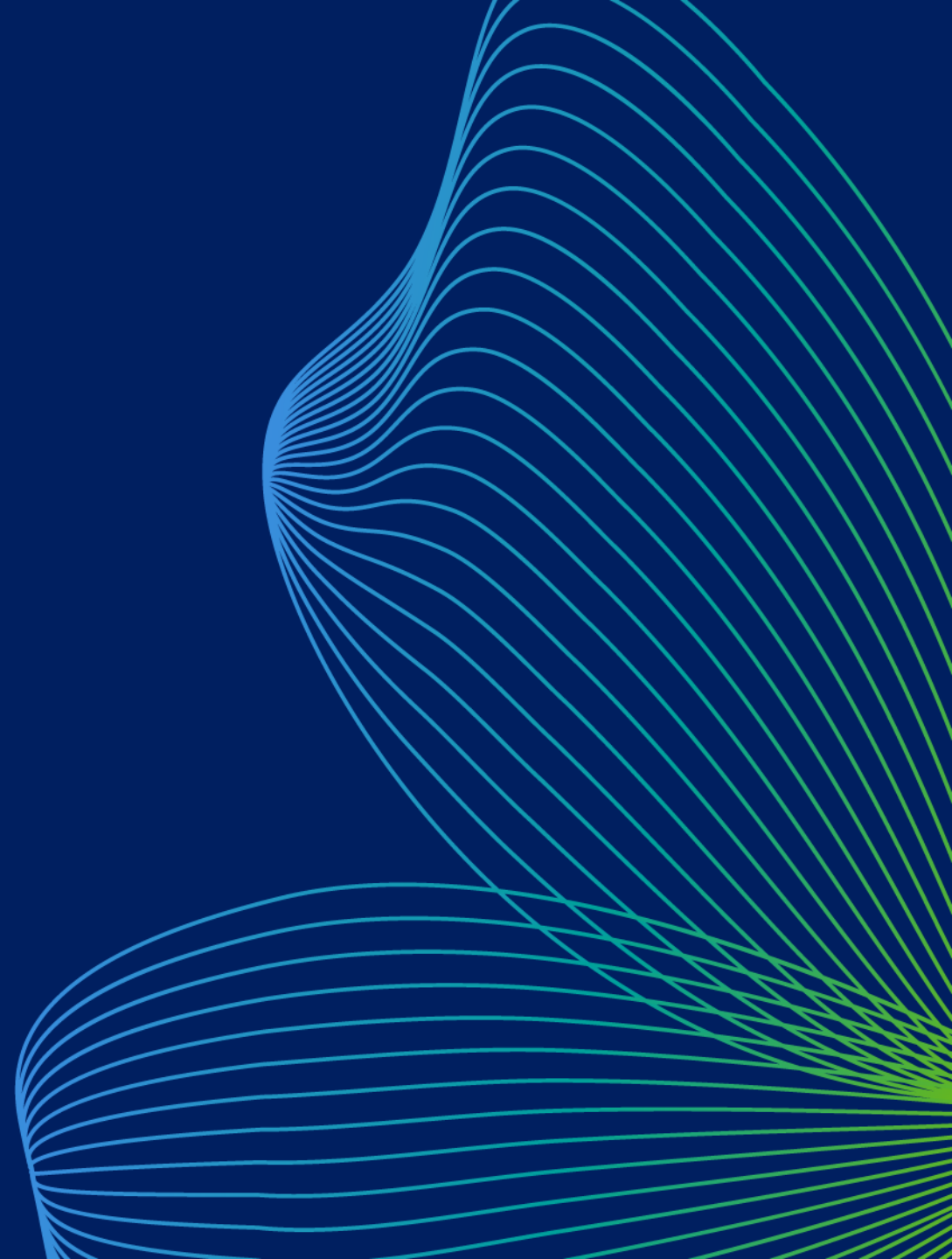


nea
NATIONAL ENERGY AWARDS

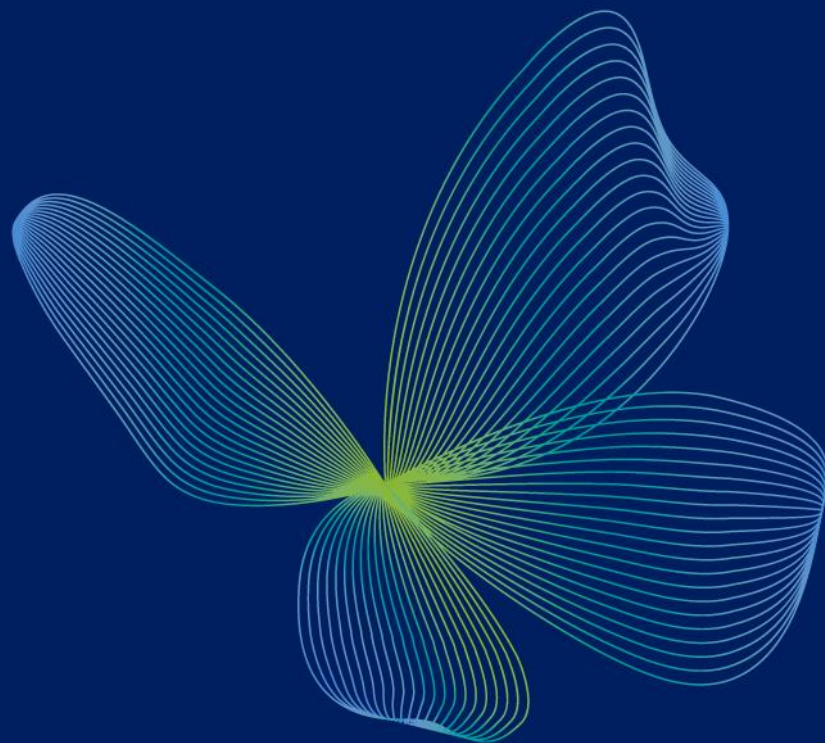
Off Grid Merit Award
(Thermal)



Thank you.



Appendices



Revenue, LBT & LATMI (1H FY2023)

Revenue

RM m



PBT/(LBT)

RM m



PATMI/(LATMI)

RM m



Revenue Increase:

- **Higher energy payment from coal plants** due to higher ACP.
- **Higher capacity income from TBE** given the shorter duration of FO.

Partially offset by:

- **Absence of contribution from GB3** following expiry of its PPA.

Increase in LBT & LATMI:

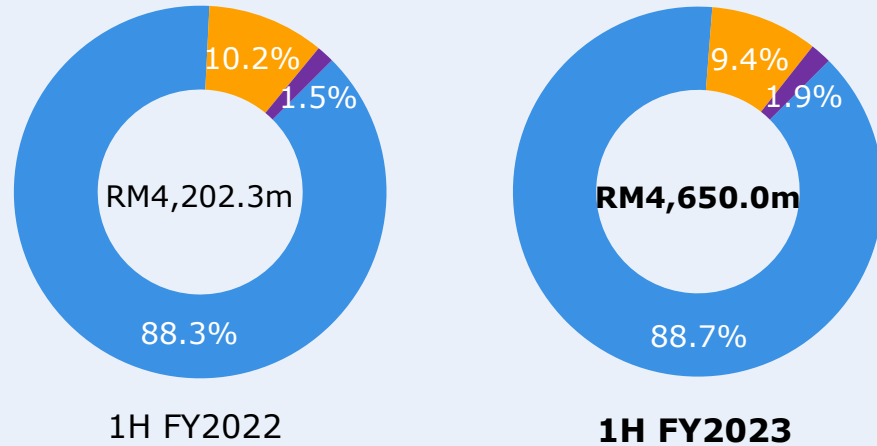
- **Substantial negative fuel margin** recorded at TBP and TBE coal plants impacted by higher weighted average fuel costs.
- **Lower contribution from GB3** following expiry of its PPA.
- Lower share of profit from associates and JV.
- Higher operating insurance costs.

Partially moderated by:

- **Higher capacity income from TBE** given the shorter duration of FO.
- **TBE's partial insurance claim** for LP turbine blade failure.
- Lower net finance costs in line with scheduled repayments of borrowings.

Revenue Mix (1H FY2023)

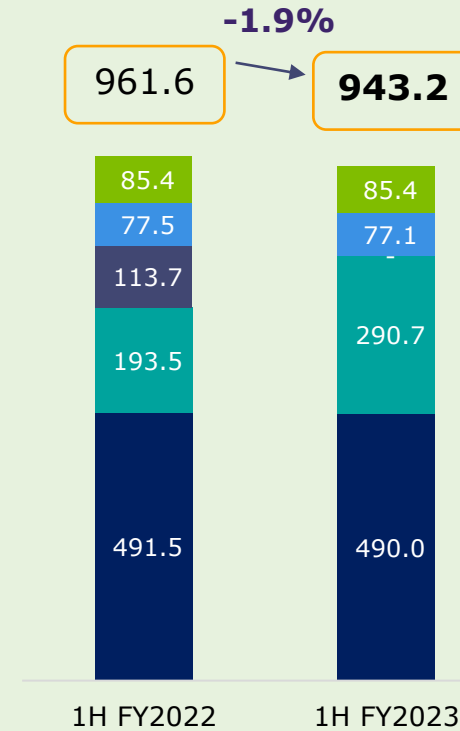
Revenue



- Power Generation & Distribution
Capacity income + Energy Income + Daily Utilisation Payment
- Waste Management & Environmental Services
- Others
Rental Income + Project Management Fees + O&M Fees + Malakoff Utilities Sdn. Bhd. ("MUSB")

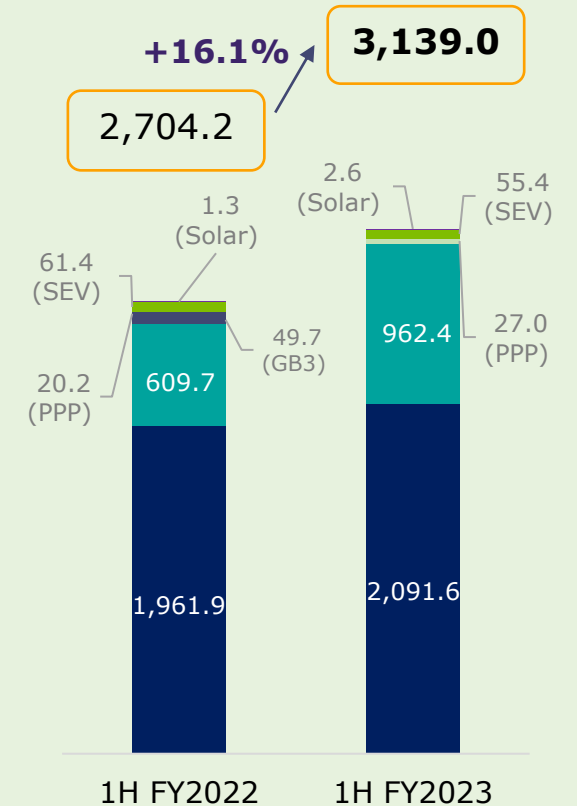
Capacity Income

RM m



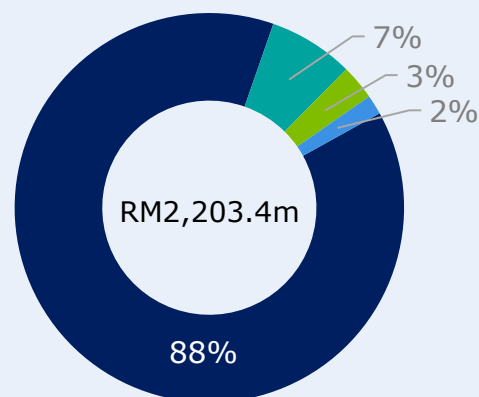
Energy Income

RM m

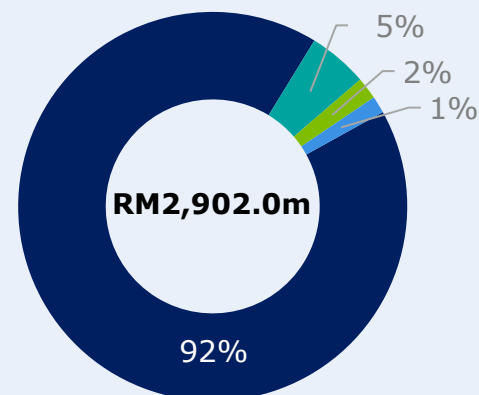


■ TBP ■ TBE ■ GB3 ■ PPP ■ SEV ■ Solar

Breakdown of Costs (Q2 FY2023)



Q2 FY 2022



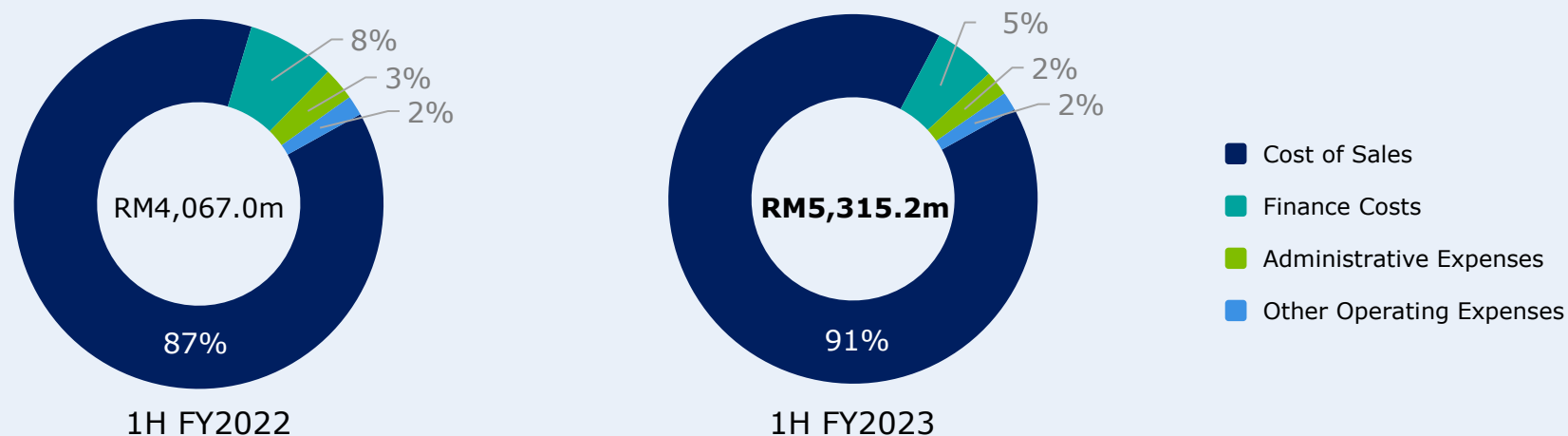
Q2 FY 2023

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

Cost of Sales Breakdown (RM m)

	Q2 FY2023	Q2 FY2022
Fuel	2,105.4	1,395.20
Depreciation and Amortisation of Inspection Costs	193.6	219.9
Amortisation of Intangible Assets	73.3	79.8
Operations and Maintenance Costs	80.3	72.2
Waste Management and Environmental Services Costs	166.8	154.4
Others	45.0	26.1
TOTAL	2,664.4	1,947.60

Breakdown of Costs (1H FY2023)



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

Cost of Sales Breakdown (RM m)	1H FY2023	1H FY2022
Fuel	3,722.4	2,459.90
Depreciation and Amortisation of Inspection Costs	385.3	443.1
Amortisation of Intangible Assets	145.9	158.8
Operations and Maintenance Costs	145.7	139.0
Waste Management and Environmental Services Costs	331.5	309.8
Others	95.6	55.2
TOTAL	4,826.4	3,565.80

Capital Expenditure as at 30 June 2023

RM m

178.8



Mainly for maintenance outage works at TBP and TBE coal plants.

1H FY2022

76.4



Mainly for maintenance outage works at TBP coal plant.

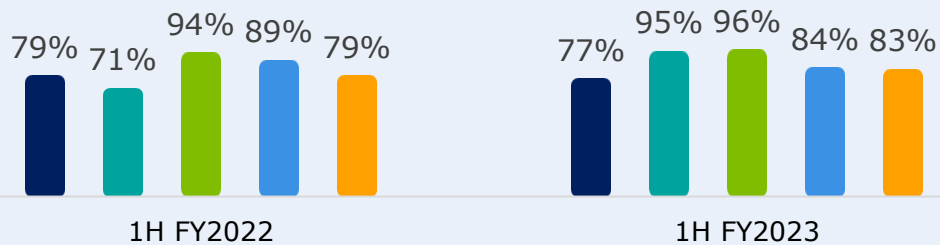
1H FY2023



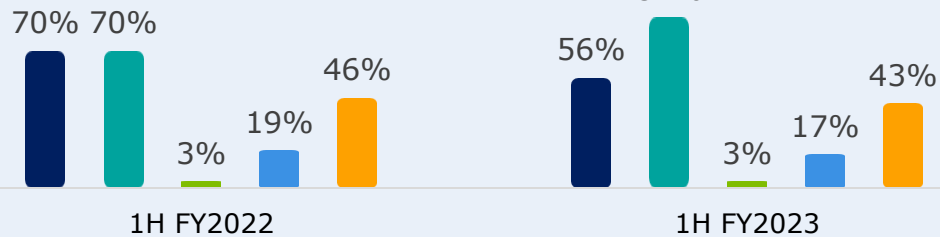
Thermal Power Generation (Local Assets)

1H FY2023 PLANT PERFORMANCE

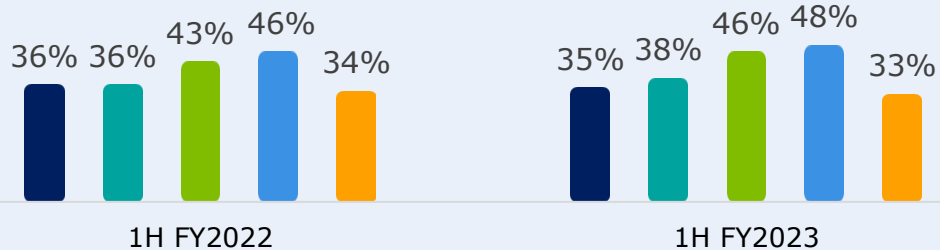
EAF



CF



TE



■ TBP ■ TBE ■ SEV ■ PPP ■ KEV

1H FY2023 vs 1H FY2022

TBP



- **Lower EAF** recorded due to **higher scheduled and unscheduled outages.**

TBE



- **Higher EAF** recorded due to **low scheduled and unscheduled outages.**

SEV



- **Higher EAF** recorded due to **low scheduled and unscheduled outages.**

PPP



- **Lower EAF** recorded due to **high scheduled outage and unscheduled outage.**

KEV



- **Higher EAF** recorded due to **low scheduled outage.**

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



Thermal Power Generation (Local Assets)

1H FY2023 ELECTRICITY GENERATED & SOLD

Plant	1H FY2023			1H FY2022		
	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)	5,405.36	5,107.16	7.78%	6,773.49	6,436.49	9.66%
Tanjung Bin Energy (TBE)	3,928.37	3,763.23	5.74%	3,023.97	2,866.89	4.30%
Segari Energy Ventures (SEV)	156.49	151.57	0.23%	169.94	166.35	0.25%
Prai Power Plant (PPP)	263.84	257.89	0.39%	297.72	290.72	0.44%
Total (Excluding KEV)	9,754.05	9,279.85	14.15%	10,265.12	9,760.45	14.65%
Kapar Energy Ventures (KEV)	4,291.88	3,846.38	5.86%	4,498.66	4,193.58	6.29%
Total (Including KEV)	14,045.93	13,126.23	20.01%	14,763.78	13,954.02	20.94%

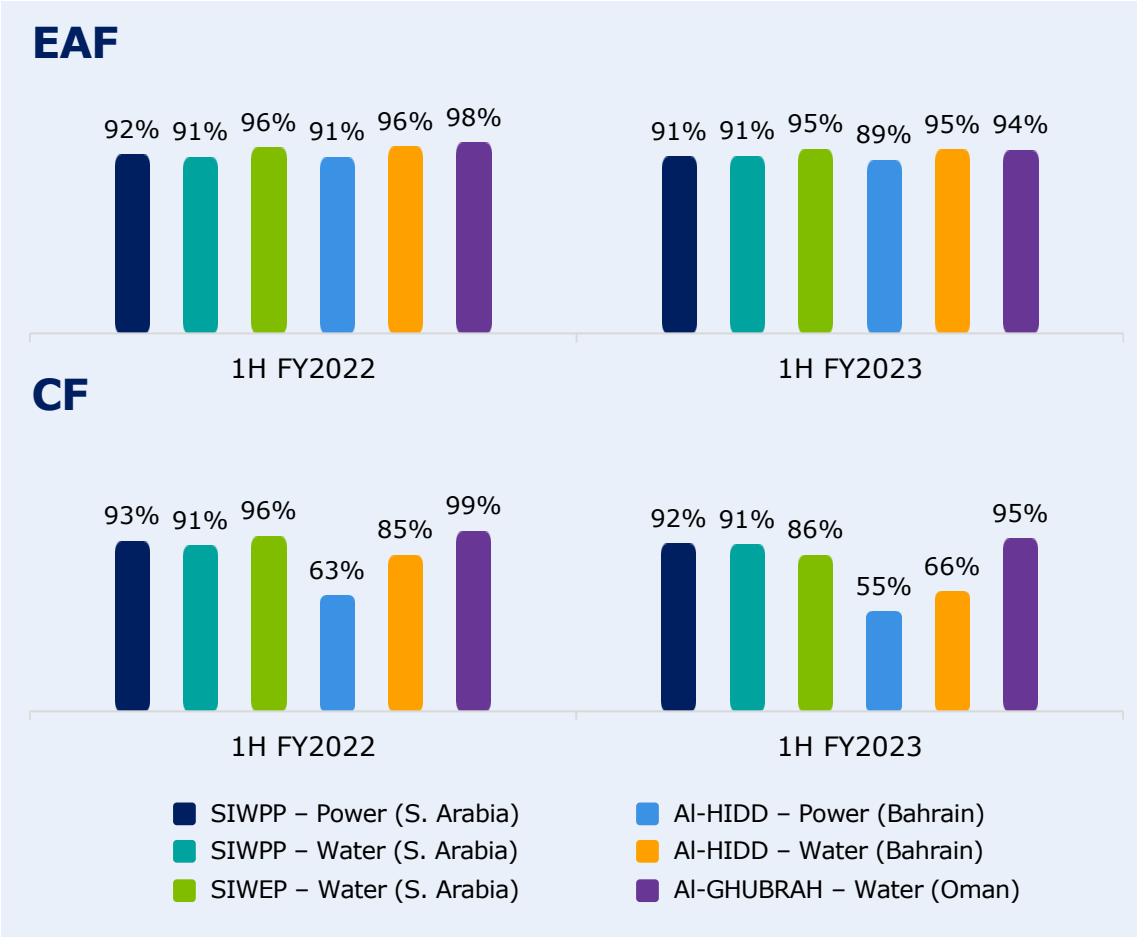
*Energy Sold / Peninsular Malaysia's System Generation

Source: Grid System Operator (GSO) Website



Thermal Power Generation & Water Desalination (International Assets)

1H FY2023 PLANT PERFORMANCE



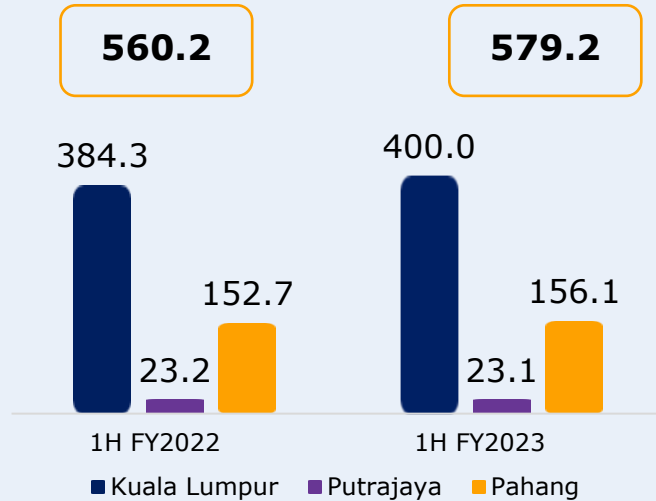
1H FY2023 vs 1H FY2022

- Shuaibah Phase III IWPP**
(Shuaibah Water & Electricity Company, SWEC)
 - 1H FY2023 **performance remains healthy** contributed by performance improvement in Q2FY23.
- Shuaibah Phase III Expansion IWP**
(Shuaibah Expansion Project Company, SEPCO)
 - Slight decline** in 1H FY2023 performance due to maintenance works, shutdown for repair work, dispatch instruction and deration due to high seawater temperature.
- AL HIDD IWPP**
(HIDD Power Company, HPC)
 - Slight decline** in 1H FY2023 performance due to gas turbine and steam turbine inspections, MED units' annual outages, common outages, operation mode restrictions, auxiliary boiler trips, Chlorine dosing failure, HRSG issues as well as MED inspections.
- AL GHUBRAH IWP**
(Muscat City Desalination Company)
 - 1H FY2023 **performance affected by maintenance works, equipment replacement and upgrade work.**



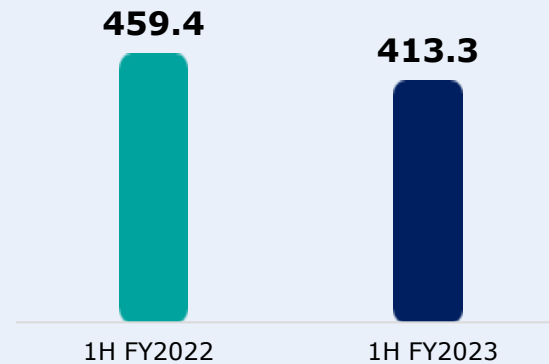
1H FY2023 OPERATIONAL PERFORMANCE

Waste Collected (Concession) (^000 MT)



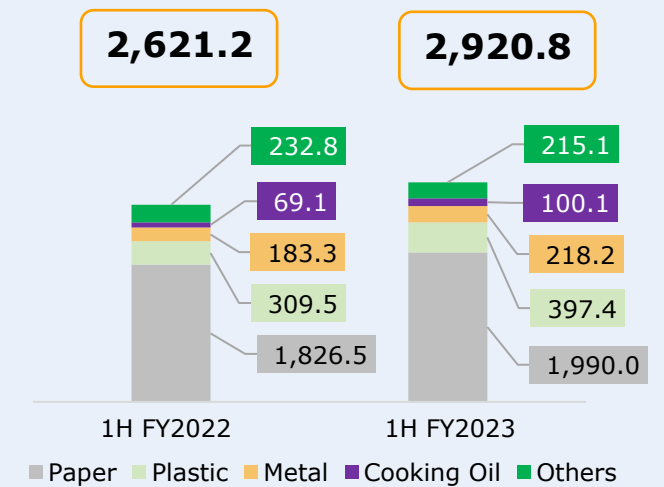
- Domestic waste collected in KL, Pahang & Putrajaya **increased in 1H FY2023 (+3.4%)** to a total of **579.2k tonnes** as compared to 1H FY2022.
- The increase was mainly due to **higher waste generated** in the concession areas.

Waste Handled (Non-Concession) (^000 MT)



- Waste Handled **reported a reduction of 10%** in 1H FY2023 compared to 1H FY2022.
- The **reduction** was mainly due to **expiry of Transfer Station contract effective 14 June 2023** and **diversion of waste in Cameron Highland effective April 2023**.

Recyclable Material Collected (Tonnes)



- Higher Recyclable Material Collected (+11.4%)** was mainly due to the **higher waste collected** and the **implementation of a new buyback centre in Pahang**.