MMC Corporation Berhad

Financial Results
Ended 31 March 2018
(FY2018)

May, 2018
KEY HIGHLIGHTS

➢ Group revenue recorded higher by 38%YoY mainly due to:
   • Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment project; and
   • Higher volume handled at PTP.

➢ Group’s PBT recorded lower by 31%YoY due to:
   • Lower contribution from RAPID Material Offloading Facilities (RAPID MOLF) operations at JPB.
   • Lower container volume handled at NMB; and
   • Lower share of profit from Malakoff attributed to lower contribution from Segari Energy Venture’s (SEV) plant and lower fuel margin recorded at coal plants.
## MMC GROUP: CONSOLIDATED INCOME STATEMENT

### Revenue
- **1Q2018**: RM 1,280
- **1Q2017**: RM 925
- **Variance (YoY)**: 38%

### Cost of Sales
- **1Q2018**: RM (906)
- **1Q2017**: RM (566)
- **Variance (YoY)**: 60%

### Gross Profit
- **1Q2018**: RM 373
- **1Q2017**: RM 360
- **Variance (YoY)**: 4%

### Other operating income
- **1Q2018**: RM 45
- **1Q2017**: RM 42
- **Variance**: 7%

### Administrative expenses
- **1Q2018**: RM (169)
- **1Q2017**: RM (163)
- **Variance**: 4%

### Other operating expenses
- **1Q2018**: RM (106)
- **1Q2017**: RM (92)
- **Variance**: 15%

### Finance costs
- **1Q2018**: RM (129)
- **1Q2017**: RM (121)
- **Variance**: 7%

### Share of results:
- **associates**
  - **1Q2018**: RM 35
  - **1Q2017**: RM 57
  - **Variance**: -39%
- **joint ventures**
  - **1Q2018**: RM 15
  - **1Q2017**: RM 12
  - **Variance**: 25%

### Profit before zakat & tax
- **1Q2018**: RM 64
- **1Q2017**: RM 93
- **Variance**: -31%

### Taxation & Zakat
- **1Q2018**: RM (9)
- **1Q2017**: RM (27)
- **Variance**: -67%

### Profit attributable to:
- **Owners of the Parent**
  - **1Q2018**: RM 41
  - **1Q2017**: RM 56
  - **Variance**: -27%
- **Non-controlling interests**
  - **1Q2018**: RM 14
  - **1Q2017**: RM 10
  - **Variance**: 40%

### Variance (YoY)
- **Revenue**: 38%
- **Cost of Sales**: 60%
- **Gross Profit**: 4%
- **Other operating income**: 7%
- **Administrative expenses**: 4%
- **Other operating expenses**: 15%
- **Finance costs**: 7%
- **Share of results: associates**: -39%
- **Share of results: joint ventures**: 25%
- **Profit before zakat & tax**: -31%
- **Taxation & Zakat**: -67%
- **Profit attributable to: Owners of the Parent**: -27%
- **Profit attributable to: Non-controlling interests**: 40%
- **Profit attributable to: **
  - **Owners of the Parent**: RM 41
  - **Non-controlling interests**: RM 14

### Variance (QoQ)
- **Revenue**: 4%
- **Cost of Sales**: 12%
- **Gross Profit**: -12%
- **Other operating income**: -62%
- **Administrative expenses**: -16%
- **Other operating expenses**: -3%
- **Finance costs**: -2%
- **Profit before zakat & tax**: 775%
- **Share of results: associates**: 775%
- **Share of results: joint ventures**: 82%
- **Profit before zakat & tax**: -65%
- **Profit attributable to: Owners of the Parent**: -51%
- **Profit attributable to: Non-controlling interests**: 56%

### Highlights
- Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment Project.
- Higher volume handled at PTP.
- Lower contribution from RAPID MOLF operations at JPB.
- Lower container volume handled at NMB.
- Lower share of profit from Malakoff attributed to lower contribution from SEV plant and lower fuel margin recorded at coal plants.
▪ Ports & Logistics – Lower contribution from RAPID Material Offloading Facilities ("RAPID MOLF") operations at JPB and lower container volume handled at NMB.

▪ Engineering – Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment Project.

▪ Others – Increase in passenger volume at Senai Airport.
▪ Ports & Logistics – Lower contribution from RAPID Material Offloading Facilities ("RAPID MOLF") operations at JPB and lower container volume handled at NMB.

▪ Engineering – Higher work progress from KVMRT-SSP Line.

▪ Corporate & Others – Higher finance cost.
## QUARTERLY SEGMENTAL BREAKDOWN

<table>
<thead>
<tr>
<th>in RM million</th>
<th>1Q2018</th>
<th>1Q2017</th>
<th>Variance (YoY)</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ports &amp; Logistics</td>
<td>655</td>
<td>713</td>
<td>-8%</td>
<td>Lower contribution from RAPID Material Offloading Facilities (“RAPID MOLF”) operations at JPB.</td>
</tr>
<tr>
<td>Engineering</td>
<td>604</td>
<td>193</td>
<td>213%</td>
<td>Lower container volume handled at NMB.</td>
</tr>
<tr>
<td>Corporate &amp; Others</td>
<td>21</td>
<td>19</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,280</td>
<td>925</td>
<td>38%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit before Tax:</th>
<th></th>
<th></th>
<th></th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports &amp; Logistics</td>
<td>67</td>
<td>124</td>
<td>-46%</td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>38</td>
<td>49</td>
<td>-22%</td>
<td>Higher work progress from KVMRT-SSP Line.</td>
</tr>
<tr>
<td>Engineering</td>
<td>74</td>
<td>26</td>
<td>185%</td>
<td></td>
</tr>
<tr>
<td>Corporate &amp; Others</td>
<td>-115</td>
<td>-106</td>
<td>-8%</td>
<td>Higher finance cost.</td>
</tr>
<tr>
<td>Total PBT</td>
<td>64</td>
<td>93</td>
<td>-31%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>4Q2017</th>
<th>Variance (QoQ)</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ports &amp; Logistics</td>
<td>674</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>545</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,235</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

Increase in passenger volume at Senai Airport.

Absence of gain on disposal of equity interest and negative goodwill on acquisition of 49% equity stake in PPSB.
### Ports & Logistics

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (RM million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port of Tanjung Pelepas</td>
<td>713</td>
<td>655</td>
</tr>
<tr>
<td>Johor Port Berhad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northport (M) Bhd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penang Port Sdn Bhd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanjung Bruas Port</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Pre-tax profit

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax profit (RM million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port of Tanjung Pelepas</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Johor Port Berhad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northport (M) Bhd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penang Port Sdn Bhd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanjung Bruas Port</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Operational Statistics

**Port of Tanjung Pelepas**

- **Volume (mil. TEUs)**: 2.18 (7% growth)
- **Throughput (in mil. FWT)**:
  - Liquid bulk: 3.31 (8% growth)
  - Dry bulk: 1.08 (4% growth)
  - Break bulk: 0.22 (29% growth)
  - Total Conventional: 4.61 (8% growth)

**Johor Port Berhad**

- **Volume (mil. TEUs)**: 0.23 (12% growth)

**Northport (M) Bhd**

- **Throughput (in mil. FWT)**:
  - Liquid bulk: 0.60 (16% growth)
  - Dry bulk: 0.64 (17% growth)
  - Break bulk: 0.63 (2% growth)
  - RORO: 0.13 (-6% growth)
  - Total Conventional: 2.00 (10% growth)

**Penang Port Sdn Bhd**

- **Throughput (in mil. FWT)**:
  - Liquid: 1.04 (2% growth)
  - Dry bulk: 1.12 (11% growth)
  - Break bulk: 0.37 (-3% growth)
  - Total Conventional: 2.53 (5% growth)

**Tanjung Bruas Port**

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (000 FWT)</td>
<td>202.7</td>
<td>-13%</td>
</tr>
<tr>
<td>Total Conventional</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Lower revenue recorded due to lower capacity payment recorded from Segari Energy Ventures Sdn. Bhd. ("SEV") following the reduction in tariff under the extended Power Purchase Agreement ("PPA") effective from 1 July 2017.

Lower profit mainly due to lower contribution from SEV as explained above as well as lower fuel margin recorded at Tanjung Bin Power Sdn. Bhd. ("TBP") and Tanjung Bin Energy Sdn. Bhd. ("TBE") coal plants.

Mainly due to higher natural gas tariff and higher volume of gas sold.
ENGINEERING

Revenue

Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment Project.

Pre-tax profit

Higher work progress from KVMRT-SSP Line.

KVMRT Project Progress

Sungai Buloh – Serdang – Putrajaya Line (SSP)

- Elevated: 19%
- Tunneling: 28%

*As of March 2018
Operational Statistics

Senai Airport Terminal

Operational Data

<table>
<thead>
<tr>
<th>Operational Data</th>
<th>1Q18</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Traffic ('000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>671</td>
<td>6%</td>
</tr>
<tr>
<td>International</td>
<td>154</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>825</strong></td>
<td><strong>8%</strong></td>
</tr>
<tr>
<td>Cargo (tonnage)</td>
<td>2,410</td>
<td>49%</td>
</tr>
</tbody>
</table>

Passengers handled (2009 – 2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>International</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.17</td>
<td>1.02</td>
<td>2.19</td>
</tr>
<tr>
<td>2010</td>
<td>1.22</td>
<td>0.02</td>
<td>1.24</td>
</tr>
<tr>
<td>2011</td>
<td>1.32</td>
<td>0.05</td>
<td>1.37</td>
</tr>
<tr>
<td>2012</td>
<td>1.33</td>
<td>1.8</td>
<td>3.13</td>
</tr>
<tr>
<td>2013</td>
<td>1.39</td>
<td>0.25</td>
<td>1.64</td>
</tr>
<tr>
<td>2014</td>
<td>1.99</td>
<td>0.36</td>
<td>2.35</td>
</tr>
<tr>
<td>2015</td>
<td>2.59</td>
<td>0.48</td>
<td>3.07</td>
</tr>
<tr>
<td>2016</td>
<td>2.83</td>
<td>0.44</td>
<td>3.27</td>
</tr>
<tr>
<td>2017</td>
<td>3.13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MMCCorporation Berhad
The Group remains positive on its prospects, driven by improving performance of its operating companies together with contribution from on-going construction projects.

**Ports & Logistics**
- Improve operational performance due to operational and cost synergies as well as to achieve improvements in efficiency and productivity across the division.
- Completion of 100% acquisition in Penang Port Sdn Bhd is expected to contribute positively to the Group’s earnings.

**Energy & Utilities**
- Positive contribution from its two associates.
- Continuous strategic initiatives from Malakoff to secure growth opportunities in the power sector as well as to broaden its earnings base in complementary business sectors for the future.
- Higher gas volume sales at Gas Malaysia.

**Engineering**
- Substantial existing order-book anchored by KVMRT-SSP Line underground work and PDP role
- Other on-going project:
  a. Langat 2 Water Treatment Plant
  b. Langat Centralized Sewerage Project
  c. PDP role for Pan Borneo Sabah Highway
This presentation is not intended to form the basis of any investment decision with respect to MMC Corporation Berhad (MMC). Neither this presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This Presentation is solely based upon Information of MMC. No representation or warranty, express or implied, is or will be made by MMC in relation to, and no responsibility or liability is or will be accepted by MMC as to the accuracy and completeness of, the Information made available, and any liability therefore is expressly disclaimed.

This Presentation contains “forward-looking statements”. Forward-looking statements by their nature involve known and unknown risks, uncertainties and other factors that are in many cases beyond MMC’s control. Although MMC believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates, and MMC undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

This presentation and its contents are strictly confidential and must not be copied, reproduced, distributed, summarized, disclosed referred or passed on to others at any time without the prior written consent of MMC.
Thank You