MMC CORPORATION BERHAD

Q1FY2020
BRIEFING PRESENTATION SLIDES

21 May 2020
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Financial Highlights Q1FY2020</td>
<td>3</td>
</tr>
<tr>
<td>Group Financial Performance Overview</td>
<td>5</td>
</tr>
<tr>
<td>Ports &amp; Logistics</td>
<td>8</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>13</td>
</tr>
<tr>
<td>Engineering</td>
<td>16</td>
</tr>
<tr>
<td>Corporate &amp; Others</td>
<td>20</td>
</tr>
<tr>
<td>Stock Information</td>
<td>24</td>
</tr>
</tbody>
</table>
KEY FINANCIAL HIGHLIGHTS
1QFY2020 KEY FINANCIAL HIGHLIGHTS

**Ports & Logistics**
- Revenue: RM1,086.8 million (2.6% increase)
- PBT: RM114.8 million (18.1% increase)

- Higher volume handled at Port of Tanjung Pelepas ("PTP") and Johor Port Berhad ("JPB").
- Reported a gain on disposal of an asset held for sale at JPB of RM8.7 million.

**Engineering**
- Revenue: RM1,086.8 million (21.8% decrease)
- PBT: RM114.8 million (23.5% increase)

- Lower work progress from the underground work packages for KVMRT-SSP Line.
- PBT increased due to higher interest income and lower operating expenses at KVMRT-SSP Line.

**Energy & Utilities**
- Revenue: RM1,086.8 million (31.4% increase)
- PBT: RM114.8 million (13.3% increase)

- Higher share of profits from associates, specifically from Malakoff due to the contribution from Alam Flora.
- Healthy outstanding orderbook to sustain in the medium term.

**Others**
- Revenue: RM1,086.8 million (12.8% decrease)
- PBT: RM114.8 million (13.3% decrease)

- Lower passenger and cargo volume at Senai Airport, compounded with higher other operating expenses.
GROUP FINANCIAL PERFORMANCE OVERVIEW
QUARTERLY FINANCIAL PERFORMANCE

### Revenue

- **(RM Million)**
  - Q1FY19: 1,143.2
  - Q1FY20: 1,086.8
- 4.9% YoY decrease was due to:
  - Lower work progress from underground work packages for KVMRT-SSP Line
  - Lower volume handled at Northport Malaysia Berhad (“NMB”)
  - Lower contribution from logistics services by Kontena Nasional Berhad (“KNB”)
  - Cushioned by higher volume handled at Pelabuhan Tanjung Pelepas (“PTP”) and Johor Port (“JPB”).

### PBT

- **(RM Million)**
  - Q1FY19: 88.5
  - Q1FY20: 114.8
- 29.7% YoY increase was due to:
  - Higher contributions from PTP and JPB
  - Gain on disposal of an asset held in JPB of RM8.7 million
  - Higher share of results of associates, namely Malakoff
  - Higher interest income and lower operating expenses incurred at the KVMRT-SSP Line
  - Offset by lower contribution from NMB and KNB.
BALANCE SHEET AS AT 31 MARCH 2020
Healthy Net Gearing Position

Total Assets
RM26.07 B  
FY2019: RM26.45 B

Total Equity
RM10.15 B  
FY2019: RM10.11 B

Total Liabilities
RM15.91 B  
FY2019: RM16.34 B

Deposits, Bank and Cash Balances
RM2.45 B  
FY2019: RM1.94 B

Total Borrowings
RM10.14 B  
FY2019: RM10.38 B

Current Ratio
0.76x  
FY2019: 0.74x

Net Asset Per Share
RM3.08  
FY2019: RM3.07

Gross Gearing Ratio
1.00x  
FY2019: 1.03x

Net Gearing Ratio
0.76x  
FY2019: 0.83x
PORTS & LOGISTICS
PORTS & LOGISTICS : FINANCIAL PERFORMANCE

ANNUAL vs 3MFY20 REVIEW

Revenue (RM Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>3,182</td>
</tr>
<tr>
<td>3MFY20</td>
<td>801</td>
</tr>
</tbody>
</table>

PBT (RM Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>PBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>449</td>
</tr>
<tr>
<td>3MFY20</td>
<td>123</td>
</tr>
</tbody>
</table>

QUARTERLY REVIEW

Revenue (RM Million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1FY19</td>
<td>780</td>
</tr>
<tr>
<td>Q4FY19</td>
<td>825</td>
</tr>
<tr>
<td>Q1FY20</td>
<td>801</td>
</tr>
</tbody>
</table>

PBT (RM Million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>PBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1FY19</td>
<td>104</td>
</tr>
<tr>
<td>Q4FY19</td>
<td>144</td>
</tr>
<tr>
<td>Q1FY20</td>
<td>123</td>
</tr>
</tbody>
</table>

2.6% YoY
18.1% YoY
2.9% QoQ
14.6% QoQ
## PORTS & LOGISTICS: FINANCIAL PERFORMANCE

### Revenue (RM Million)
- **Q1FY19**: 780
- **Q1FY20**: 801
  - **Growth (YoY)**: 2.6%

### PBT (RM Million)
- **Q1FY19**: 104
- **Q1FY20**: 123
  - **Growth (YoY)**: 18.1%

### PATMI (RM Million)
- **Q1FY19**: 70
- **Q1FY20**: 67
  - **Growth (YoY)**: 4.3%

### Operational Statistics
#### Port of Tanjung Pelepas

<table>
<thead>
<tr>
<th>Throughput (in mil. FWT)</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container (in mil. TEUs)</td>
<td>2.40</td>
<td>8%</td>
</tr>
</tbody>
</table>

#### Johor Port Berhad

<table>
<thead>
<tr>
<th>Throughput (in mil. FWT)</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid bulk</td>
<td>3.08</td>
<td>-2%</td>
</tr>
<tr>
<td>Dry bulk</td>
<td>1.01</td>
<td>-5%</td>
</tr>
<tr>
<td>Break bulk</td>
<td>0.17</td>
<td>-12%</td>
</tr>
<tr>
<td>Total Conventional</td>
<td>4.27</td>
<td>-3%</td>
</tr>
<tr>
<td>Container (in mil. TEUs)</td>
<td>0.25</td>
<td>6%</td>
</tr>
</tbody>
</table>

#### Northport (M) Bhd

<table>
<thead>
<tr>
<th>Throughput (in mil. FWT)</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid bulk</td>
<td>0.56</td>
<td>-12%</td>
</tr>
<tr>
<td>Dry bulk</td>
<td>0.61</td>
<td>-9%</td>
</tr>
<tr>
<td>Break bulk</td>
<td>0.64</td>
<td>10%</td>
</tr>
<tr>
<td>RORO</td>
<td>0.22</td>
<td>-36%</td>
</tr>
<tr>
<td>Total Conventional</td>
<td>2.04</td>
<td>-9%</td>
</tr>
<tr>
<td>Container (in mil. TEUs)</td>
<td>0.64</td>
<td>-3%</td>
</tr>
</tbody>
</table>

#### Penang Port Sdn Bhd

<table>
<thead>
<tr>
<th>Throughput (in mil. FWT)</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid</td>
<td>1.06</td>
<td>6%</td>
</tr>
<tr>
<td>Dry bulk</td>
<td>0.84</td>
<td>-12%</td>
</tr>
<tr>
<td>Break bulk</td>
<td>0.30</td>
<td>-8%</td>
</tr>
<tr>
<td>Total Conventional</td>
<td>2.20</td>
<td>-4%</td>
</tr>
<tr>
<td>Container (in mil. TEUs)</td>
<td>0.36</td>
<td>-1%</td>
</tr>
</tbody>
</table>

#### Tanjung Bruas Port

<table>
<thead>
<tr>
<th>Throughput</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional (in mil. FWT)</td>
<td>0.26</td>
<td>8%</td>
</tr>
<tr>
<td>Container (in ’000 TEUs)</td>
<td>1.37</td>
<td>N/a</td>
</tr>
</tbody>
</table>

#### Red Sea Gateway Terminal

<table>
<thead>
<tr>
<th>Throughput</th>
<th>YTD 2020</th>
<th>Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container (in mil. TEUs)</td>
<td>0.46</td>
<td>-6%</td>
</tr>
</tbody>
</table>
PTP remains as Maersk’s main transshipment hub.  
Expect lower container volume in Q2. However, this will be potentially cushioned by the increase in demand for PTP’s storage facility and reefers.  
PTP’s RM1.9bn Sukuk Murabahah program was given a preliminary rating of AA-Is by MARC, with positive rating outlook, due to strong market position as a transhipment hub in the region.  
Identified part of FY2020 CAPEX deferment of around RM235 mil is expected to spill over into FY2021.  
Optimising government’s Economic Stimulus Package (e.g. sales tax and import duty on port equipment).

<table>
<thead>
<tr>
<th>Key Strategies</th>
<th>Operational</th>
<th>Key Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TEU (Million)</td>
<td>2.40</td>
<td>YoY Growth</td>
</tr>
<tr>
<td>Total FWT (Million)</td>
<td>2.04</td>
<td>0.64</td>
</tr>
<tr>
<td>Total TEU (Million)</td>
<td>0.25</td>
<td>+6%</td>
</tr>
<tr>
<td>Total FWT (Million)</td>
<td>4.27</td>
<td>-3%</td>
</tr>
</tbody>
</table>

- Expect a decline in the container and conventional's volume as lower Import and Export activity is observed due to Covid-19.  
- Key measures such as the capital expenditure deferment amounting to RM32 million and CAPEX reduction of approximately RM3.5 million are in place to cushion the cashflow impact due to the Covid-19.  
- The Revised Tariff that were effective on 1 March 2019 helped to reduce the cashflow impact.

- Container and conventional volumes are expected to recover during the CMCO period, following the re-opening of manufacturing facilities in Pasir Gudang and surrounding hinterland.  
- FY2020 CAPEX deferment and cancellation amounting to RM74 million is expected to ease cashflow impact due to Covid-19.
### Port & Logistics: Key Strategies

**Key Strategies**

- Container volume from South Thailand is expected to rebound following the reopening of the border at Padang Besar for landbridge and also prime mover-rail mode to Penang Port which was closed during initial period of MCO.
- Recent resumption of factories operations during CMCO is expected to boost local hinterland container.
- FY2020 CAPEX deferment of RM25 mil as part of cashflow management initiatives.
- Conventional volume is expected to recover during CMCO following the resumption of manufacturing facilities within the hinterland (e.g. Bahau, Air Keroh etc).
- Container volume is expected to pick up as China factories resume operations after the lockdown has been lifted.
- FY2020 CAPEX deferment of RM4 mil.
- Container volume is impacted by market softening following Covid-19 and loss of market share due to increase in The Alliances / Ocean Alliance joint service loading.
- However, recent take-over of adjacent terminal (North Container Terminal) in Jeddah port is expected to bring higher volume in FY2020 onwards.

<table>
<thead>
<tr>
<th>Operational</th>
<th>YoY Growth</th>
<th>YoY Growth</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TEU (Million)</td>
<td>0.36</td>
<td>-1%</td>
<td>Total TEU ('000)</td>
</tr>
<tr>
<td>Total FWT (Million)</td>
<td>2.20</td>
<td>-4%</td>
<td>Total FWT (Million)</td>
</tr>
<tr>
<td>Total TEU (Million)</td>
<td>0.46</td>
<td>-6%</td>
<td></td>
</tr>
</tbody>
</table>
ENERGY & UTILITIES : FINANCIAL PERFORMANCE

MALAKOFF

Revenue (RM Million)
- Q1FY19: 2,007
- Q1FY20: 1,774

PATMI (RM Million)
- Q1FY19: 67
- Q1FY20: 88

YoY:
- Revenue: 11.6%
- PATMI: 31.3%

MALAKOFF

Revenue (RM Million)
- Q1FY19: 1,716
- Q1FY20: 1,606

PATMI (RM Million)
- Q1FY19: 41
- Q1FY20: 48

YoY:
- Revenue: 6.4%
- PATMI: 17.1%

Malakoff

<table>
<thead>
<tr>
<th></th>
<th>Revenue (RM million)</th>
<th>PATMI (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCB level</td>
<td>2,007</td>
<td>1,774</td>
</tr>
</tbody>
</table>
| MMC Portion (37.6%) | N/A   | 19^   | 27^  | ^ After deducting PERPS interest

Gas Malaysia

<table>
<thead>
<tr>
<th></th>
<th>Revenue (RM million)</th>
<th>PATMI (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMB level</td>
<td>1,716</td>
<td>1,606</td>
</tr>
<tr>
<td>MMC Portion (30.9%)</td>
<td>N/A</td>
<td>13</td>
</tr>
</tbody>
</table>
Malakoff and Gas Malaysia (associated companies) are expected to provide consistent earnings to the Group

- During MCO, Malakoff’s power plants and Alam Flora have been operating under "business-as-usual" as these businesses are under the essential services category.

- Increased demand for Alam Flora's services for sanitisation and disinfection, particularly in KL, Putrajaya and Pahang. (To date, KL is the largest red zone area in the whole country).

- Overall volume decline during MCO period as certain industries are required to shutdown or minimise operations. However, the decline was cushioned by industries such as rubber and F&B manufacturing, which together contributes more than 50% of volume.

- Recent resumption of business for more industries during CMCO is expected to improve volume demand.
ENGINEERING: FINANCIAL PERFORMANCE

ANNUAL vs 3MFY20 REVIEW

Revenue (RM Million)
PBT (RM Million)

FY19 3MFY20 FY19 3MFY20

1,422 264 289 61

19% 21% 21%

23.5% YoY 9.1% QoQ

21.8% YoY

QUARTERLY REVIEW

Revenue (RM Million)
PBT (RM Million)

Q1FY19 Q4FY19 Q1FY20

338 242 264

49 106 61

23.5% YoY 9.1% QoQ 42.5% QoQ
# ENGINEERING : ORDERBOOK
Outstanding Orderbook as at 31 March 2020 of **RM6.29 Billion**

<table>
<thead>
<tr>
<th>#</th>
<th>Project</th>
<th>Contract Value (RM'mil)</th>
<th>MMC’s Portion</th>
<th>Outstanding Order Book (RM’mil)</th>
<th>JV Partner</th>
<th>Overall Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MRT Line 2 : Sg. Buloh - Serdang - Putrajaya (38.7km) - Overall (Elevated, Underground &amp; System)</td>
<td>17,420</td>
<td>50%</td>
<td>3,851</td>
<td>Gamuda</td>
<td>72.3%</td>
</tr>
<tr>
<td>2</td>
<td>MRT Line 2 : Sg. Buloh - Serdang – Putrajaya (13.5 km) - Underground Works</td>
<td>13,110</td>
<td>50%</td>
<td>1,639</td>
<td>Gamuda</td>
<td>74.4%</td>
</tr>
<tr>
<td>3</td>
<td>Langat Sewerage Project (MMC PLSB)</td>
<td>1,505</td>
<td>100%</td>
<td>287</td>
<td>-</td>
<td>86.5%</td>
</tr>
<tr>
<td>4</td>
<td>Sungai Pulai Bridge</td>
<td>565</td>
<td>60%</td>
<td>224</td>
<td>CHEC</td>
<td>31.6%</td>
</tr>
<tr>
<td>5</td>
<td>PGU-I Gas Pipeline</td>
<td>131</td>
<td>90%</td>
<td>118</td>
<td>-</td>
<td>5.9%</td>
</tr>
<tr>
<td>6</td>
<td>Upgrading NBCT for Penang Port</td>
<td>155</td>
<td>100%</td>
<td>30</td>
<td>-</td>
<td>86.2%</td>
</tr>
<tr>
<td>7</td>
<td>Langat 2 Water Treatment Plant</td>
<td>994</td>
<td>50%</td>
<td>27</td>
<td>Salcon</td>
<td>99.6%</td>
</tr>
<tr>
<td>8</td>
<td>Other projects</td>
<td>175</td>
<td>100%</td>
<td>116</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>34,055</strong></td>
<td></td>
<td><strong>6,292</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other projects: MADA, Rehabilitation works of Container Terminal Yard and ancillary works at Johor Port Berhad, Development of New Container Yard for the purpose of laden & empty containers at JPB, Design & Build contractor for the proposed arrival hall expansion and construction of new passenger holding lounge for Senai International Airport and Proposed Development of 3 Single-Storey Warehouse at NDSB 2 Logistics Hub for Northport (M) Berhad
The Engineering division will continue to provide earnings visibility from its substantial existing order-book, anchored by KVMRT-SSP Line project.

The division remains active in its effort to replenish its order-book whilst focusing on the execution and timely completion of its existing projects.

During the MCO period
✓ Tunneling works on the KVMRT-SSP Line were granted an approval to continue.
✓ Other essential works that were categorized by MITI were also allowed to resume work.

Overall, construction progress for projects was affected and delayed due to MCO. However the backlog in work can be potentially recovered based on key mitigation plans that Management has put in place.
MMC

CORPORATE & OTHERS
Against Actual 2019:
Revenue (RM3 mil) ; PBT (RM13 mil)

- Lower contribution from Senai Airport due to lower volume of passengers and cargo volumes handled.
- Higher other operating expenses.
## Key Strategies

### Operational / Financial

<table>
<thead>
<tr>
<th>Category</th>
<th>YoY Growth</th>
<th>Revenue (RM mil)</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-20.6%</td>
<td>15.5</td>
<td>15.4%</td>
</tr>
<tr>
<td>PBT</td>
<td>-341%</td>
<td>(7.2)</td>
<td>16.6%</td>
</tr>
<tr>
<td>Total Passenger volume</td>
<td>-25.9%</td>
<td>754.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Cargo volume</td>
<td>-18%</td>
<td>2.9</td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Operational / Financial - Treated water volume:

- Water treatment plants (Million m³): 14.6 (+1.4%)
- Recycling plants (Million m³): 0.3 (+76.9%)

### Key Strategies

- Weekly passenger’s volume during CMCO has rebounded slightly to 700-800 passengers in comparison to 400-500 weekly passengers during MCO.
- 2 airlines have been operating weekly in May, namely Firefly and Malindo Air (JHB-SZB & occasionally JHB-KBR).
- FY2020 Capex deferment of RM22 mil with various cost saving initiatives.
- The entry of AIRB in Non-Revenue Water (NRW) project at Johor Port enables AIRB to showcase its capabilities and expertise in successfully undertaking NRW projects.
- Expecting minimal business impact from Covid-19 as business is operated under BOO.
- A few new and smaller businesses may not materialise as planned (i.e. Industrial wastewater customers).
Investor M

Alternative Land under consideration (57 acres)

Pending Proposal Assessment (50 acres)

Investor G

Alternative Land under consideration (40+20 acres)

Investor Z

Alternative Land under consideration (9.89 acres)

Investor A

Pending LOO Acceptance (24.75 acres)

Investor S

LOO Accepted (1.6 acres)

INVESTOR M

Investor E

Investor Z

Investor S

Investor A

Investor G

Investor E

SPAs Signed

Sales Pipeline

~82.61*

Acres

* Not inclusive of alternative land under consideration

CORPORATE & OTHERS : KEY STRATEGIES

Senai Airport City

PARTIES

Investor A 4.88 Developer/ REIT
Investor G 7.19 Developer/ REIT
Investor E 7.19 Developer/ REIT

Acres

19.26

Sales Pipeline

~82.61*

Acres

* Not inclusive of alternative land under consideration

Deferred

In Negotiation (6.26 acres)

SPAs

Signed

In Negotiation (6.26 acres)

Pending LOO Acceptance (24.75 acres)

LOO Accepted (1.6 acres)
STOCK INFORMATION

Source: Bloomberg as at 12 May 2020

Stock Quote
MMC
Market Cap (RM Billion) 2.147
Shares Outstanding (Billion) 3.05
52-Week Range (High) 1.25
52-Week Range (Low) 0.45
P/E Ratio 8.39
30-Day Average Volume 13,277,460

SHAREHOLDING STRUCTURE (%) AS AT 31 MARCH 2020

<table>
<thead>
<tr>
<th>Institution</th>
<th>Date</th>
<th>Call</th>
<th>Target Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aminvestment</td>
<td>26 February 2020</td>
<td>Buy</td>
<td>RM 1.50</td>
</tr>
<tr>
<td>AllianceDBS</td>
<td>26 February 2020</td>
<td>Buy</td>
<td>RM 1.49</td>
</tr>
<tr>
<td>Kenanga</td>
<td>26 February 2020</td>
<td>Hold</td>
<td>RM 0.97</td>
</tr>
<tr>
<td>MIDF</td>
<td>26 February 2020</td>
<td>Buy</td>
<td>RM 1.27</td>
</tr>
<tr>
<td>UOB Kay Hian</td>
<td>26 February 2020</td>
<td>Hold</td>
<td>RM 1.20</td>
</tr>
</tbody>
</table>

AVERAGE TP RM 1.31
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!

+603 2071 1122
investor@mmc.com.my