

# MALAKOFF

A Member of  MMC Group

**ENHANCING LIFE.**  
**POWERING COMMUNITIES.**









## ANALYST BRIEFING *Q2 FY2021 Results Announcement*

*23 August 2021*



**CONFIDENTIAL**

# Table of Content

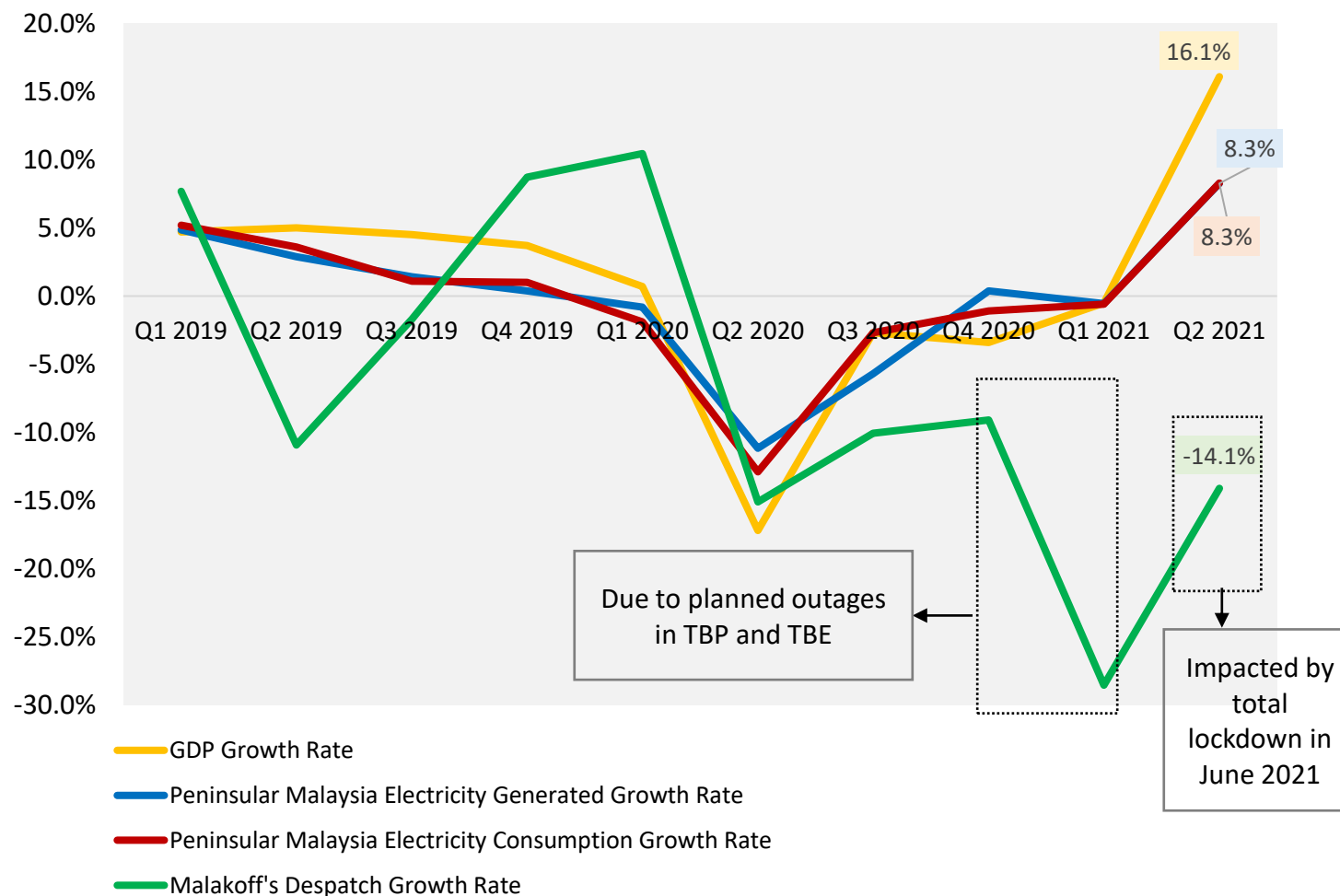
 Q2 FY2021 Performance Highlights 	<b>2</b>
 Review of Operations 	<b>5</b>
 Q2 FY2021 Financial Results 	<b>11</b>
 Corporate Updates 	<b>22</b>



## Q2 FY2021 PERFORMANCE HIGHLIGHTS

# Gradual Economic Recovery Continues to Drive Power Demand


Malaysia's GDP Growth vs Peninsular Malaysia's Power Generation & Electricity Demand Growth vs Malakoff's Despatch Growth (%)



- The **rise in per capita income** as reflected in the country's GDP growth rate has resulted in a **gradual surge in industrial and household demand for electricity**.
- Year-on-Year Electricity Consumption Growth has **moved in tandem with GDP**, thus requiring corresponding supply from the base-load plants.
- However, Malakoff's overall despatch to the Grid was impacted due to the **low demand from the offtaker for gas-fired plants**.

# Key Highlights of Q2 FY2021 Financial Results

ENHANCING LIFE.  
 POWERING COMMUNITIES.

 RM m	Q2 FY2021 vs Q2 FY2020				1H FY2021 vs 1H FY2020			
	Q2 FY2021	Q2 FY2020	YoY Change		1H FY2021	1H FY2020	YoY Change	
Revenue	1,584.4	1,506.2	▲	5.2%	2,935.6	3,280.1	▼	10.5%
Results from Operating Activities	268.8	254.4	▲	5.7%	480.2	495.1	▼	3.0%
PBT	189.7	162.5	▲	16.7%	286.4	302.7	▼	5.4%
PATMI	117.7	105.0	▲	12.1%	178.2	194.1	▼	8.2%
EBITDA	645.0	604.2	▲	6.8%	1,140.1	1,192.8	▼	4.4%
Basic/Diluted EPS (sen)	2.41	2.15	▲	12.1%	3.65	3.97	▼	8.1%





## REVIEW OF OPERATIONS

CONFIDENTIAL

**MALAKOFF**

A Member of  MMC Group

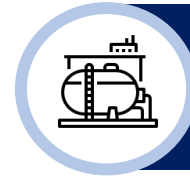
**ENHANCING LIFE.  
POWERING COMMUNITIES.**

# Performance Review of Local Assets – Q2 FY2021



## COAL-FIRED POWER PLANTS

- TBP recorded **an increase** in plant Equivalent Availability Factor (“EAF”) **from 82% in Q1 FY2021 to 87% in Q2 FY2021.**
- TBE registered a **significant increase in EAF from 60% in Q1 FY2021 to 94% in Q2 FY2021** due to low outages.
- Both facilities performed notably well with the **Unplanned Outage Rate (“UOR”)** recorded well below the PPA threshold.

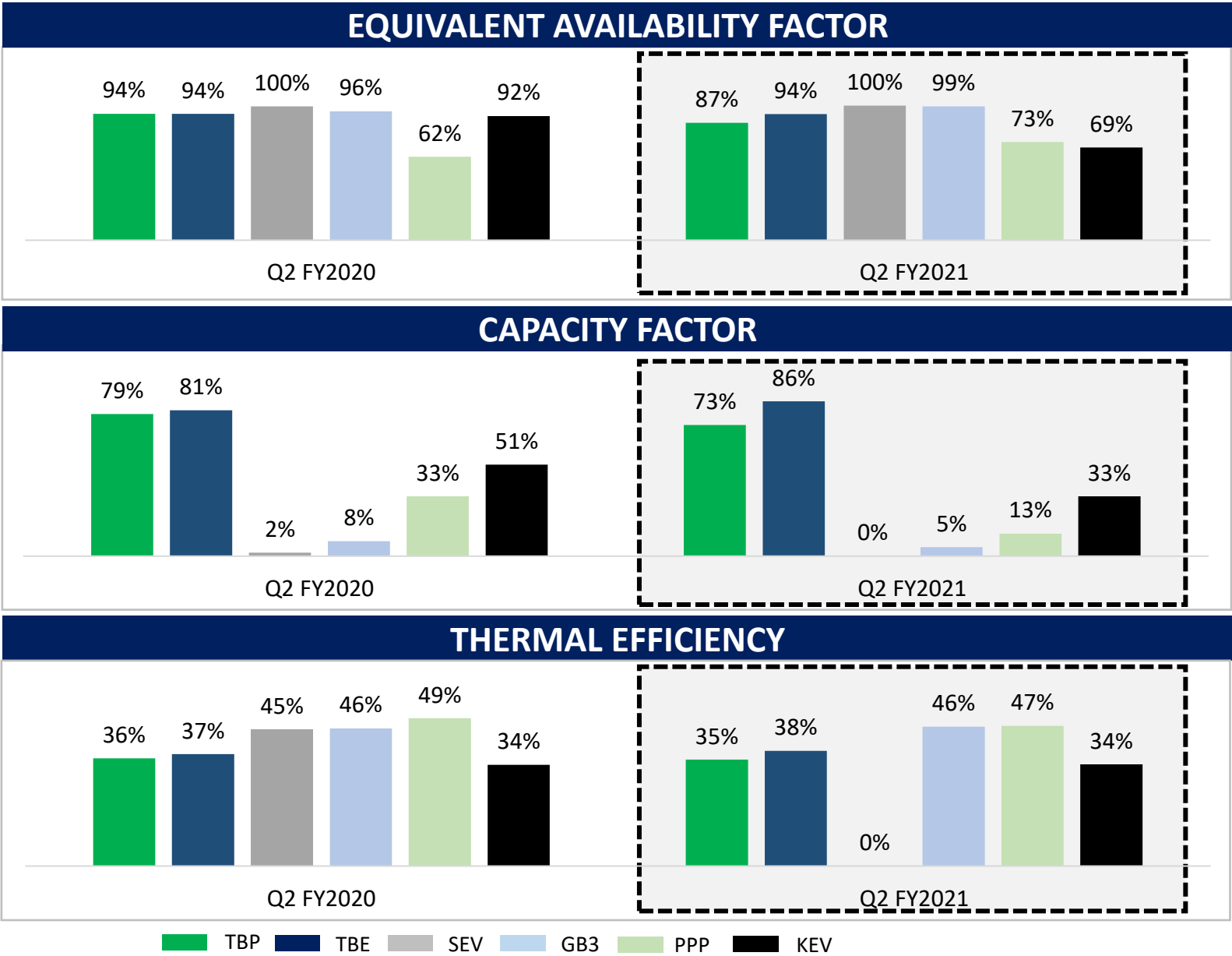


## GAS-FIRED POWER PLANTS

- Gas fired power plants **recorded a high EAF** in Q2 FY2021.
- It is observed that the energy demand from the off-taker for the gas-fired plants is low and below the expected target.
- The low demand was notably due to the **slow economic recovery, high electricity generation reserve margin, the Movement Control Order 3.0 (“MCO 3.0”)** since January 2021 and the **Total Lockdown** imposed from 1 June 2021 onwards.

# Q2 FY2021 Plant Performance (Local Assets)

ENHANCING LIFE.  
 POWERING COMMUNITIES.



Q2 FY2021 vs Q2 FY2020

TBP

- Lower EAF recorded due to U30 planned outage in March-April and few minor unplanned outages.

TBE

- Consistent EAF recorded due to lower planned and unplanned outage.

SEV

- Consistent EAF recorded due to zero planned and unplanned outage.

GB3

- High EAF recorded due to low unplanned outage.

PPP

- High EAF due to low unplanned outage. The facility went for 21 days maintenance outage in June 2021.

KEV

- Lower EAF recorded due to planned (U5 Major Overhaul) and unplanned outage.

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



# Q2 FY2021 - Electricity Generated and Sold



## PLANT

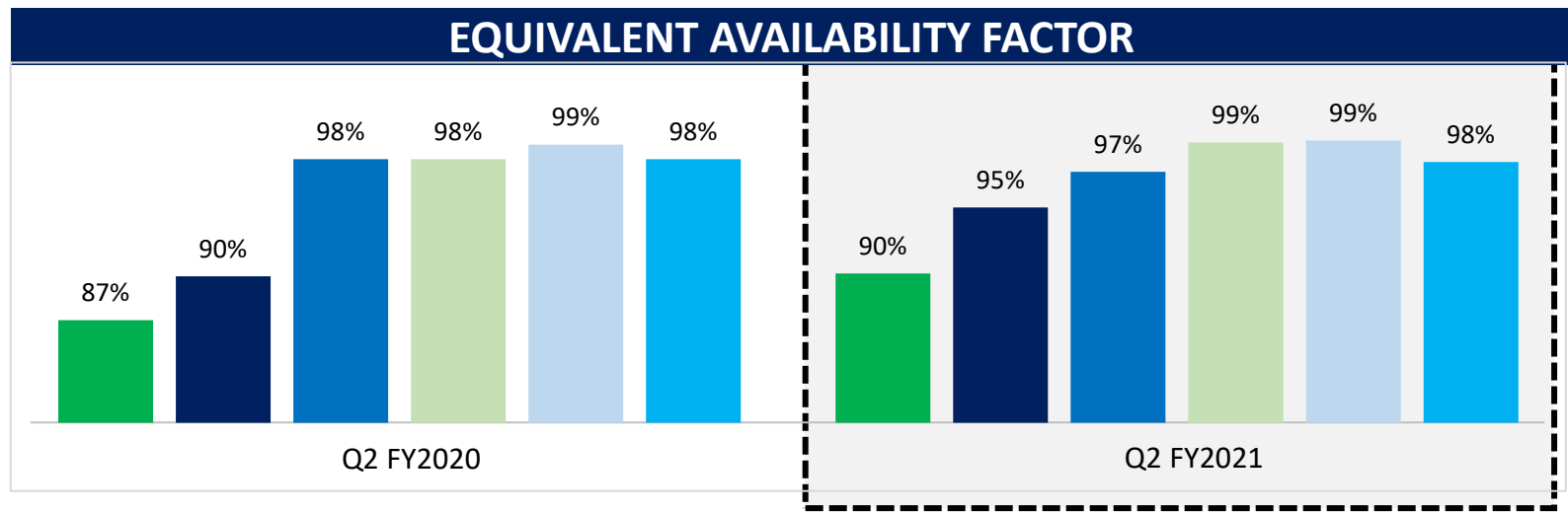
	Q2 FY2021			Q2 FY2020		
	Power Generated (GWh)	Electricity Sold (GWh)	% of Pen. Msia Electricity Generation**	Power Generated (GWh)	Electricity Sold (GWh)	% of Pen. Msia Electricity Generation**
Tanjung Bin Power (TBP)	3,536.73	3,354.05	11.53%	3,816.16	3,622.45	12.45%
Tanjung Bin Energy (TBE)	1,984.19	1,880.89	6.46%	1,871.31	1,774.29	6.10%
Segari Energy Ventures (SEV)	-	0.03*	0.00%	57.17	54.39	0.19%
GB3	73.57	70.78	0.24%	44.63	43.11	0.15%
Prai Power Plant (PPP)	98.66	96.31	0.33%	258.57	254.13	0.87%
<b>Total (Excluding KEV)</b>	<b>5,693.15</b>	<b>5,402.06</b>	<b>18.56%</b>	<b>6,047.84</b>	<b>5,748.37</b>	<b>19.76%</b>
Kapar Energy Ventures (KEV)	1,612.19	1,498.79	5.15%	2,454.22	2,285.52	7.85%
<b>Total (Including KEV)</b>	<b>7,305.34</b>	<b>6,900.85</b>	<b>23.71%</b>	<b>8,502.06</b>	<b>8,033.89</b>	<b>27.61%</b>

\*Energy sold captured from the testing of SEV Black Start Diesel Generator (BSDG) .

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

Q2 FY2021 - Plant Performance (International Assets)

ENHANCING LIFE.  
 POWERING COMMUNITIES.



Q2 FY2021 vs Q2 FY2020

Shuaibah Phase III IWPP (Shuaibah Water & Electricity Company, SWEC)

- Improved performance in Q2 FY2021 as compared to Q2 FY2020.

Shuaibah Phase III Expansion IWP (Shuaibah Expansion Project Company, SEPCO)

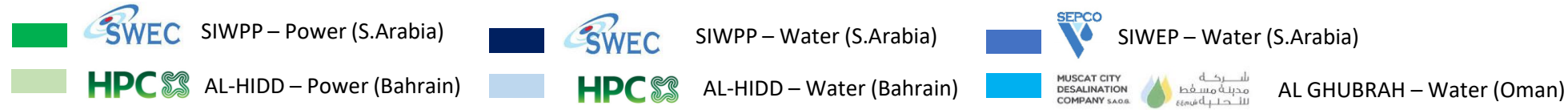
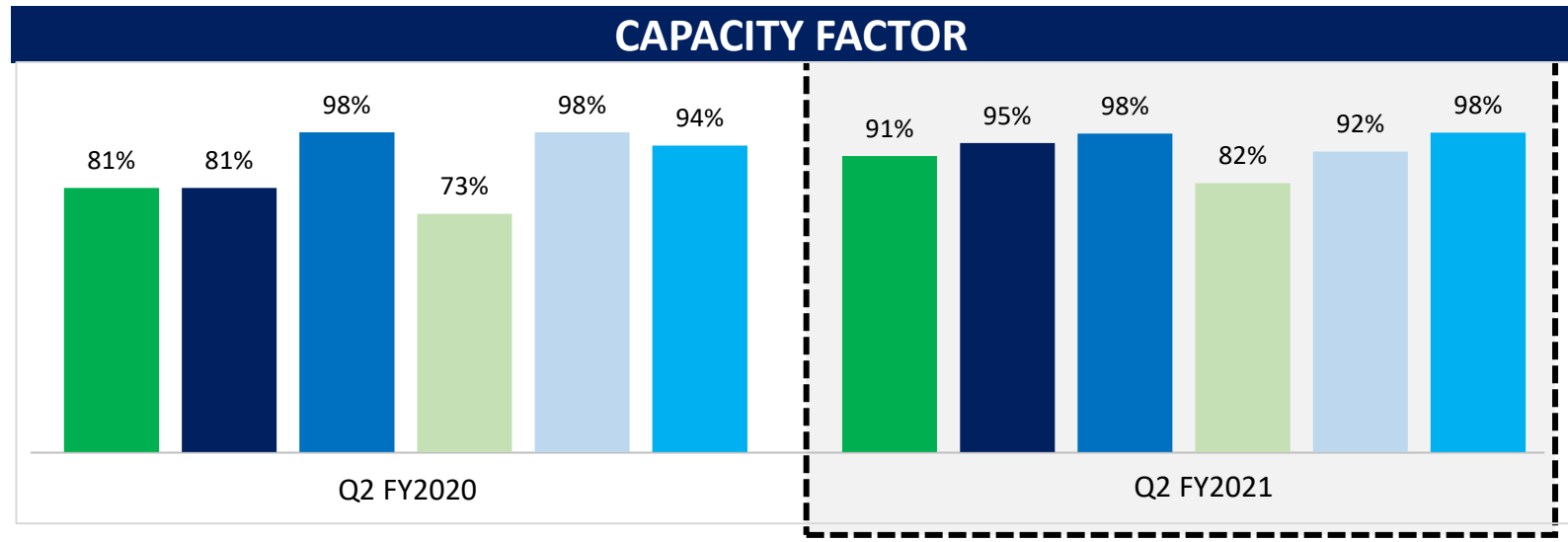
- Slight drop in the Q2 FY2021 performance due to dispatch line repair work, high conductivity and chemical cleaning works.

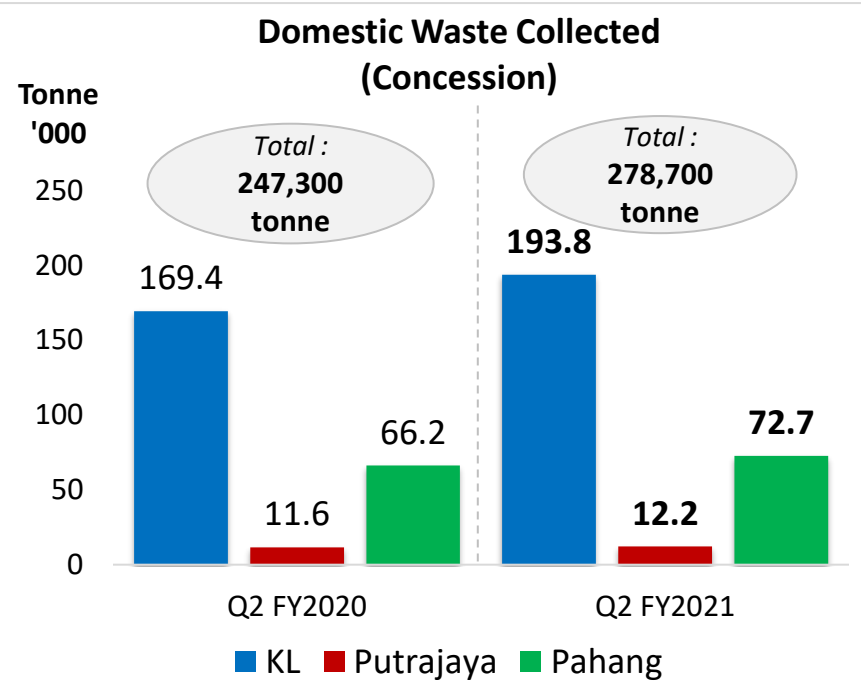
AL HIDD IWPP (HIDD Power Company, HPC)

- Performance throughout Q2 FY2020 was sustained in Q2 FY2021.

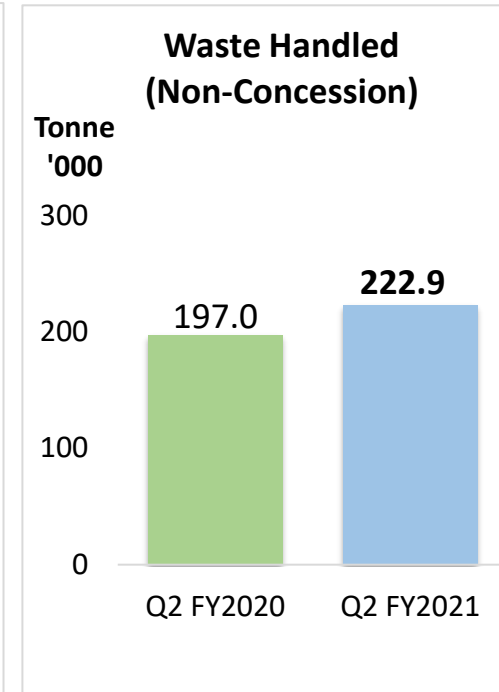
AL GHUBRAH IWP (Muscat City Desalination Company)

- Performance throughout Q2 FY2020 was sustained in Q2 FY2021.

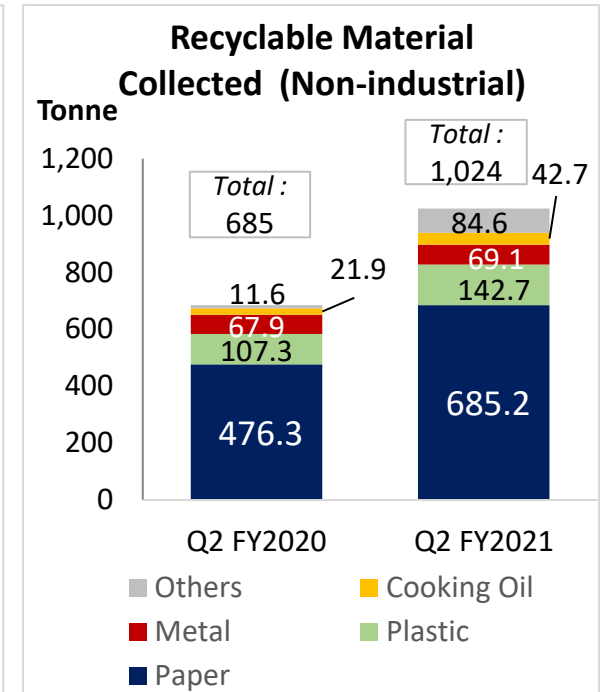




- Higher domestic waste collected in KL, Pahang & Putrajaya in Q2 FY2021 compared to Q2 FY2020 mainly due to :
  - New areas awarded in FY2021
  - Implementation of MCO which began from 18 Mar 2020 until May 2020 in FY2020 (MCO 1.0) as compared to MCO 3.0 in FY2021, which only began in Jun 2021.
- Implementation of MCO affected overall waste generation as the operation and commercial centres, shop lots, restaurants and other businesses were closed.



- Higher waste handled in Q2 FY2021 was mainly derived from the operations of Transfer Stations, Incinerators and Eco-Green waste facilities.
- The increase was mainly due to the differing periods of MCO implementation too.



- Higher Recyclable Material Collected was mainly derived from the higher waste collected and various recycling programmes conducted in Q2 FY2021.



CONFIDENTIAL

**MALAKOFF**

A Member of  MMC Group

**ENHANCING LIFE.  
POWERING COMMUNITIES.**

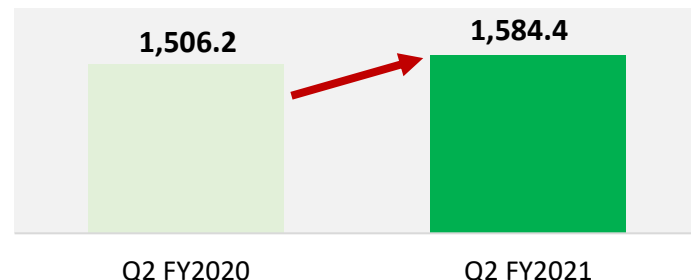
## Q2 FY2021 FINANCIAL RESULTS

# Revenue, PBT & PATMI (Q2 FY2021)

ENHANCING LIFE.  
POWERING COMMUNITIES.

## REVENUE

RM m



Revenue : ▲ 5.2% YoY

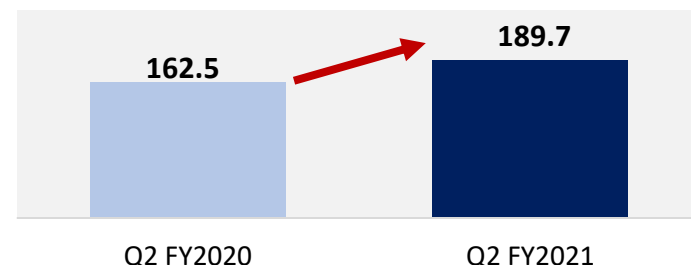
- Primarily attributable to **higher energy payment from TBP and TBE** due to **higher Applicable Coal Price ("ACP")**.

Partially offset by:

- Lower energy payment from SEV and PPSB** due to **decrease in despatch factor** in line with lower demand.

## PBT

RM m



PBT : ▲ 16.7% YoY

PATMI : ▲ 12.1% YoY

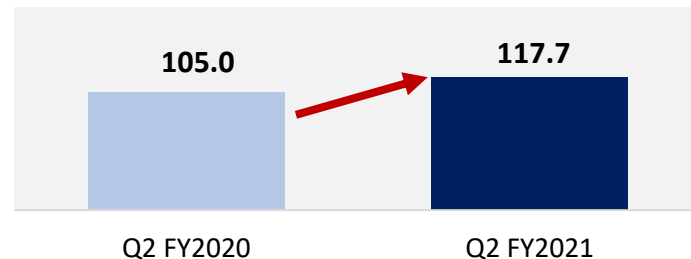
- Higher fuel margin from TBP and TBE coal plants** following increase in ACP.
- Higher contribution from AFSB.**
- Higher contributions from associates/JVs**, mainly from HPC.

Partially offset by:

- Absence of settlement agreement** with GE for the losses and damages incurred in relation to failure events that occurred between April 2017 and June 2019.

## PATMI

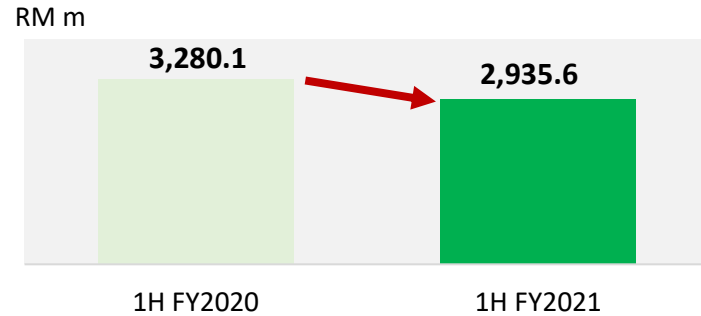
RM m





# Revenue, PBT & PATMI (1H FY2021)

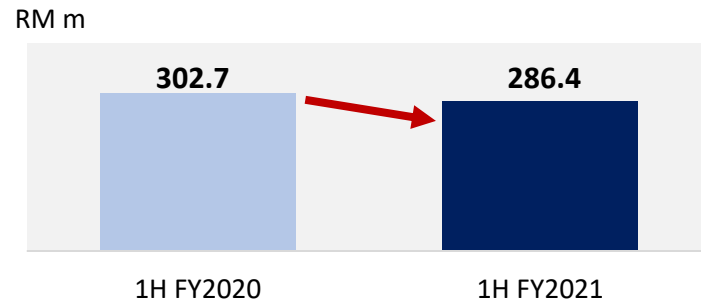
## REVENUE



Revenue : ▼ 10.5% YoY

- Primarily attributable to **lower energy payment from SEV, TBP and TBE** given the **decrease in despatch factor**.

## PBT



PBT : ▼ 5.4% YoY

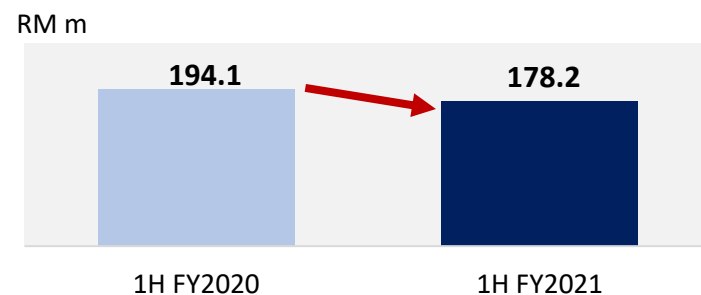
PATMI : ▼ 8.2% YoY

- Absence of settlement agreement** with GE for the losses and damages incurred in relation to failure events occurred between April 2017 and June 2019.
- Higher depreciation and amortisation costs.**
- Higher operation and maintenance costs.**

Partially moderated by:

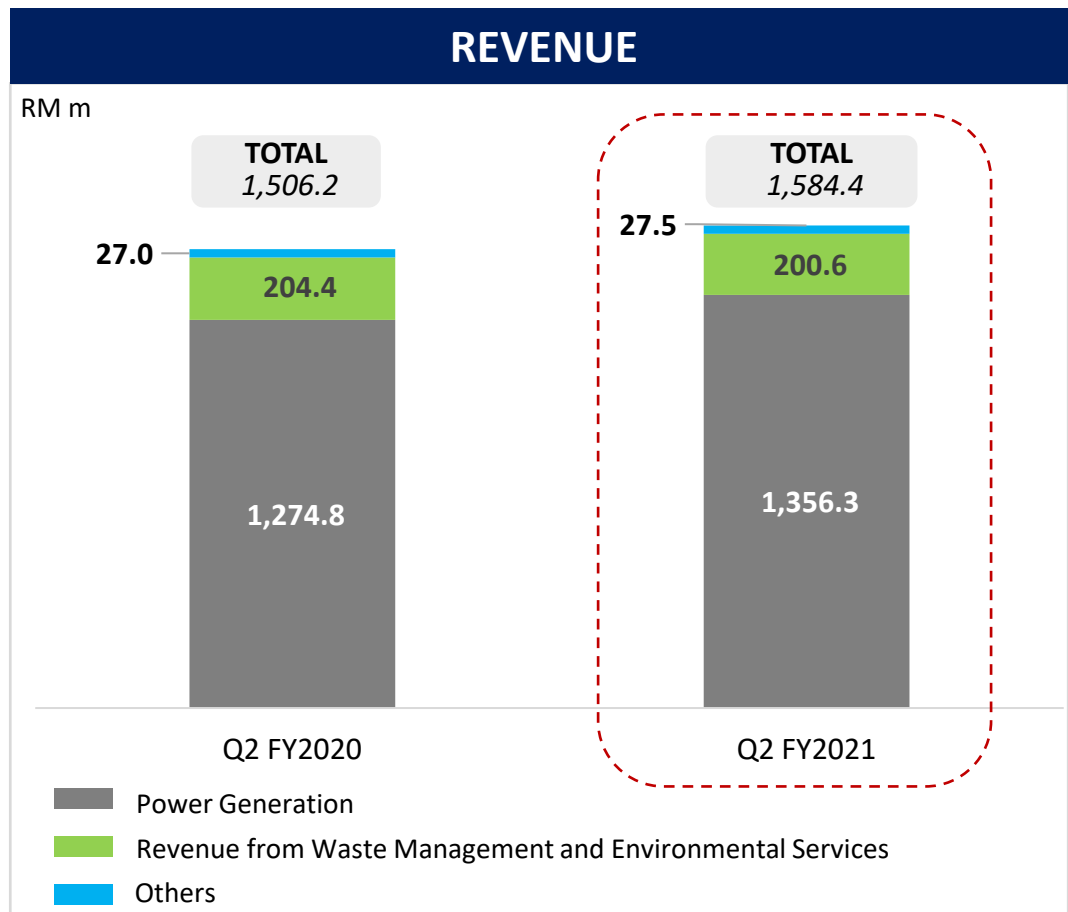
- Higher contribution from Alam Flora.**

## PATMI



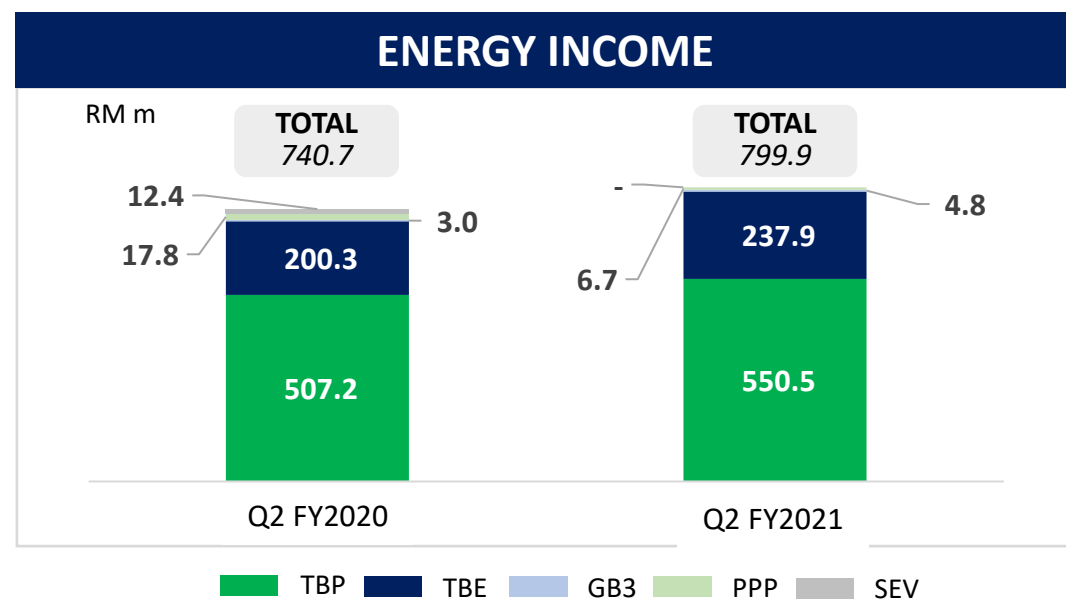
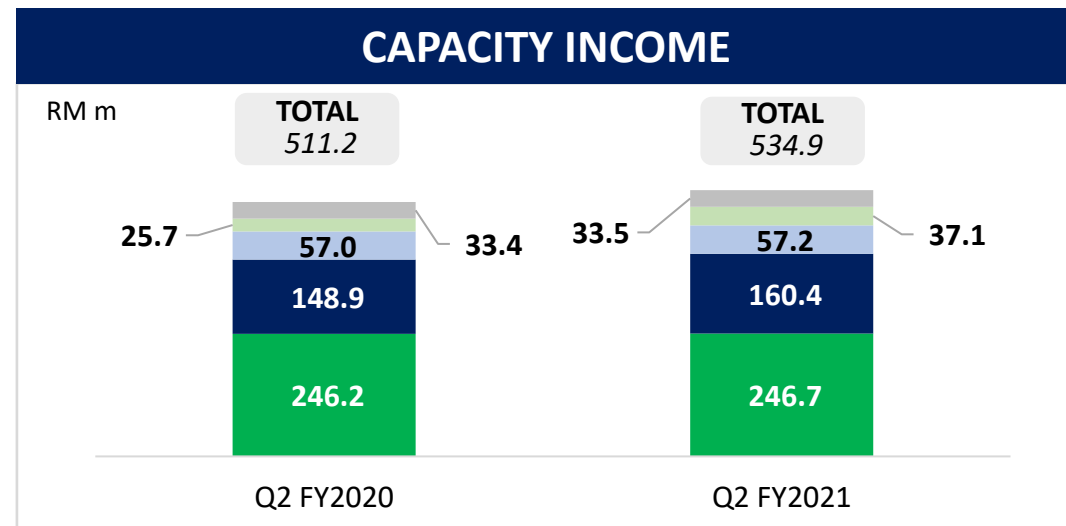
# Q2 FY2021 Revenue Mix

ENHANCING LIFE.  
POWERING COMMUNITIES.

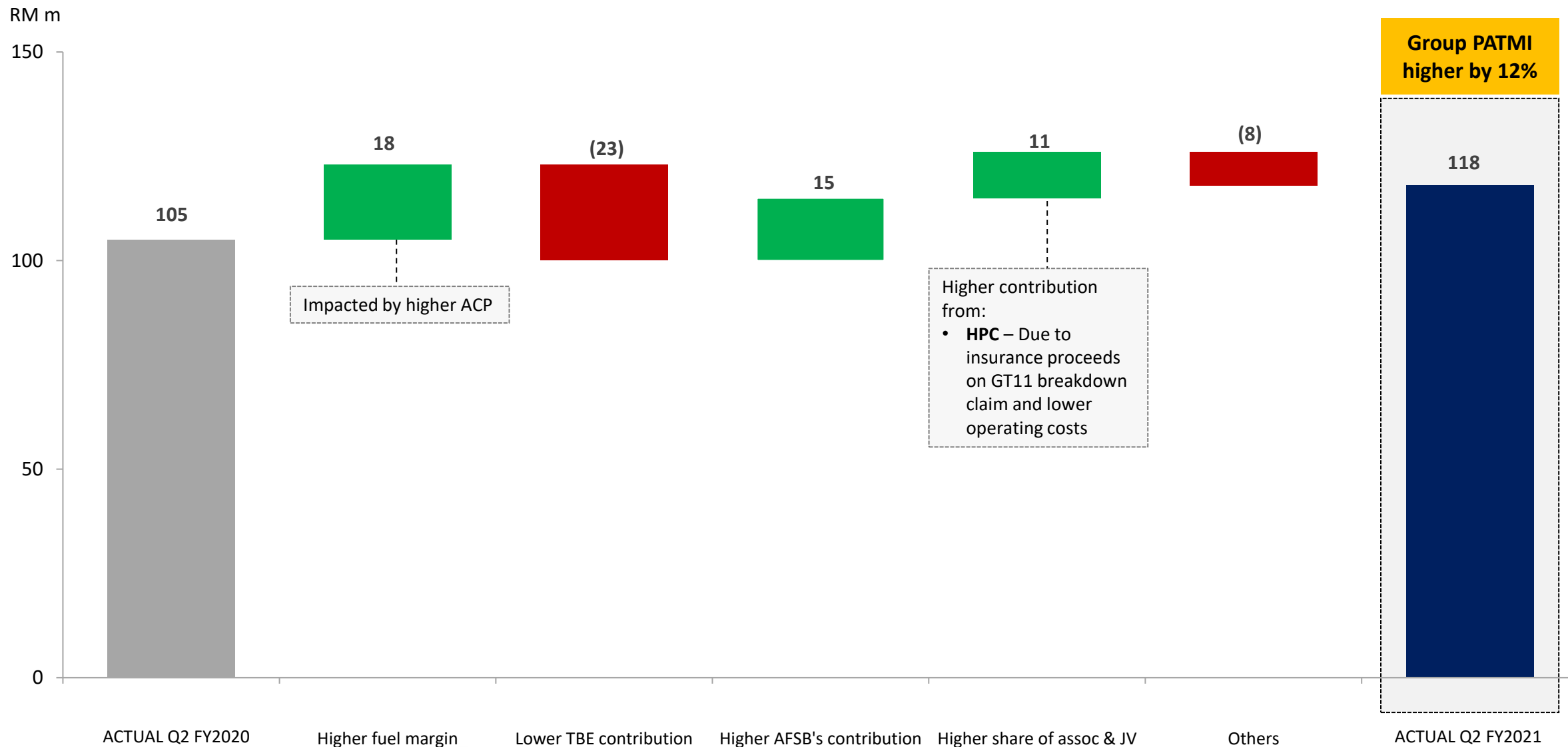


<b>POWER GENERATION &amp; DISTRIBUTION</b>	Capacity income + Energy Income + Daily Utilisation Payment
<b>OTHERS</b>	Rental Income + Project Management Fees + O&M Fees + Malakoff Utilities Sdn. Bhd. ("MUSB")

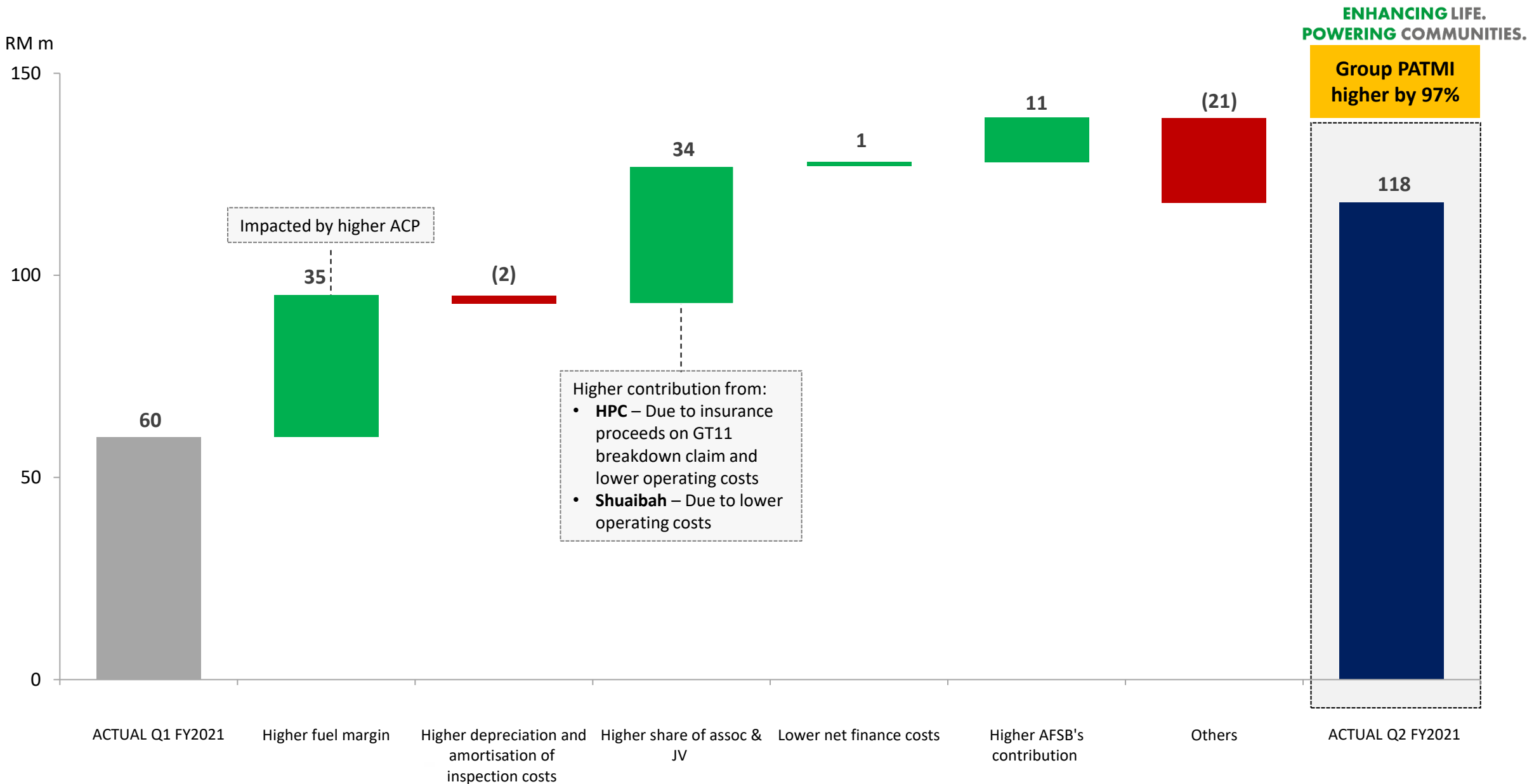
Electricity Generation revenue includes:



# Group PATMI – Q2 FY2021 vs Q2 FY2020

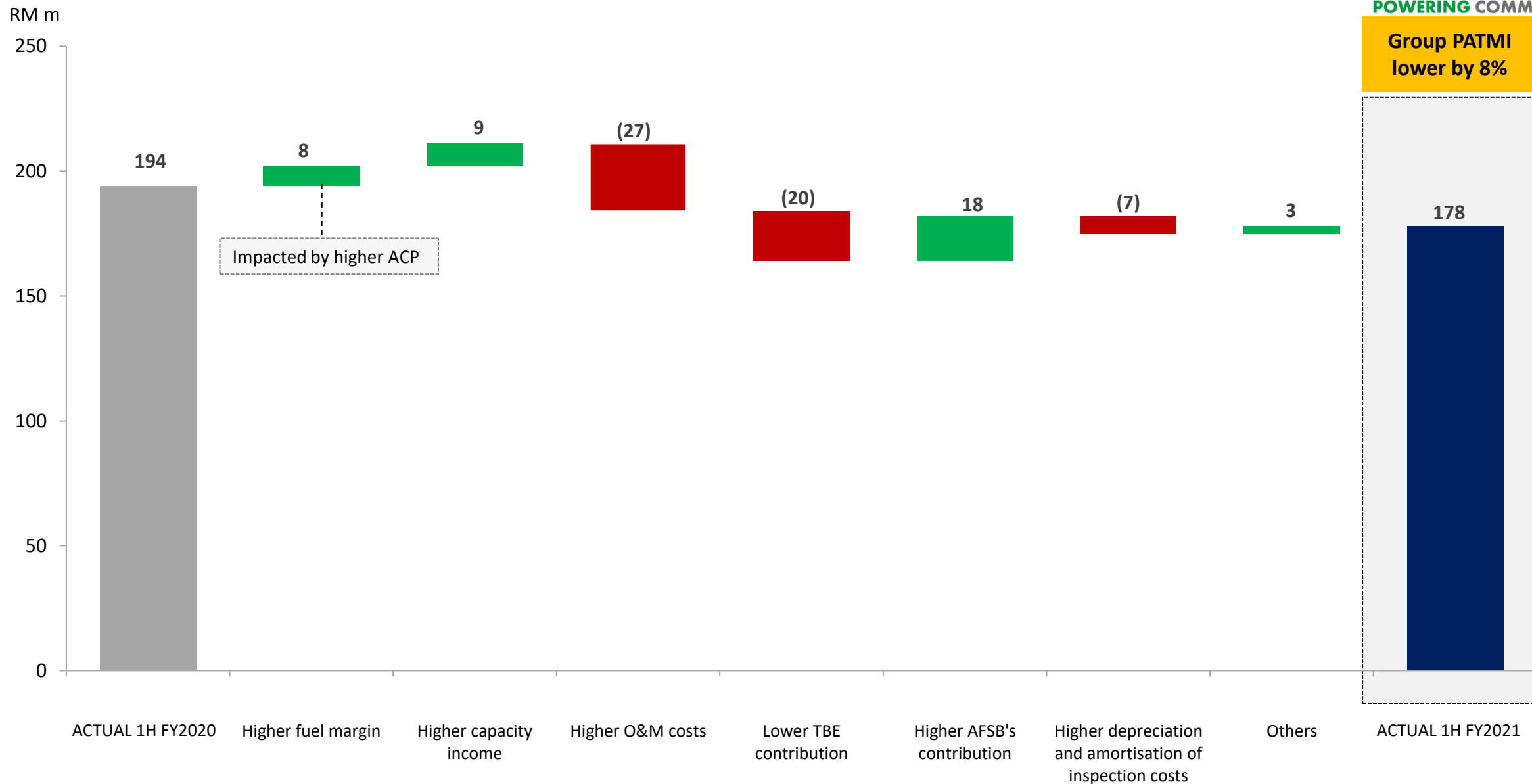


# Group PATMI – Q2 FY2021 vs Q1 FY2021 (QoQ)



# Group PATMI – 1H FY2021 vs 1H FY2020 (YoY)

ENHANCING LIFE.  
POWERING COMMUNITIES.





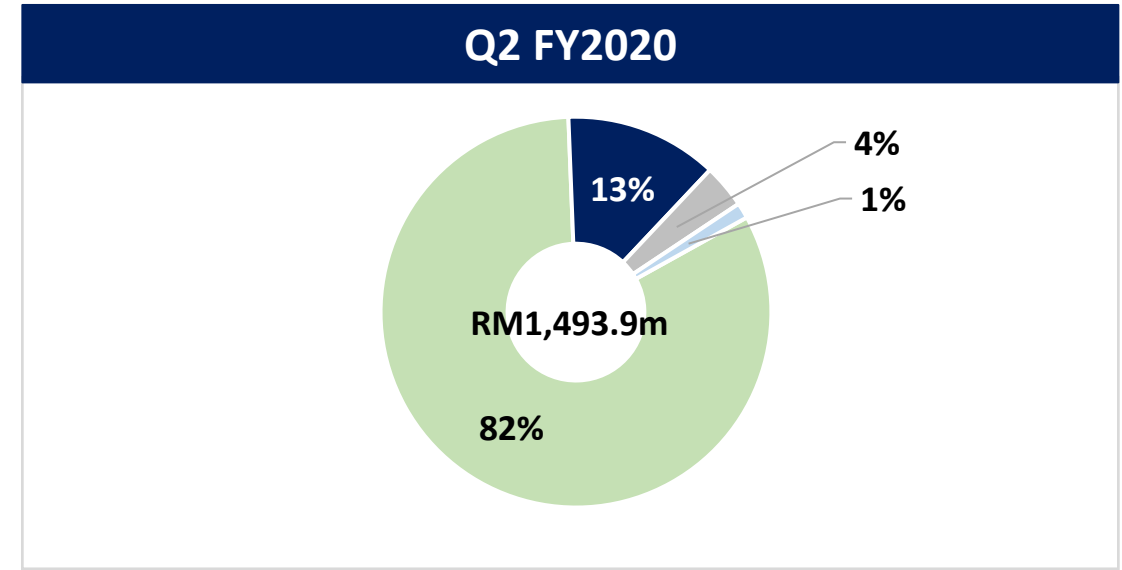
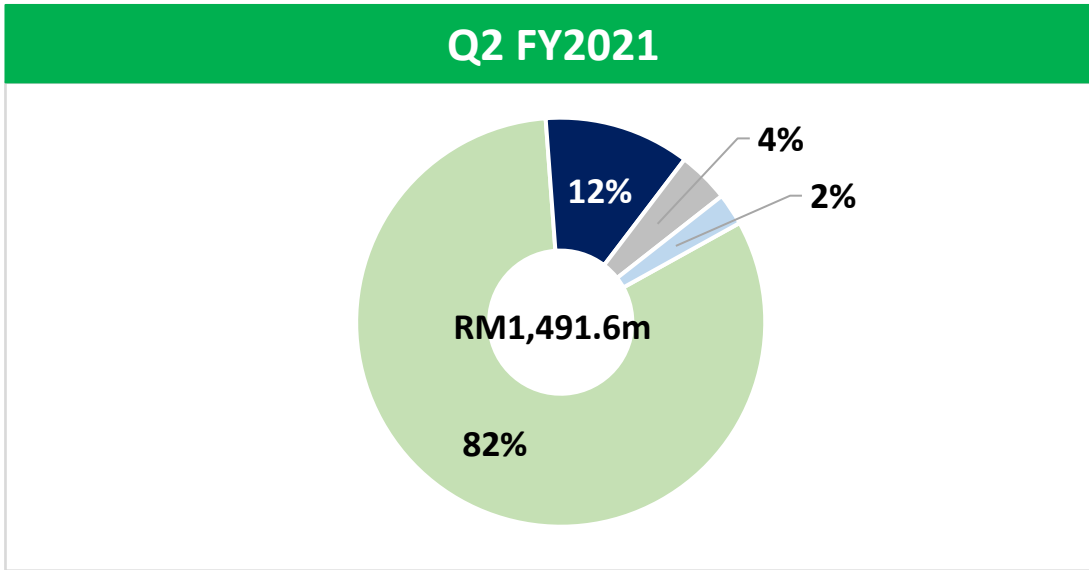
# Share of Profit from Associates/JVs

ENHANCING LIFE.  
POWERING COMMUNITIES.

RM m	Q2 FY2021	Q2 FY2020	% Change (Remarks)	1H FY2021	1H FY2020	% 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>	26.7	25.0	+7%	44.9	49.8	-10% Lower contribution due to lower water and energy payments as a result of plant outages and higher operating costs.
<b>Hidd Power Co, Bahrain</b> <i>(MCB effective equity 40%)</i>	30.2	21.6	+40% Higher contribution due to insurance proceeds on GT11 breakdown claim and lower operating costs.	36.6	35.6	+3%
<b>Muscat City Desalination Company, Oman</b> <i>(MCB effective equity 32.5%)</i>	2.2	1.8	+22%	4.3	3.2	+34%
<b>Muscat City Desalination Operation &amp; Maintenance Company (MCDOMCO), Oman</b> <i>(MCB effective equity 49.5%)</i>	2.0	2.1	-5%	3.1	2.8	+11%
<b>Zec Solar Sdn. Bhd.</b> <i>(MCB effective equity 49%)</i>	0.4	-	>100%	0.4	-	>100%
<b>TOTAL</b>	<b>61.5</b>	<b>50.5</b>	<b>+22%</b>	<b>89.3</b>	<b>91.4</b>	<b>-2%</b>

## Breakdown of Costs (Q2 FY2021)

ENHANCING LIFE.  
POWERING COMMUNITIES.



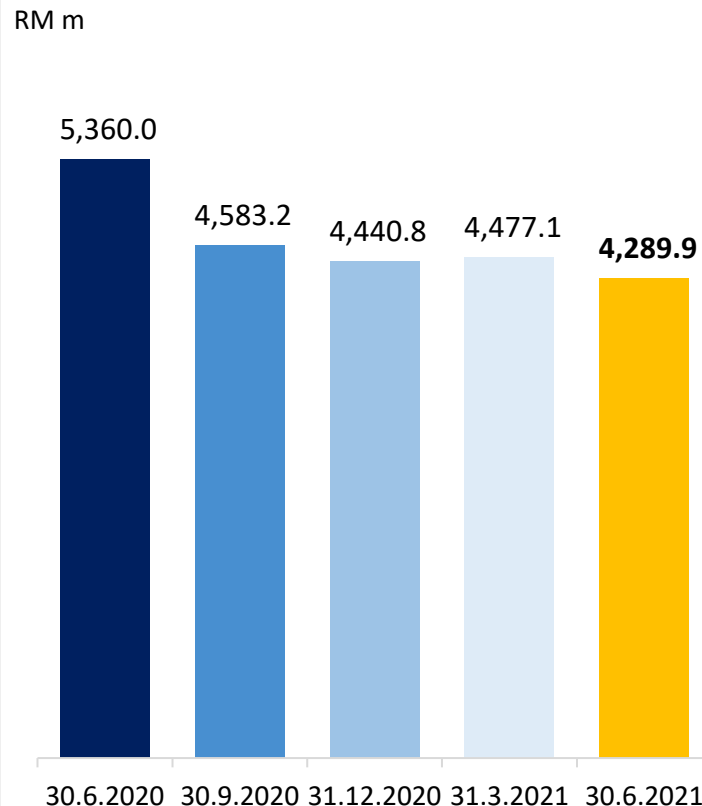
Cost of Sales Finance Costs Administrative Expenses Other Operating Expenses

### Cost of Sales Breakdown (RM m)

	Q2 FY2021	Q2 FY2020
Fuel	699.2	692.0
Depreciation and Amortisation of Inspection Costs	218.6	214.6
Amortisation of Intangible Assets	79.9	79.4
Operations and Maintenance Costs	56.0	54.0
Waste Management and Environmental Services Costs	139.4	164.4
Others	28.2	27.1
<b>TOTAL</b>	<b>1,221.3</b>	<b>1,231.5</b>

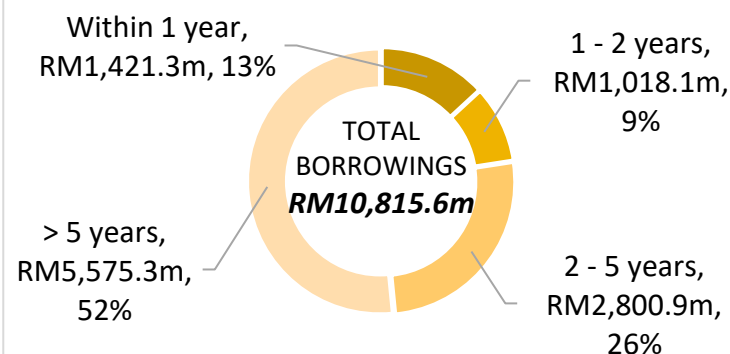
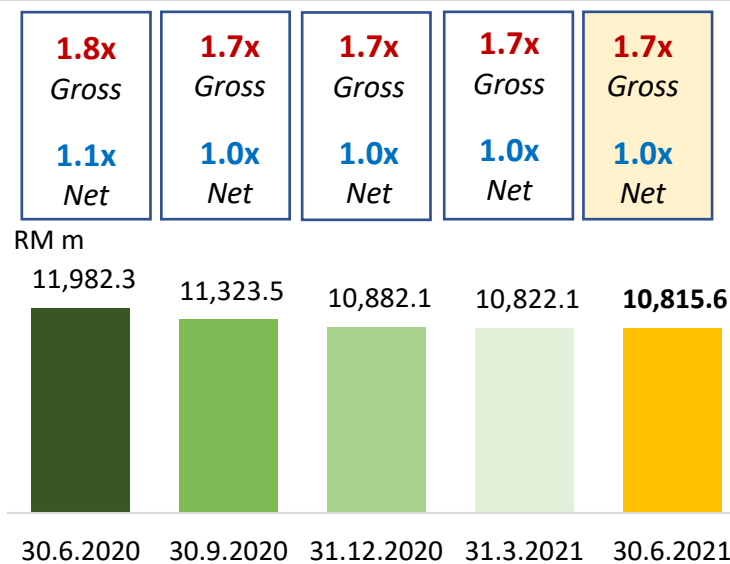
# Cash & Gearing as at 30 June 2021

## TOTAL CASH & BANK BALANCES\*

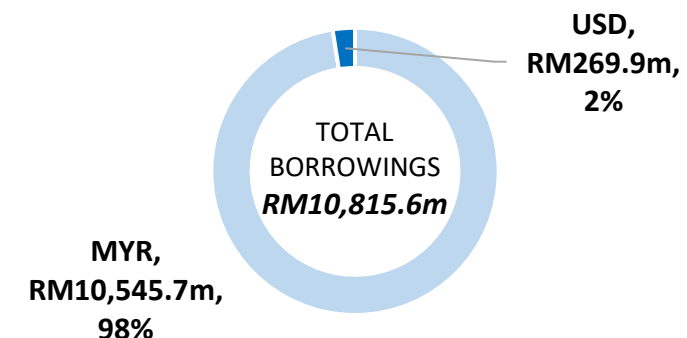


\*Includes Cash categorised as Other Investments

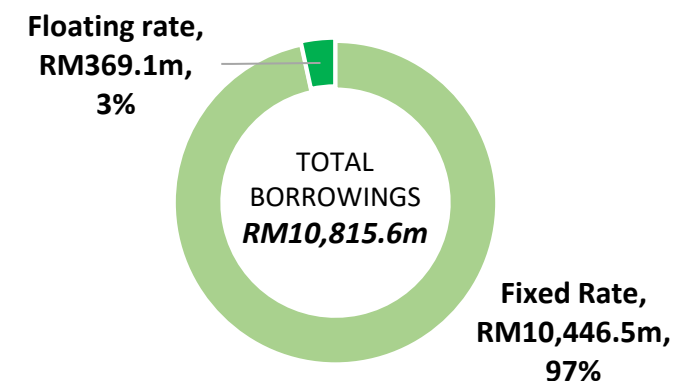
## GEARING RATIO, TOTAL BORROWINGS & DEBT AGEING



## DEBT PROFILE BY CURRENCY



## DEBT PROFILE BY FIXED / FLOATING RATE

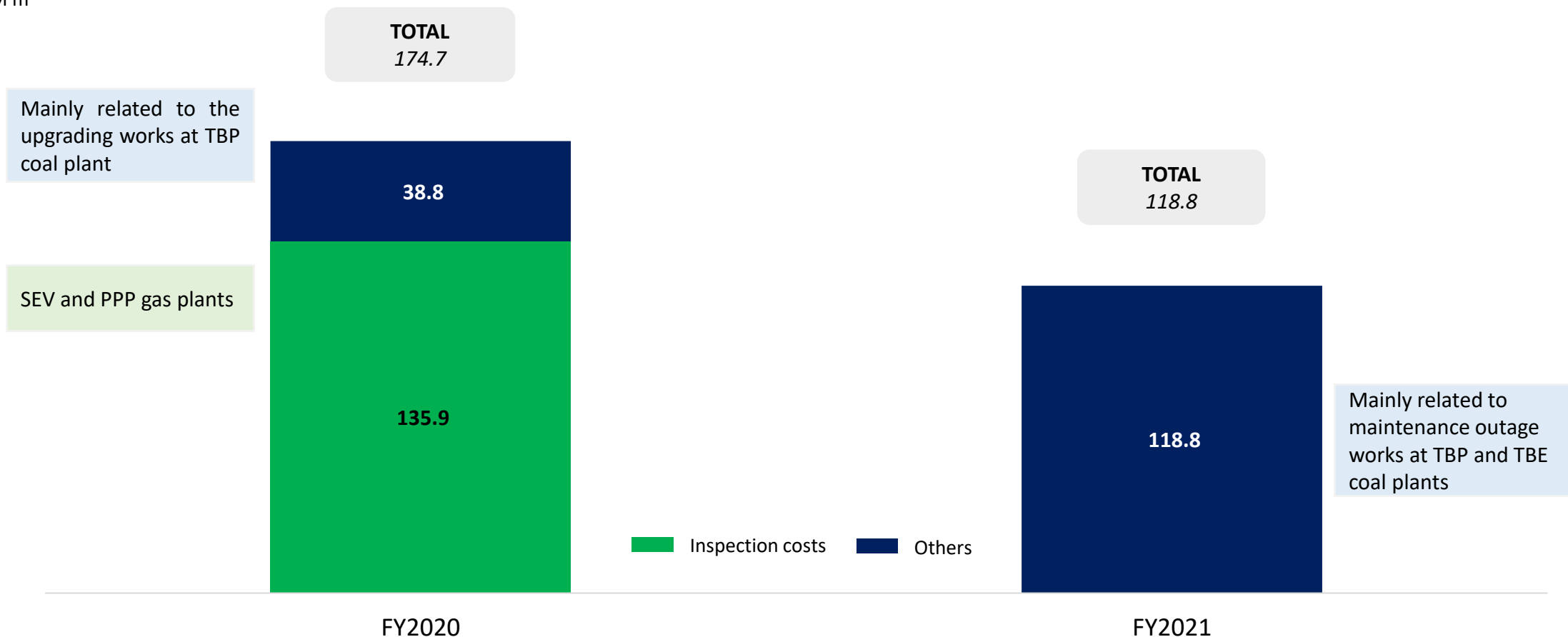


The Group continues to embark on stringent capital management while maintaining gearing at a healthy level.

# Capital Expenditure as at 30 June 2021

## CAPEX (as at 30 June 2021)

RM m





## CORPORATE UPDATES

CONFIDENTIAL

**MALAKOFF**

A Member of  MMC Group

**ENHANCING LIFE.  
POWERING COMMUNITIES.**



# Transitioning Together Towards A Cleaner Energy Future

ENHANCING LIFE.  
POWERING COMMUNITIES.

**MALAKOFF**

A Member of MMC Group



- On 13 July 2021, Malakoff completed the signing of **six SPPAs for the development of rooftop solar energy** systems with companies under the **DRB-HICOM Group**.
- Upon completion, these facilities are expected to generate **18,836 MWh of clean electricity per annum**.
- These will collectively **neutralise about 13,072 tonnes of carbon emissions per year** from the manufacturing industry.



- On 30 July 2021, Malakoff signed a Memorandum of Understanding (“MoU”) with **Koperasi Polis Diraja Malaysia Berhad (“KPDRM”)** to **assess the feasibility of jointly developing rooftop solar projects** at selected **Polis Diraja Malaysia (“PDRM”) building premises** in Peninsular Malaysia.
- The collaboration comes under the **Net Energy Metering 3.0 scheme** or for **Self-Consumption**, whereby electricity generated from solar energy will be supplied to PDRM under a **long-term SPPA**.

# Accelerating Expansion in the Rooftop Solar Segment



The Group has secured rooftop solar projects with a total capacity of **22.32 MWp** to date.



Description	Johor Port Berhad
Location	Pasir Gudang, Johor
Total Capacity	2.20 MWp



Description	Northport (Malaysia) Bhd.
Location	Port Klang, Selangor
Total Capacity	2.40 MWp



Description	PMB Properties Sdn Bhd.
Location	Shah Alam, Selangor
Total Capacity	2.21 MWp



Description	AEON Co. (M) Bhd
Location	Taman Maluri Shopping Centre, Kuala Lumpur
Total Capacity	2.11 MWp



Description	<ul style="list-style-type: none"> <li>• CTRM Aero Composites Sdn Bhd</li> <li>• Hicom Automotive Manufacturers (Malaysia) Sdn Bhd</li> <li>• Isuzu Hicom (M) Sdn Bhd</li> <li>• Hicom Teck-See Manufacturing Sdn Bhd</li> <li>• Hicom Berhad</li> <li>• Motosikal dan Enjin Nasional Sdn Bhd</li> </ul>
Location	Kedah, Melaka, Selangor, Pahang
Total Capacity	13.41 MWp

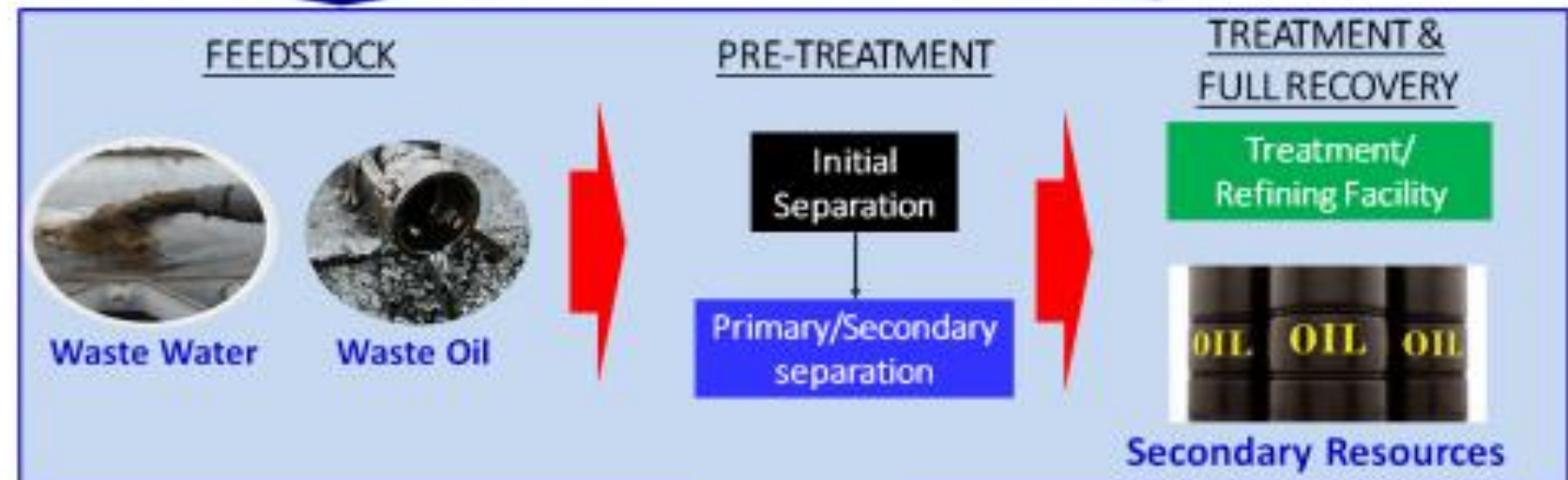


# Alam Flora's Integrated Eco-Recovery Complex



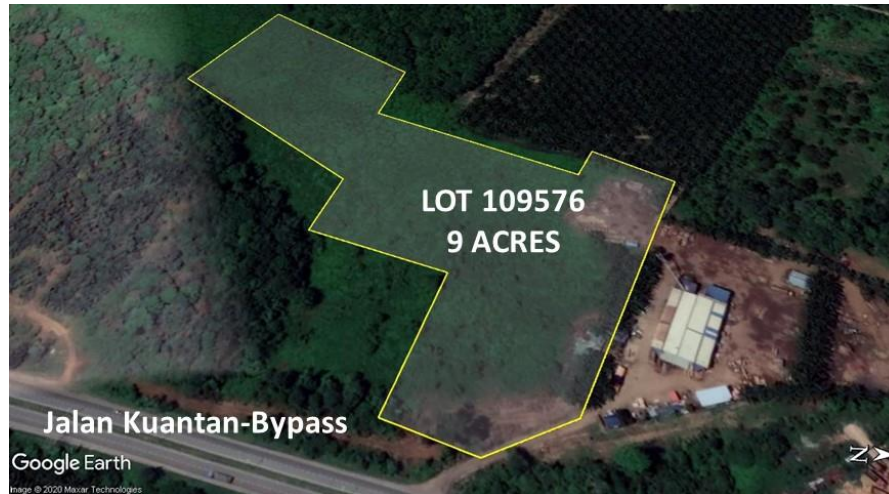
- On 15 July 2021, Alam Flora's wholly-owned subsidiary, Alam Flora Environmental Solutions Sdn Bhd ("AFES") entered into a Sales and Purchase Agreement ("SPA") with The New Straits Times Properties Sdn Bhd to **acquire a parcel of leasehold industrial land in Klang, Selangor for a price of RM25 million.**
- This acquisition will enable AFES to proceed with the proposed development of an **Integrated Eco-Recovery Complex** with a **capacity of 5,000 tonnes per month**, in line with the Group's plan to **expand its non-concession business.**

## INTEGRATED ECO-RECOVERY COMPLEX (IERC)



# Facility for the Disposal of Construction & Demolition Waste

## CONSTRUCTION & DEMOLITION WASTE



- Alam Flora has embarked on the development of a facility to dispose Construction & Demolition (“C&D”) waste in Kuantan, Pahang.
- This is part of the Group’s initiative to capture new revenue streams from inert type of waste (C&D).
- The facility is expected to be operational by 1H 2022, with a capacity of 120 tonnes/day.

**3 MONTHS**
**PHASE 1:  
Approvals**

**Completed : June 2021**
**3 MONTHS**
**PHASE 2 :  
Tipping Platform**

- Site Clearance
- Make up platform ( 225m<sup>2</sup> ) with Crusher run, clay soil, gabion
- Earth drain & Culvert

**In Progress**
**3 MONTHS**
**PHASE 3:  
Installation of facilities**

- Facilities  
Weighbridge, Cabin, Utility, Signboard, Washing through
- Start Operation FY2022

# Thank You

## 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](mailto:ir@malakoff.com.my)

W: [www.malakoff.com.my](http://www.malakoff.com.my)