

MMC Corporation Berhad

Financial Results Ended 30 September 2018 (9M2018)

November, 2018





➤ Group revenue recorded higher by 17%YoY mainly due to:

- Higher cumulative work progress from KVMRT-SSP Line;
- Consolidation of PPSB's revenue;
- Higher volume handled at PTP; and
- Higher work progress at Langat Sewerage Treatment project.

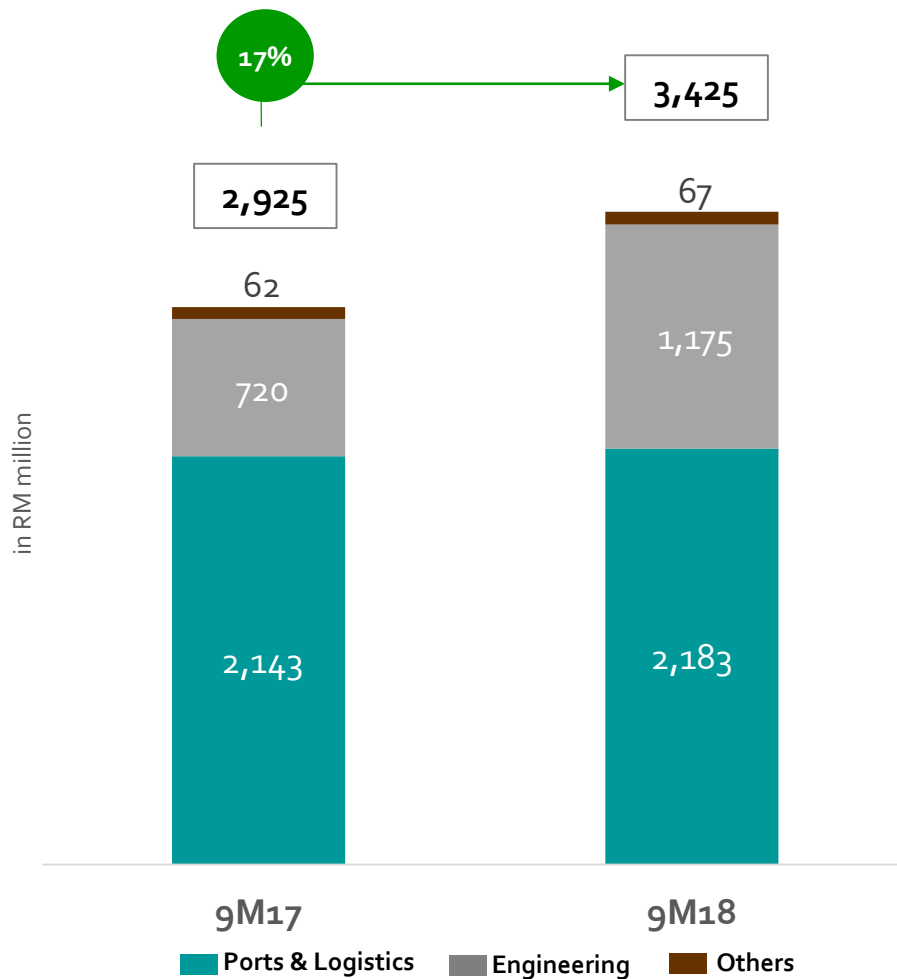
➤ Group's PBT recorded lower by 26%YoY due to:

- Lower contribution from RAPID Material Offloading Facilities (RAPID MOLF) operations at JPB;
- Lower container volume handled at NMB;
- Lower share of profit from Malakoff attributed to lower contribution from Segari Energy Venture's (SEV) plant, lower fuel margin recorded at coal plants, lower contribution from associates and no compensation payment from settlement of dispute in the current period;
- Lower contribution from KVMRT-SBK line following full completion in July 2017; and
- No forfeited deposit on land sale transaction at SAC.

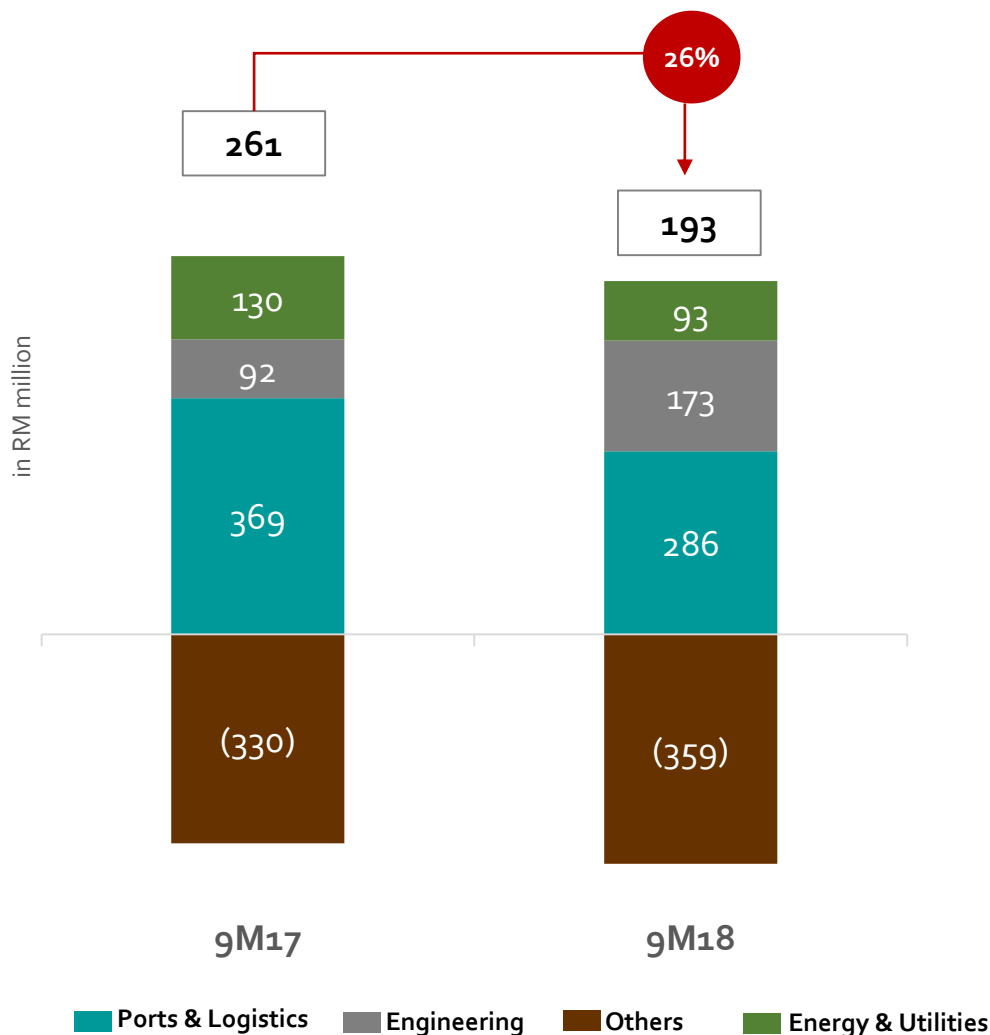
MMC GROUP: CONSOLIDATED INCOME STATEMENT



in RM million	9M2018			Highlights	3Q2018			Highlights	
	9M2018	9M2017	Variance (YoY)		3Q2018	2Q2018	Variance (QoQ)		
Revenue	3,425	2,925	17%	<ul style="list-style-type: none"> - Higher cumulative work progress from KVMRT-SSP Line. - Higher volume handled at PTP. - Consolidation of PPSB's revenue. - Higher work progress at Langat Sewerage Treatment project. 	944	1,201	-21%	<ul style="list-style-type: none"> - Recognition of negative goodwill of RM51.7 mil arising from acquisition of remaining 51% equity stake in PPSB upon finalization of PPA. 	
Cost of Sales	(2,265)	(1,797)	-26%		<ul style="list-style-type: none"> - 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's plant, lower fuel margin recorded at coal plants, lower contribution from associates and no settlement received on dispute. - Lower contribution from KVMRT-SBK line following full completion in July 2017. - No forfeited deposit on land sale transaction at SAC 	(560)	(812)		-31%
Gross Profit	1,160	1,129	3%		<ul style="list-style-type: none"> - 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's plant, lower fuel margin recorded at coal plants, lower contribution from associates and no settlement received on dispute. - Lower contribution from KVMRT-SBK line following full completion in July 2017. - No forfeited deposit on land sale transaction at SAC 	384	389		-1%
Other operating income	150	118	27%		74	32	131%		
Administrative expenses	(564)	(521)	-8%		(207)	(175)	-18%		
Other operating expenses	(300)	(252)	-19%		(73)	(121)	40%		
Finance costs	(399)	(360)	-11%		(139)	(130)	-7%		
Share of results:									
associates	85	130	-35%		31	19	63%		
joint ventures	61	17	259%		20	26	-23%		
Profit before zakat & tax	193	261	-26%		89	40	123%		
Taxation & Zakat	(56)	(93)	40%		(37)	(11)	-236%		
Profit attributable to:									
Owners of the Parent	100	135	-26%		39	20	95%		
Non-controlling interests	37	33	12%		13	9	44%		
	137	168	-18%		52	29	79%		
EPS (sen)	3.3	4.4	-13%		1.3	0.7	86%		



- Ports & Logistics – Higher volume handled at PTP and effect from full consolidation of PPSB’s revenue.
- Engineering – Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment Project.
- Others – Higher passenger volume at Senai Airport.



- Ports & Logistics – Lower contribution from RAPID MOLF operations at JPB and lower container volume handled at NMB.
- Engineering – Higher work progress from KVMRT-SSP Line and no one-off provision for impairment in SMART.
- Energy & Utilities – Lower share of profit from Malakoff attributed to lower contribution from SEV’s plant, lower fuel margin recorded at coal plants, lower contribution from associates and no settlement received on dispute in the current period.
- Corporate & Others – Higher finance costs incurred and no forfeited deposit on land sale transaction at SAC.

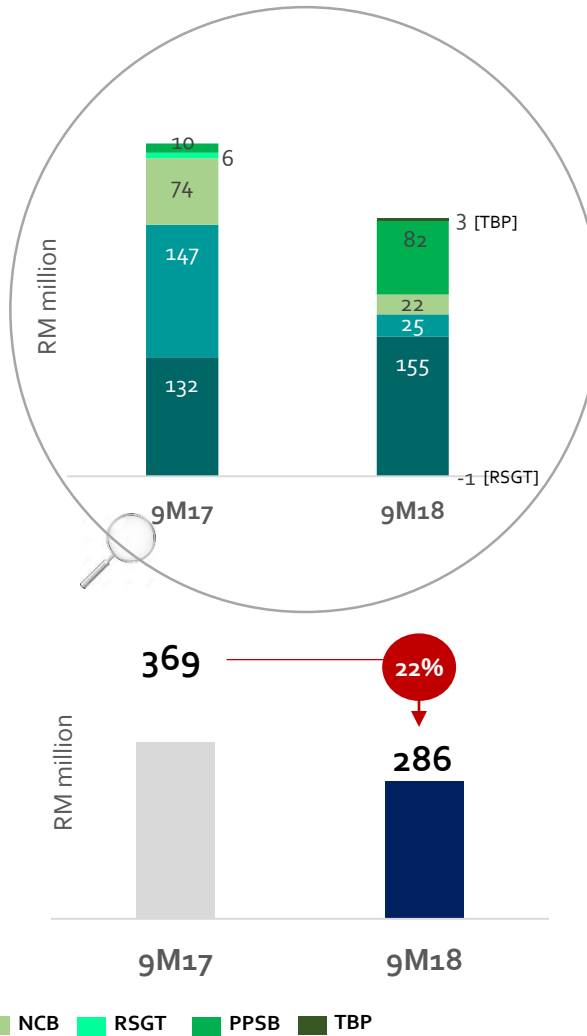
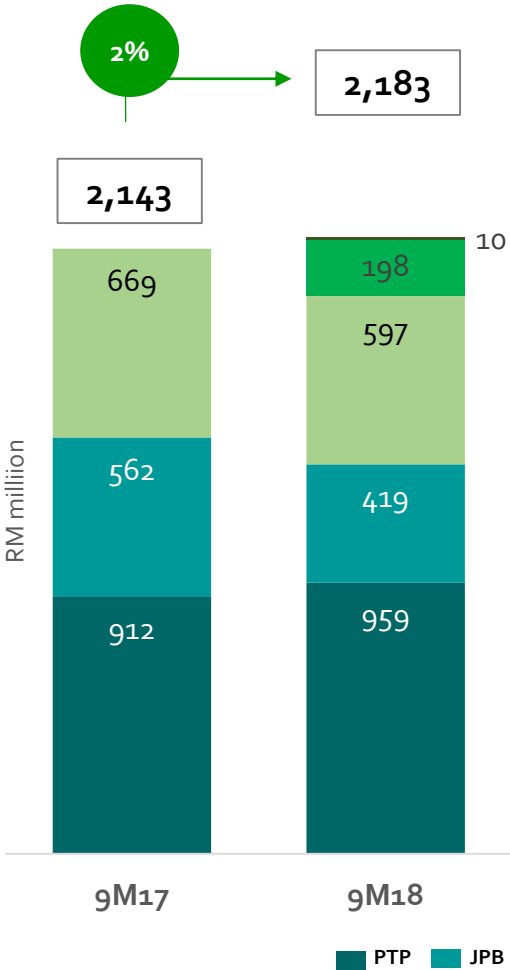
QUARTERLY SEGMENTAL BREAKDOWN



Quarterly Segmental breakdown	9M2018			Highlights	3Q2018			Highlights
	9M2018	9M2017	Variance (YoY)		3Q2018	2Q2018	Variance (QoQ)	
Revenue:								
Ports & Logistics	2,183	2,143	2%	Higher work progress from KVMRT-SSP Line and Langat Sewerage Treatment project.	789	740	7%	- Higher volume handled at PTP.
Engineering	1,175	720	63%		131	439	-70%	- Consolidation of PPSB's results post additional 51% acquisition in May 2018.
Corporate & Others	67	62	8%		24	22	9%	- Lower work progress from KVMRT-SSP Line.
Total revenue	3,425	2,925	17%		944	1,201	-21%	
Profit before Tax:								
Ports & Logistics	286	369	-22%	• Lower contribution from RAPID MOLF operations at JPB. • Lower container volume handled at NMB.	137	70	96%	- Recognition of negative goodwill of RM51.7 mil arising from acquisition of remaining 51% equity stake in PPSB upon finalization of PPA.
Energy & Utilities	93	130	-28%		- Higher work progress from KVMRT-SSP Line. - No one-off provision for impairment in SMART.	29	26	12%
Engineering	173	92	88%		21	78	-73%	- Lower contribution from KVMRT-SSP Line.
Corporate & Others	(359)	(330)	-9%	- Higher finance cost. - No forfeited deposit on land sale transaction at SAC.	(98)	(134)	27%	
Total PBT	193	261	-26%		89	40	123%	

Revenue

Pre-tax profit



Operational Statistics

Port of Tanjung Pelepas

Volume	9M18	Growth (YoY)
Container (mil. TEUs)	6.6	5%

Johor Port Berhad

Throughput (in mil. FWT)	9M18	Growth (YoY)
Liquid bulk	10.5	15%
Dry bulk	3.1	-9%
Break bulk	0.6	23%
Total Conventional	14.2	10%
Container (in mil. TEUs)	0.7	6%

Northport (M) Bhd

Throughput (in mil. FWT)	9M18	Growth (YoY)
Liquid bulk	1.8	17%
Dry bulk	2.1	7%
Break bulk	1.9	4%
RORO	0.4	-2%
Total Conventional	6.3	8%
Container (in mil. TEUs)	2.1	-8%

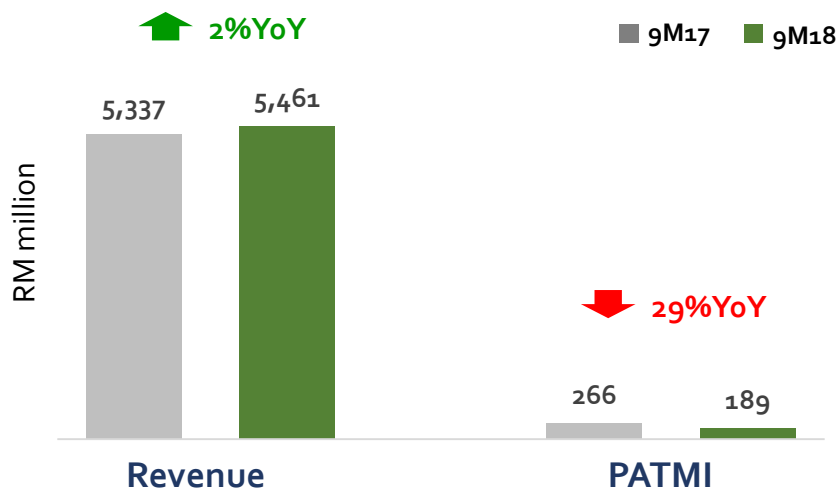
Penang Port Sdn Bhd

Throughput (in mil. FWT)	9M18	Growth (YoY)
Liquid	3.3	0%
Dry bulk	3.4	13%
Break bulk	1.1	16%
Total Conventional	7.8	7%
Container (in mil. TEU)	1.1	1%

Tanjung Bruas Port

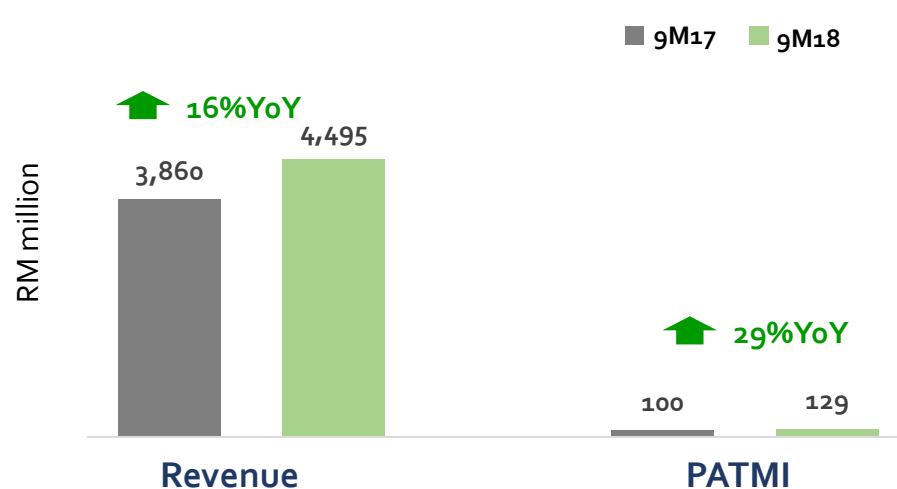
Volume ('000 FWT)	9M18	Growth (YoY)
Total Conventional	479	-27%

MALAKOFF Company Level



- Slightly higher revenue recorded due to higher energy payment recorded from TBP and TBE on the back of higher applicable coal price as well as SEV given the higher dispatch factor and increase in natural gas tariff under the extended PPA.
- Lower profit mainly due to lower capacity payment recorded by SEV following the reduction in tariff under the extended PPA, lower fuel margin recorded at TBP and TBE coal plants, lower contributions from associates investments and TBP's compensation payment received from settlement of dispute with IHI over TBP's boiler failure recorded in the corresponding period.

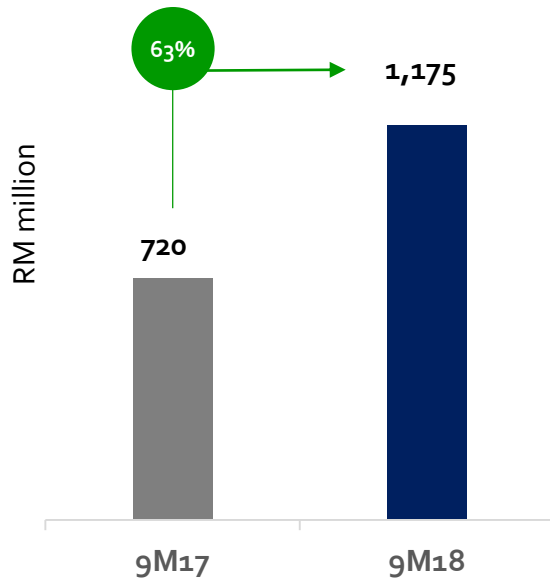
GAS MALAYSIA Company Level



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

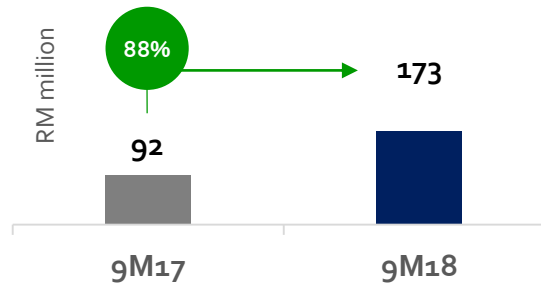
Revenue

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



Pre-tax profit

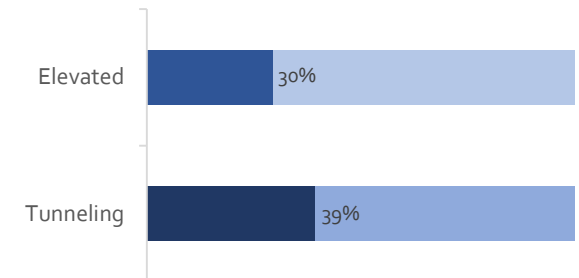
Higher work progress from KVMRT-SSP Line and no one-off provision for impairment in SMART.



KVMRT Project Progress



Sungai Buloh – Serdang – Putrajaya Line (SSP)



*As of September 2018

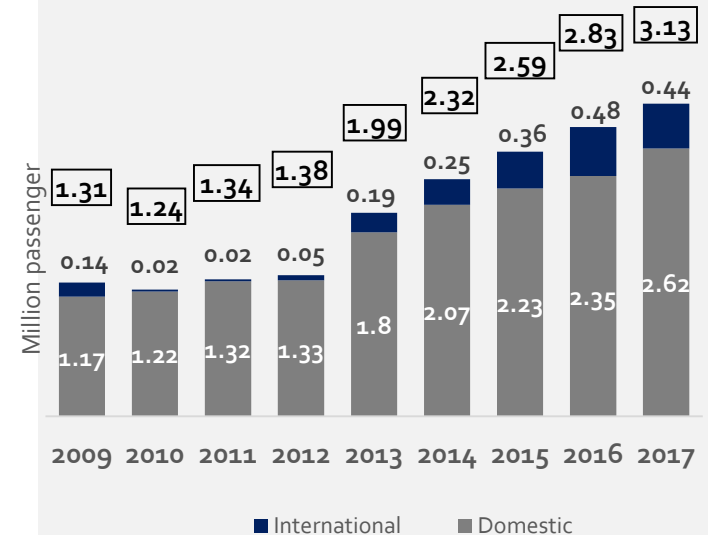


Operational Statistics

Senai Airport Terminal

Operational Data	9M18	Growth (YoY)
Passengers Traffic ('000)		
Domestic	2,045	6%
International	493	33%
Total	2,538	10%
Cargo (tonnage)	6,823	30%

Passengers handled (2009 – 2017)





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 acquisition of the balance 51% interest 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.
- Other on-going project:
 - a. Langat 2 Water Treatment Plant
 - b. Langat Centralized Sewerage Project
 - c. PDP role for Pan Borneo Sabah Highway

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