



ANALYST BRIEFING

Q1 2019 Results Announcement

28 May 2019



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energy & utilities

Table of Contents

No.	Item	Page
1	Highlights of Q1 2019 Performance	3
2	Review of Operations	5
3	Q1 2019 Financial Results	10
4	Latest Corporate Developments	22

HIGHLIGHTS OF Q1 2019 PERFORMANCE



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Key Highlights of Financial Results

Q1 2019 vs Q1 2018

<i>RM m</i>	Q1 2019	Q1 2018	YoY Change
Revenue	2,007.3	1,604.2	+25.1%
Results from Operating Activities	290.5	270.2	+7.5%
PBT	131.4	97.0	+35.5%
PATMI	67.0	52.9	+26.7%
EBITDA	588.7	566.6	+3.9%
Basic/Diluted EPS	1.37	1.06	+29.2%

REVIEW OF OPERATIONS



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Performance Review of Local Assets – Q1 2019

COAL-FIRED POWER PLANTS



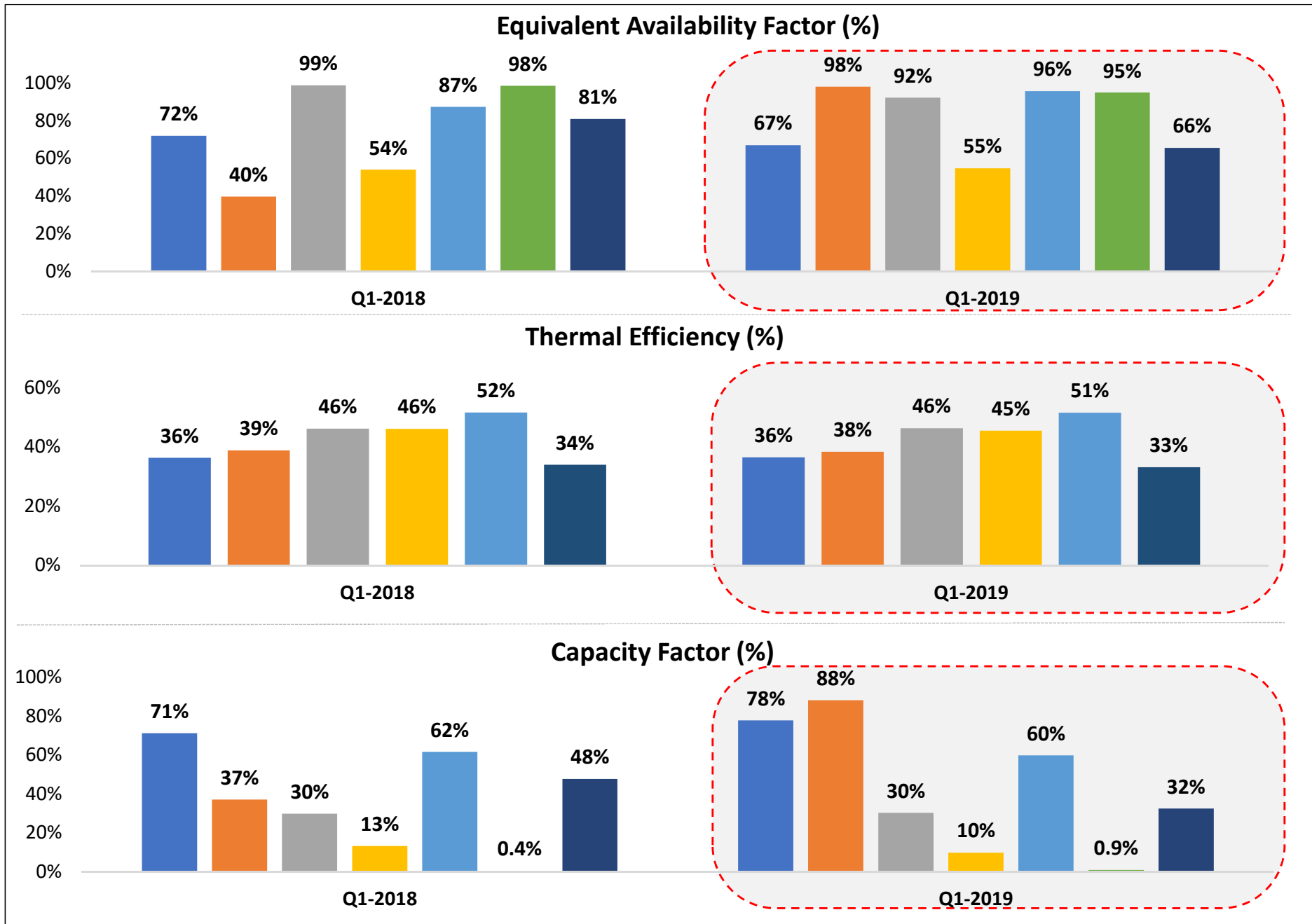
- **Tanjung Bin Power Plant (TBP)** continues to demonstrate **higher stability** and **reliability** after completion of the improvement work done in previous years.
 - Plant **Equivalent Availability Factor (EAF)** decreased from 88% in Q4 2018 to **67% in Q1 2019** due to **high maintenance outages** for **Unit 20 boiler Certificate of Fitness renewal**.
- **Tanjung Bin Energy Power Plant (TBE)** observed a significant increase in EAF from 73% in Q4 2018 to **98% in Q1 2019**, due to **lower planned** and **unplanned outages**.

GAS-FIRED POWER PLANTS



- The gas-fired power plants maintained a generally **high EAF** during the quarter under review but **lower Capacity Factor (CF)** due to **low demand from the Grid System Operator (GSO)**.
 - **GB3 GT33 generator repair** has been completed and the unit was **successfully declared available on 4 Apr 2019**.
- 1 Mar 2019 marked the **end of extension contract term** for **Port Dickson Power Plant** after **24 successful years in operation**.

Performance of Local Assets – Q1 2019

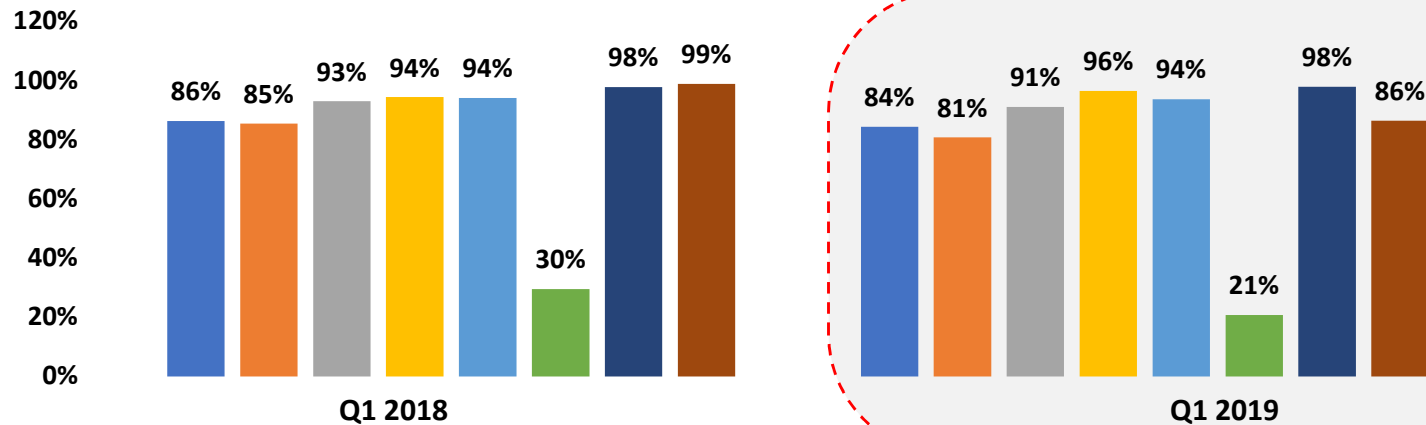


Electricity Generated and Sold

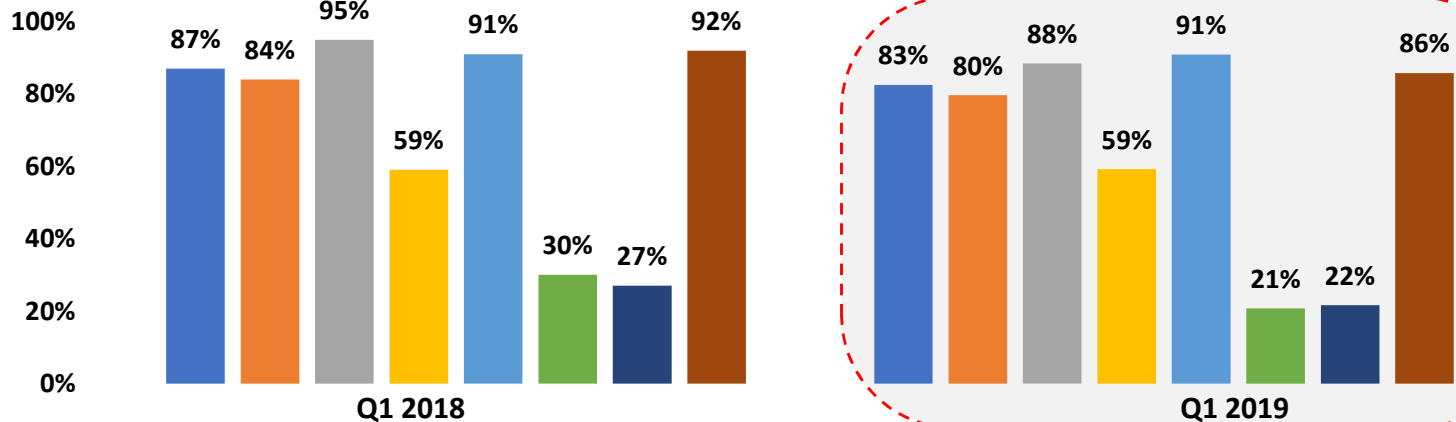
Plant	Q1 2019		Q1 2018	
	Power Generated (GWh)	Electricity Sold (GWh)	Power Generated (GWh)	Electricity Sold (GWh)
Tanjung Bin Energy (TBE)	1,993.95	1,902.06	835.36	799.29
Tanjung Bin Power (TBP)	3,702.08	3,526.02	3,405.27	3,223.47
Segari Energy Ventures (SEV)	857.56	848.80	866.85	849.95
GB3	139.96	134.67	183.13	176.19
Prai Power Plant (PPP)	464.20	448.77	464.67	459.13
Port Dickson Power (PDP)	5.32	5.32	3.67	3.67
Kapar Energy Ventures (KEV)	1,706.24	1,588.12	2,507.77	2,330.32
TOTAL (Excluding KEV)	7,163.07	6,865.65	5,758.95	5,511.71
TOTAL (Including KEV)	8,869.31	8,453.77	8,266.72	7,842.02

Performance of International Assets – Q1 2019

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)
- SOUK TLETA - Water (Algeria)
- MACARTHUR - Power (Australia)
- AL GHUBRAH - Water (Oman)

SIWPP

- Slight decrease in availability for both power and water plants due to annual planned outages.

SIWEP

- Lower availability as compared to Q1 2018 due to plant outage.

AL HIDD

- Sustainable performance in both Q1 2018 and Q1 2019.

SOUK TLETA

- Plant production maintained at lower rate pending the government's decision to rehabilitate the plant.

MACARTHUR

- Sustainable performance in both Q1 2018 and Q1 2019.

AL GHUBRAH

- Lower availability in Q1 2019 due to higher scheduled and maintenance outage rates.

Q1 2019 FINANCIAL RESULTS



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Financial Results – Income Statement

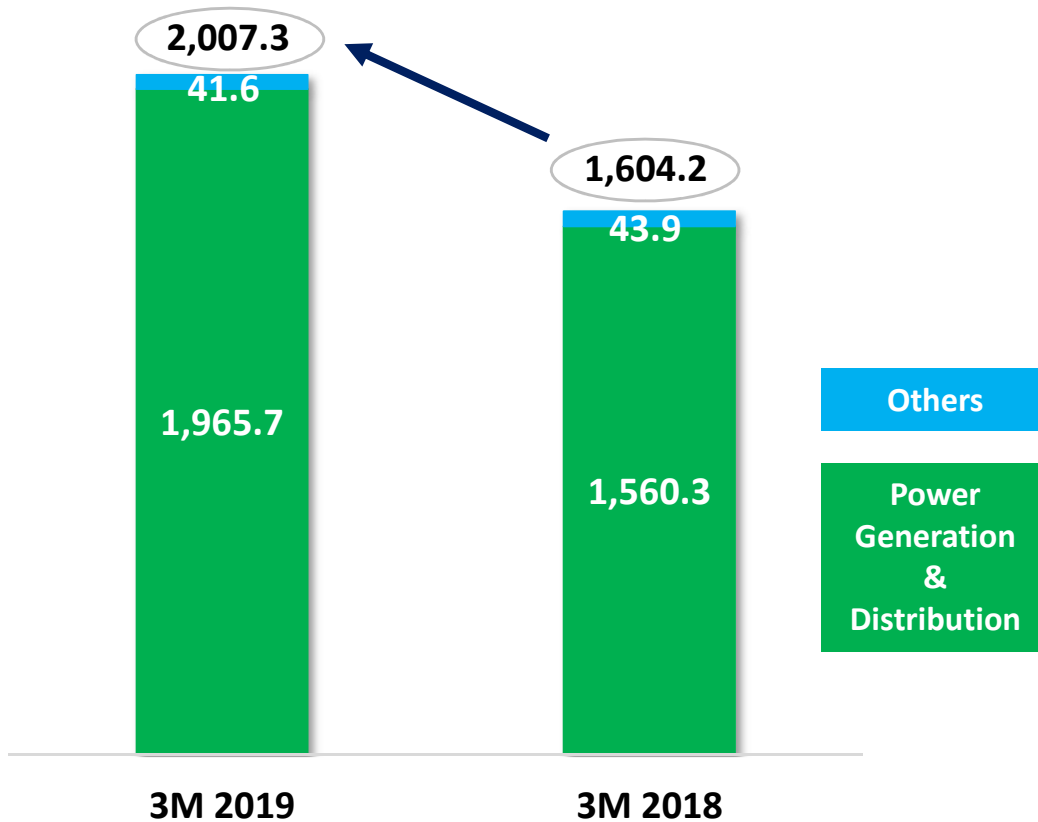
RM m	Q1 2019	Q1 2018	Variance
Revenue	2,007.3	1,604.2	403.1
Cost of Sales	(1,640.5)	(1,266.4)	(374.1)
Gross Profit	366.8	337.8	29.0
Other Income	13.9	17.7	(3.8)
Administrative Expenses	(57.9)	(53.9)	(4.0)
Operating Expenses	(32.3)	(31.4)	(0.9)
Results from Operations	290.5	270.2	20.3
Finance Income	60.0	59.6	0.4
Finance Costs	(235.6)	(248.3)	12.7
Share of Profit of Associates & JV, Net of Tax	16.5	15.5	1.0
Profit Before Taxation	131.4	97.0	34.4
Income Tax Expenses	(51.8)	(29.6)	(22.2)
Profit for the Period	79.6	67.4	12.2
Profit attributable to:			
<i>Owners of the Company</i>	67.0	52.9	14.1
<i>Non-controlling Interests</i>	12.6	14.5	(1.9)
Basic/Diluted EPS for Profit attributable to the Owners (sen)	1.37	1.06	0.31
EBITDA	588.7	566.6	22.1

Revenue Breakdown

RM m	Q1 2019 RM m	Q1 2018 RM m	Variance RM m	Variance %
Electricity generation and distribution				
<i>Energy payment</i>	1,360.3	971.3	389.0	40.0%
<i>Capacity payment</i>	517.8	506.4	11.4	2.3%
<i>Daily Utilisation Payment</i>	51.1	48.7	2.4	4.9%
<i>Electricity and chilled water distribution</i>	36.5	33.9	2.6	7.7%
Finance lease income	39.7	41.0	(1.3)	-3.2%
Others	1.9	2.9	(1.0)	-34.4%
	2,007.3	1,604.2	403.1	25.1%
Electricity generation and distribution	1,965.7	1,560.3	405.4	26.0%
Others	41.6	43.9	(2.3)	-5.2%
	2,007.3	1,604.2	403.1	25.1%

Revenue Mix

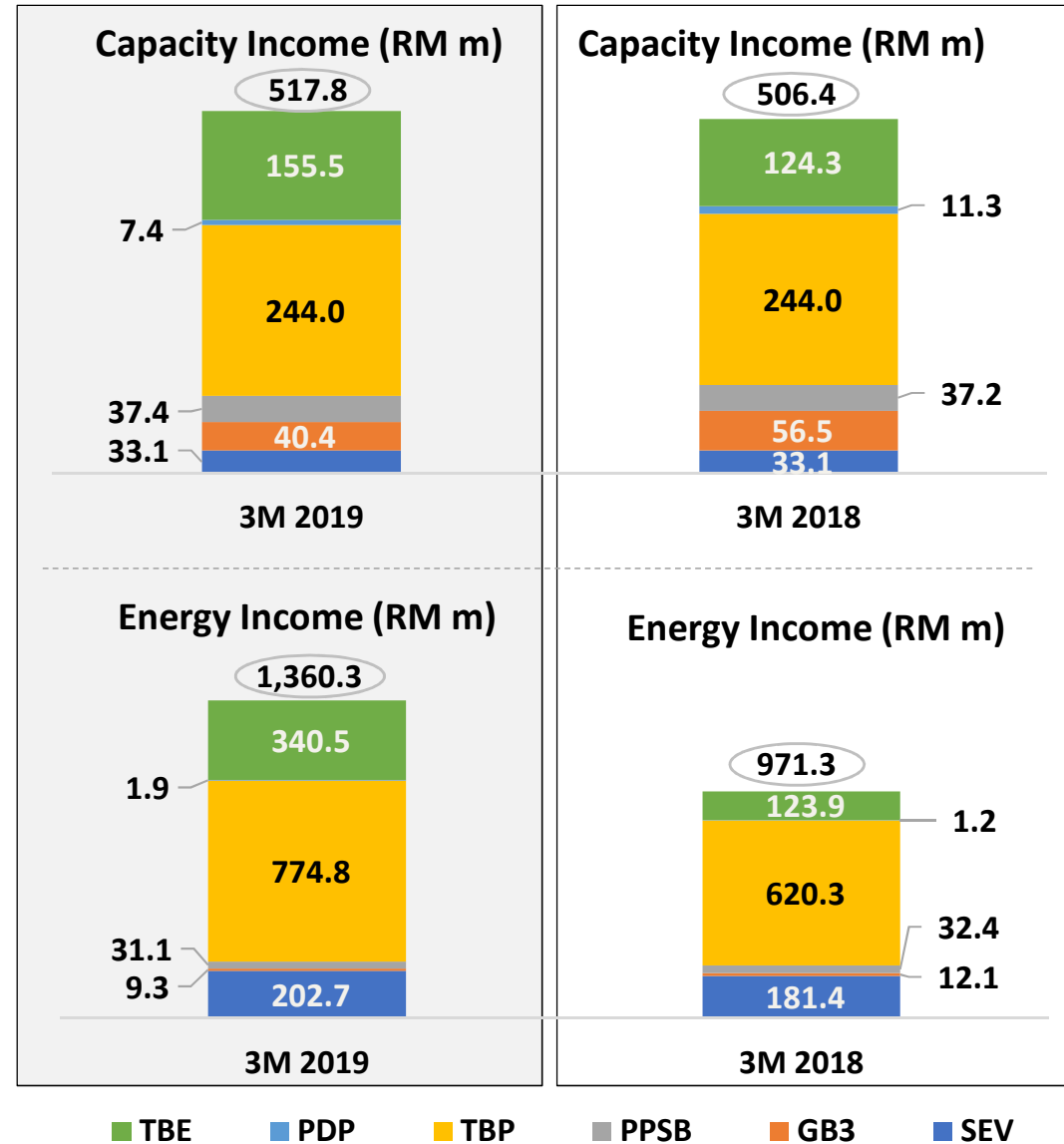
Total Revenue (RM m)



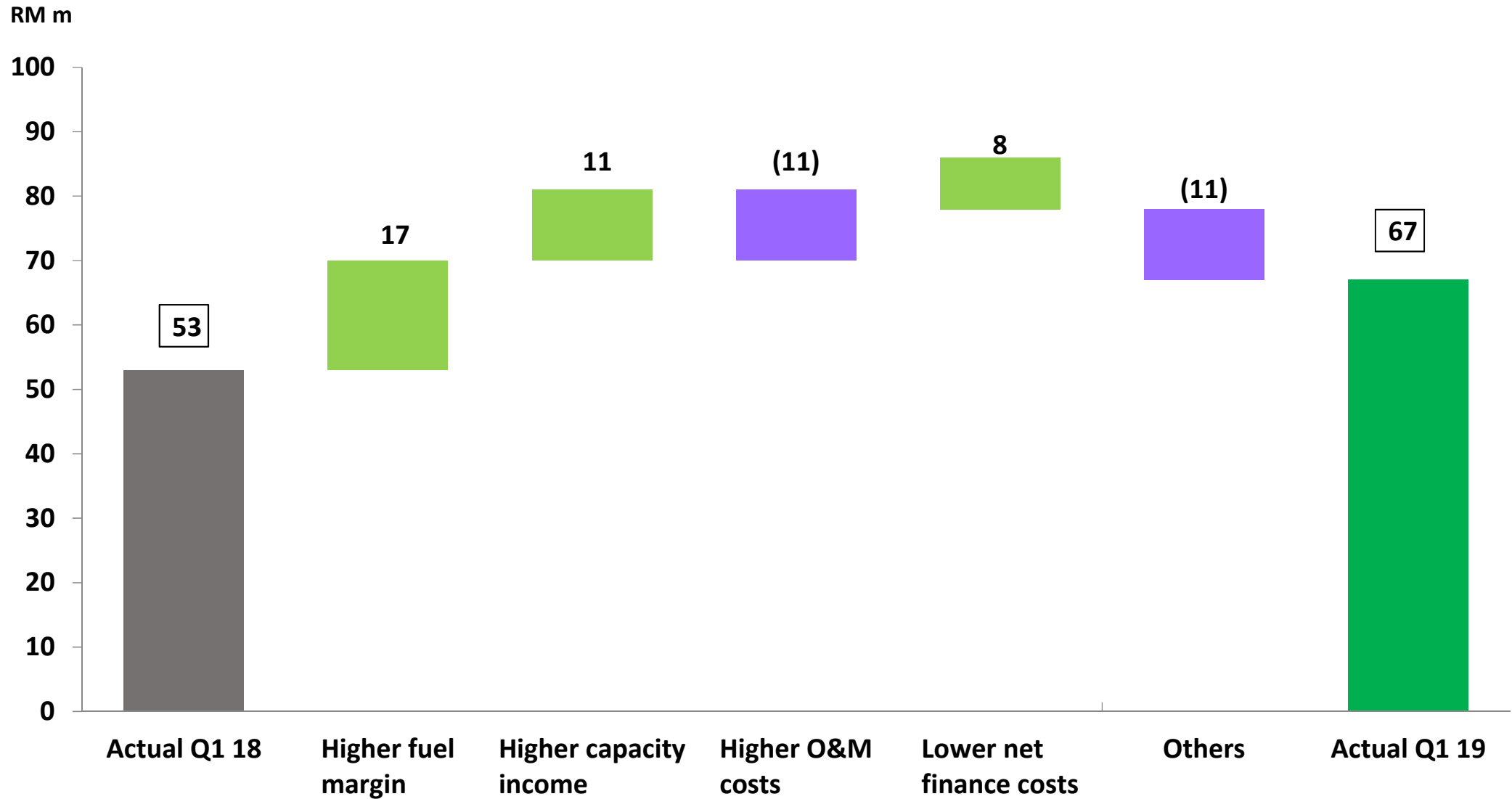
Power Generation & Distribution = Capacity income + Energy Income + Daily Utilisation Payment + Malakoff Utilities Sdn. Bhd. (MUSB)

Others = Finance Lease Income + Rental Income + Project Management Fees + Operations & Maintenance (O&M) Fees

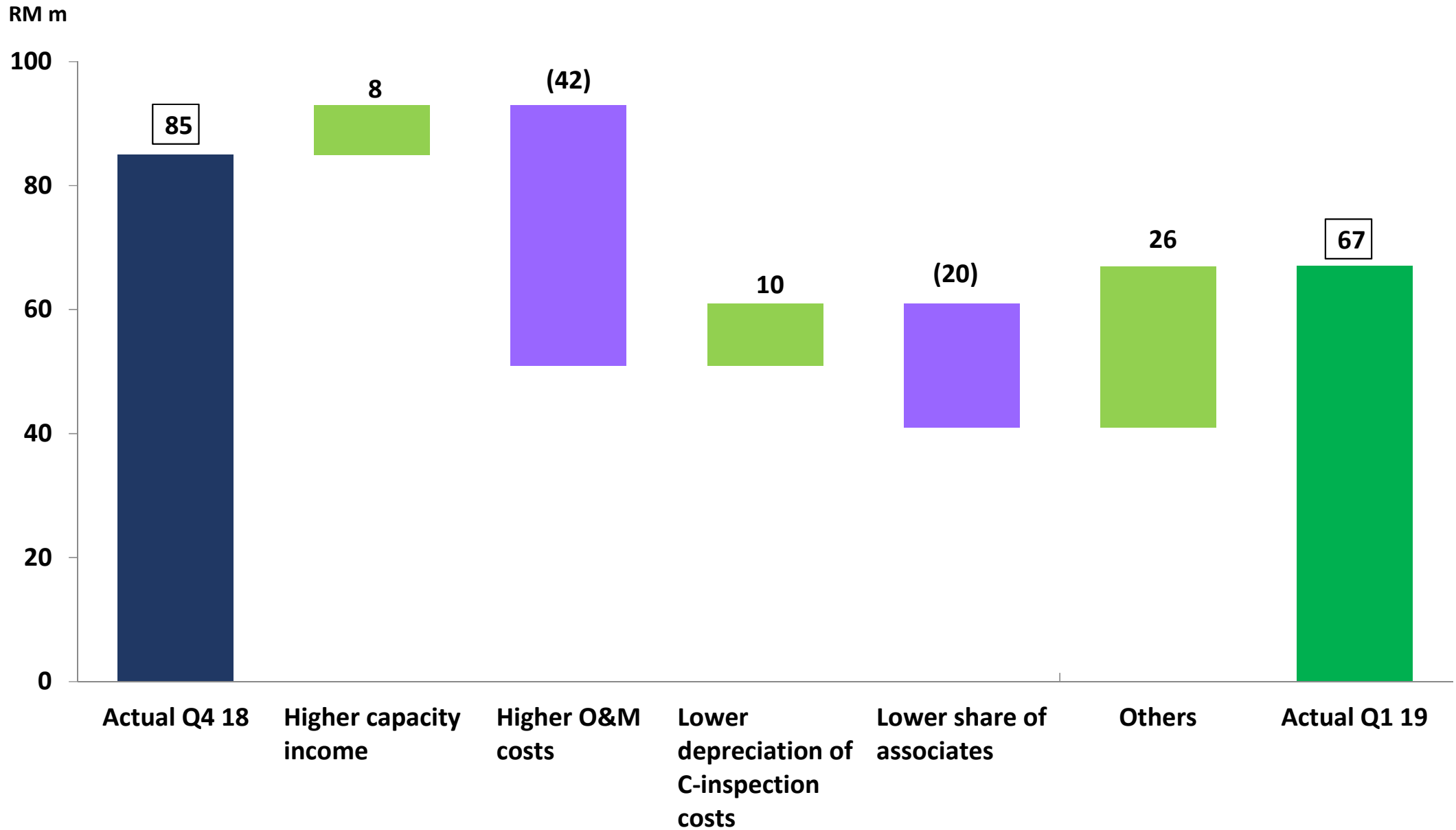
Electricity generation revenue includes:



Group PATMI – Q1 2019 vs Q1 2018 (YoY)



Group PATMI – Q1 2019 vs Q4 2018 (QoQ)



Financial Position as at 31 March 2019

TOTAL ASSETS	<i>Total cash as at 31 March 2019 is RM5,274.6m (31 March 2018 : RM5,097.6m)</i>		31.3.2019 RM m	31.12.2018 RM m	TOTAL LIABILITIES & EQUITY	31.3.2019 RM m	31.12.2018 RM m
<u>Assets</u>					<u>Liabilities</u>		
Cash and cash equivalents			1,155.4	1,515.1	Loan and borrowings	15,066.1	15,200.4
Other investments			4,119.2	3,582.5	Other liabilities	6,963.7	7,117.2
Current assets			2,953.0	3,116.0	Total liabilities	22,029.8	22,317.6
Investment in associates			1,514.8	1,529.7			
Financial lease receivables			1,995.4	2,019.0	<u>Equity</u>		
Property, plant & equipment			13,332.0	13,443.2	Share capital	5,693.1	5,693.1
Other assets			3,616.3	3,776.6	Treasury shares	(97.9)	(97.6)
					Reserves	67.4	131.7
					Accumulated losses	(38.6)	(82.4)
					Equity attributable to owners of the Company	5,624.0	5,644.8
					Perpetual sukuk	800.0	800.0
					Non-controlling interests	232.3	219.7
					Total Equity	6,656.3	6,664.5
Total Assets			28,686.1	28,982.1	Total Liabilities and Equity	28,686.1	28,982.1

Consolidated Statement of Cashflows as at 31 March 2019

RM m	Q1 2019	Q1 2018
Profit before tax	131.4	97.0
Adjustments for:		
Non cash item	287.7	283.4
Finance costs	235.6	248.3
Finance income	(60.0)	(59.6)
Share of profit of equity-accounted associates & JVs, net of tax	(16.5)	(15.5)
	578.2	553.6
Net change in current assets	251.5	400.9
Net change in current liabilities	(257.6)	(524.7)
Net change in non-current liabilities	73.5	80.0
Cash generated from operations	645.6	509.8
Income taxes paid	(106.8)	(88.9)
Net cash from operating activities	538.8	420.9
Net cash used in investing activities	(520.9)	(1,101.0)
Net cash used in financing activities	(377.6)	(383.0)
Net decrease in cash and cash equivalents	(359.7)	(1,063.1)
Cash at beginning of the period	1,515.1	2,355.5
Cash at end of the period	1,155.4	1,292.4
Other investments*	4,119.2	3,682.8
	5,274.6	4,975.2

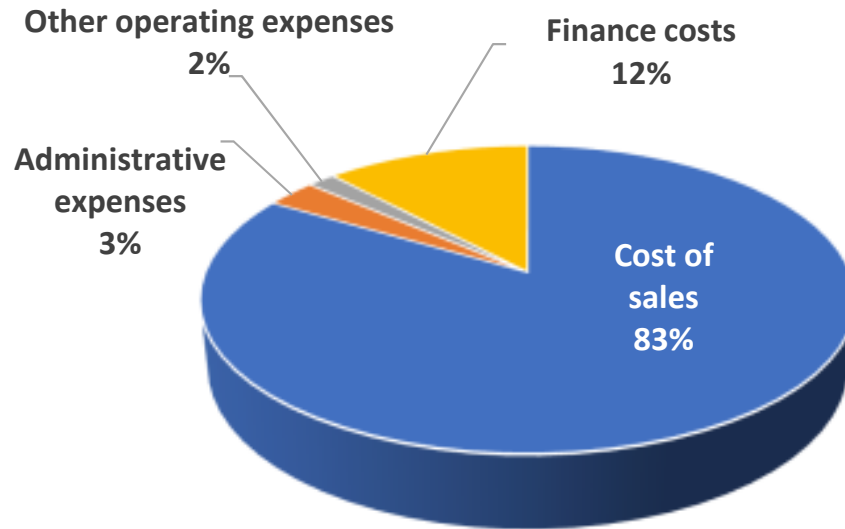
*Other investments = deposits of more than 3 months maturity

Share of Profit of Associates and JVs

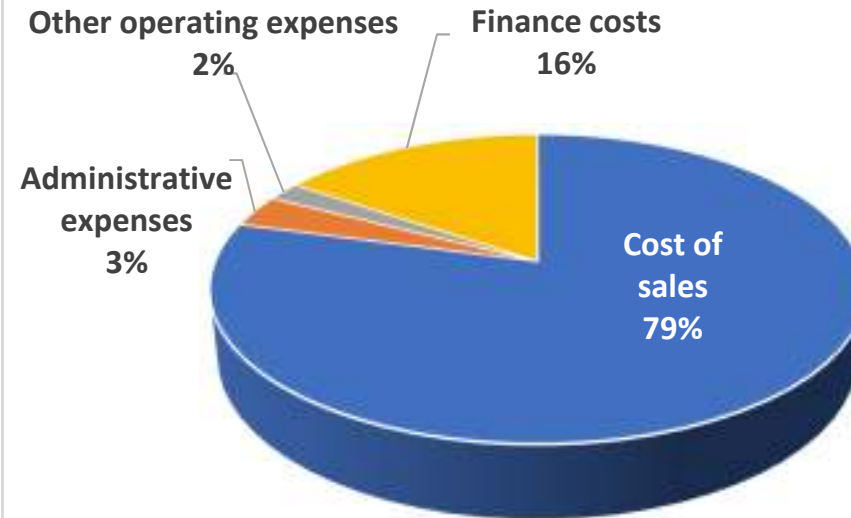
	Q1 2019 RM m	Q1 2018 RM m
Kapar Energy Ventures (Malaysia) <i>(MCB effective equity 40%)</i>	(7.1)	2.4
Lekir Bulk Terminal(Malaysia) <i>(MCB effective equity 20%)</i>	-	1.7
Muscat City Desalination Company (Oman) <i>(MCB effective equity 32.5%)</i>	1.3	1.2
Shuaibah Water & Electricity Company (SWEC) (Saudi Arabia) <i>(MCB effective equity 12%)</i>	10.4	(2.8)
Shuaibah Expansion Project Company Limited (SEPCO) (Saudi Arabia) <i>(MCB effective equity 11.9%)</i>		
Hidd Power Co (Bahrain) <i>(MCB effective equity 40%)</i>	11.2	12.0
Muscat City Desalination Operation & Maintenance Company (MCDOMCO) (Oman) <i>(MCB effective equity 49.5%)</i>	0.7	1.0
TOTAL	16.5	15.5

Breakdown of Costs

Q1 2019



Q1 2018



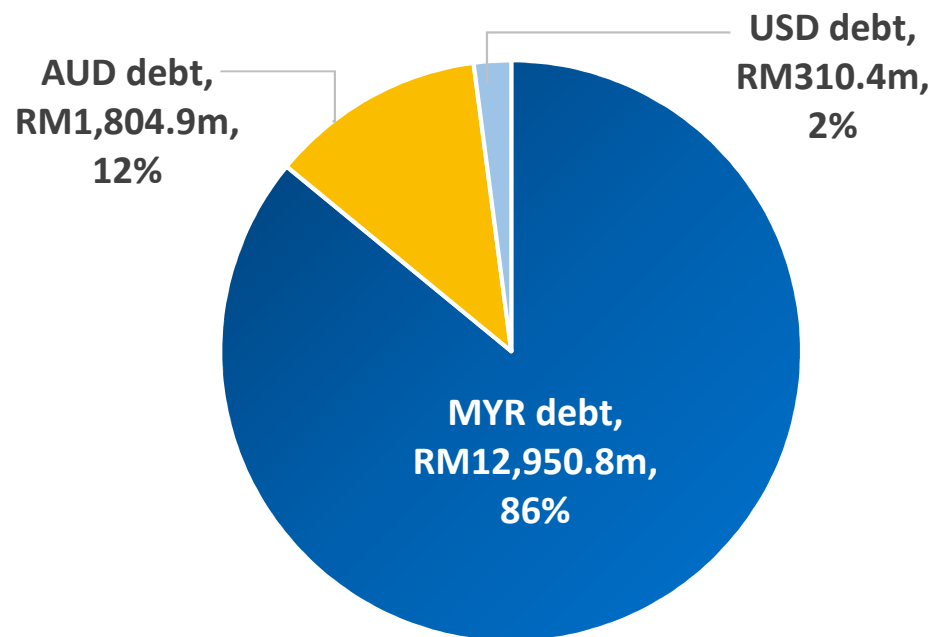
**COST OF
 SALES
 BREAKDOWN**

<i>RM m</i>	Q1 2019	Q1 2018
Fuel	1,229.5	873.1
Depreciation and Amortisation of C-inspection Costs	204.4	201.5
Amortisation of Intangible Assets	69.3	69.3
Operations and Maintenance Costs	96.0	81.3
Others	41.3	41.2
TOTAL	1,640.5	1,266.4

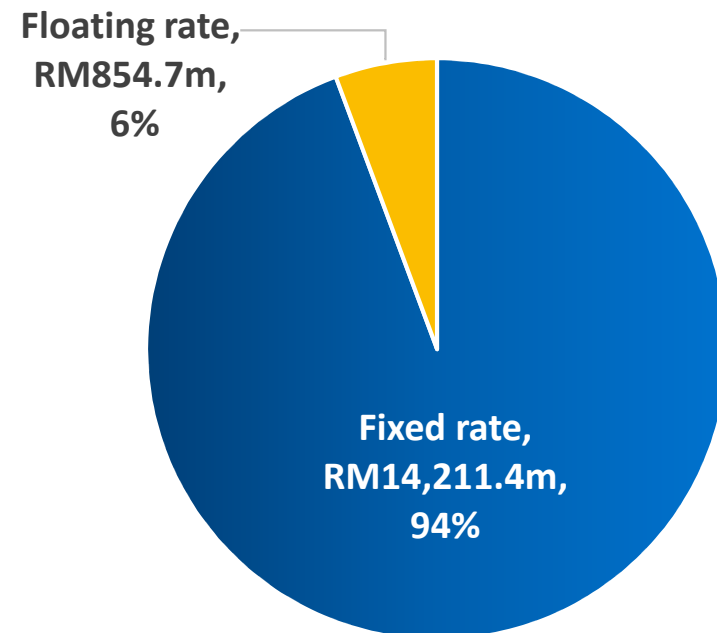
Group Debt & Gearing

Total Borrowings (as at 31.3.2019)
RM15,066.1m

DEBT PROFILE BY CURRENCY

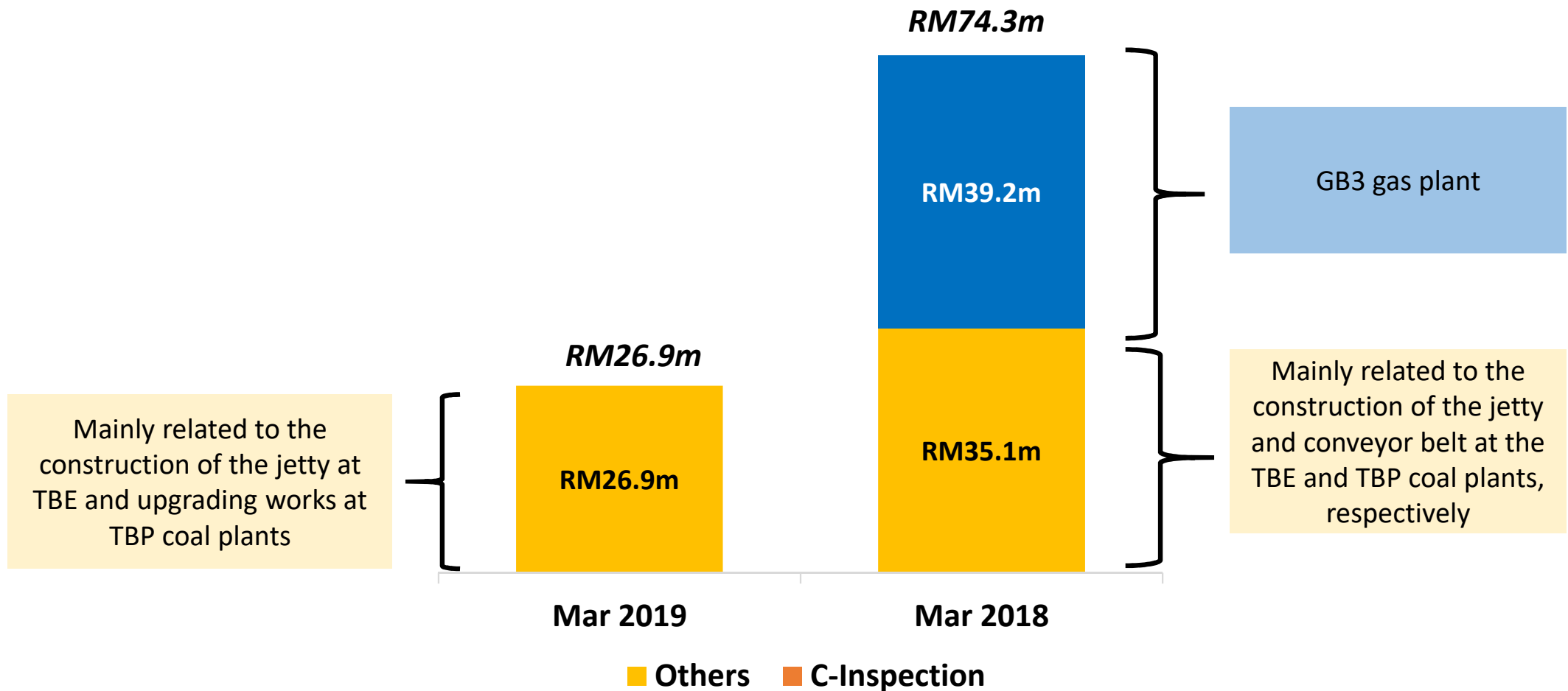


DEBT PROFILE BY FIXED/FLOATING RATE



	As at 31.3.2019	As at 31.3.2018
Gearing Ratio	2.3x	2.3x
Net Gearing Ratio	1.5x	1.5x

Capital Expenditure Q1 2019



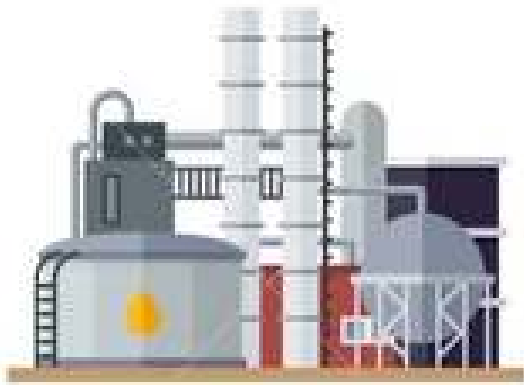
Capex budgeted for FY2019 is between RM250-350m, mainly for the construction of the jetty at the TBE power plant, upgrading works at TBP power plant and C-inspection works at SEV power plant

LATEST CORPORATE DEVELOPMENTS



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21-Year Renewable Energy PPA with TNB



Description	Green Biogas Sdn Bhd
Capacity	2.4MW
Location	Sg Kachur Palm Oil Mill, Johor
Target Commercial Operation Date (COD)	Nov 2020

- On 29 Jan 2019, **Sustainable Energy Development Authority (SEDA) Malaysia** awarded a **feed-in-tariff quota** to **Green Biogas Sdn Bhd (GBSB)** to develop a **2.4MW biogas project** at **Sg. Kachur, Johor**.
- **GBSB** is a **60-40 joint venture** between **Malakoff Corporation Berhad** and **Concord Alliance Sdn. Bhd.**
- On 18 Apr 2019, GBSB entered into a **Renewable Energy Power Purchase Agreement (REPPA)** with **Tenaga Nasional Berhad** for a **period of 21 years**
- GBSB is currently undertaking **project development activities**, which include **exploring project financing** and **identifying potential Engineering, Procurement and Construction (EPC) contractors**.

THANK YOU



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