MMC CORPORATION BERHAD

4QFY2019 & FY2019
Briefing Presentation

27 February 2020

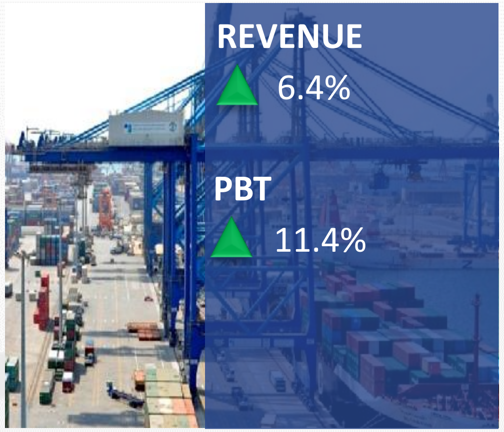
CONTENTS

Revenue
RM4,717.3 million

Profit Before Tax (“PBT”)
RM532.8 million

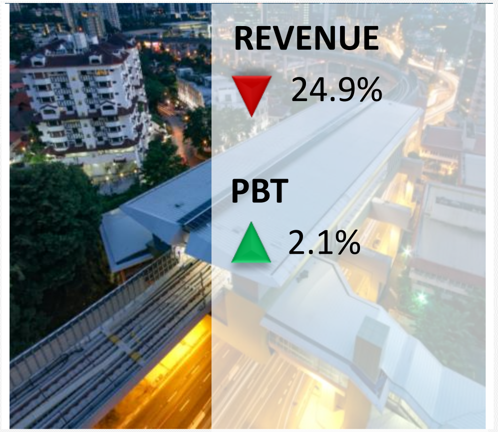
Profit After Tax And Minority Interest (“PATMI”)
RM255.2 million

Ports & Logistics



- Higher volume handled at Port of Tanjung Pelepas (“PTP”) and Johor Port Berhad (“JPB”).
- Higher profit contribution from port entities, due to the full-year consolidation of Penang Port Sdn. Bhd. (“PPSB”)

Engineering

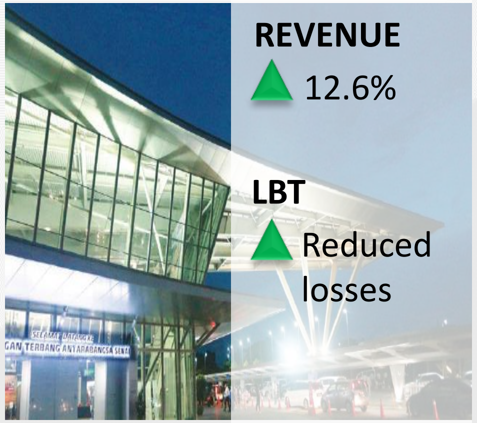


- Lower work progress during the year from Engineering projects.
- Reversal of provision no longer required at previously completed Electrified Double Track Project (“EDTP”).
- Healthy outstanding orderbook to sustain in the medium term.

Energy & Utilities

- Higher share of results from associates.

Others

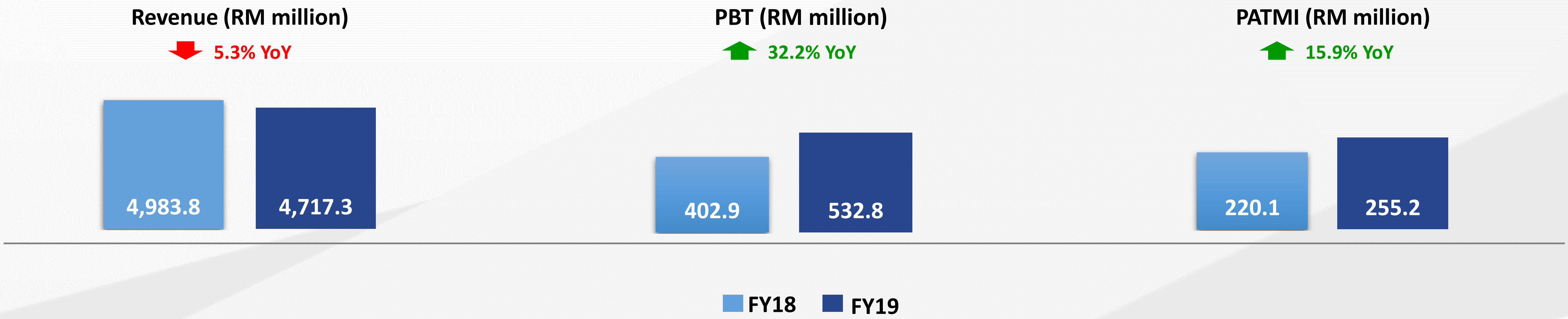


- Higher passenger volume at Senai Airport by 21.2% - fastest growing airport in Malaysia for FY2019.

GROUP FINANCIAL PERFORMANCE OVERVIEW

ANNUAL FINANCIAL PERFORMANCE

Strong Bottomline Growth Despite Challenging Business Environment



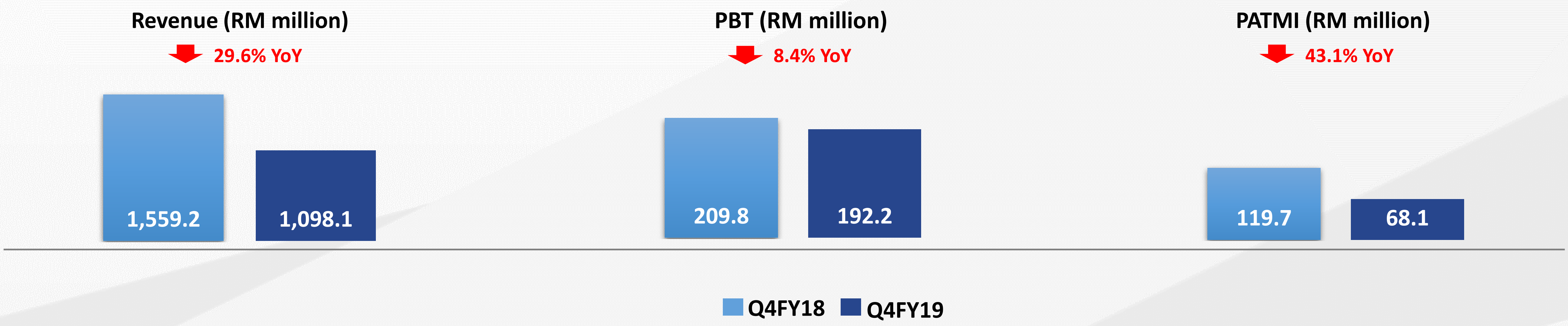
Revenue

- A 5.3% decrease was due to lower work progress from Klang Valley Mass Rapid Transit (“KVMRT”) Sungai Buloh – Serdang - Putrajaya (“SSP”) Line following revision of contract in November 2018, and from the Langat Sewerage project
- This was mitigated by higher volume handled at PTP and JPB, consolidation of PPSB’s revenue and higher passenger volume at Senai Airport.

PBT

- A 32.2% increase in the PBT are attributable to:
    - Higher contributions from port entities;
    - Higher share of results of associates namely Malakoff;
    - Higher passenger volume at Senai Airport;
    - Reversal of provision no longer required at Double Track project; and
    - Lower administrative costs.

QUARTERLY FINANCIAL PERFORMANCE



Revenue

- A 29.6% decrease due to lower work progress from KVMRT-SSP Line following revision of contract in November 2018, and from the Langat Sewerage project in the current quarter.

PBT

- A 8.4% decrease due to lower work progress from KVMRT-SSP Line and provision for impairment of receivables. However, this is offset by a reversal of provision no longer required at Double Track project.

PATMI

- A 43.1% decrease due to higher effective tax rate for FY2019 attributed to effects of non-deductible expenses for tax purposes, under provision of prior years' tax and impact of revision of tax treatment on unutilised losses and allowances.

BALANCE SHEET

Healthy Net Gearing Position, Improved From FY2018 arising from strong operational cashflow

Total Assets
RM26.73 B
FY2018: RM25.30 B

Total Equity
RM9.99 B
FY2018: RM10.29 B

Total Liabilities
RM16.74 B
FY2018: RM15.01B

Deposits, Bank and Cash Balances
RM2.39 B
FY2018: RM1.62 B

Total Borrowings
RM10.38 B
FY2018: RM10.68 B

Current Ratio
0.76x
FY2018: 0.85x

Net Asset Per Share
RM3.04
FY2018: RM3.14

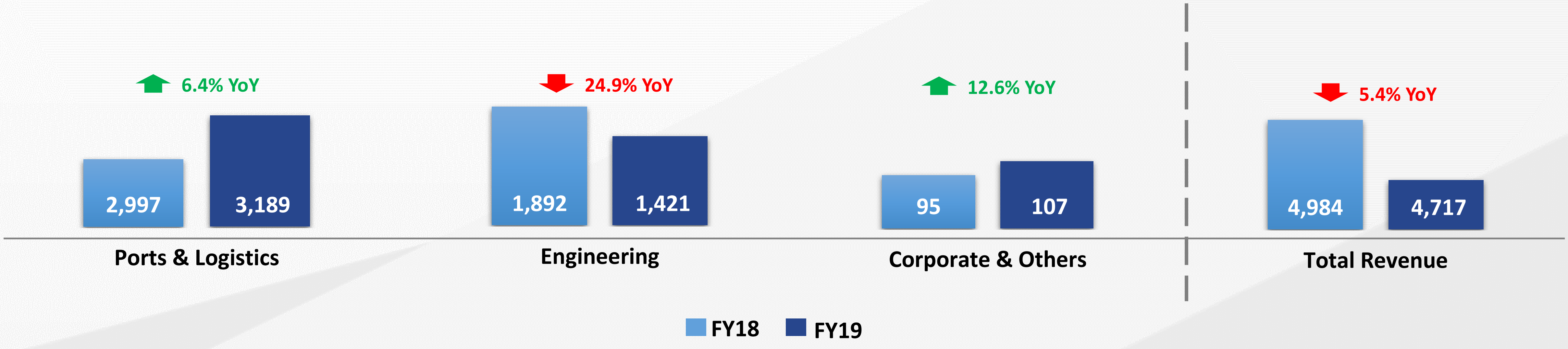
Gross Gearing Ratio
1.04x
FY2018: 1.04x

Net Gearing Ratio
0.80x
FY2018: 0.88x

Snapshot As At 31 December 2019

SEGMENTAL
FINANCIAL RESULTS

REVENUE CONTRIBUTION TO THE GROUP (RM'MILLION)



Port and Logistics

- Revenue increased by 6.4% due higher volume handled by PTP and JPB and full consolidation of PPSB's revenue.

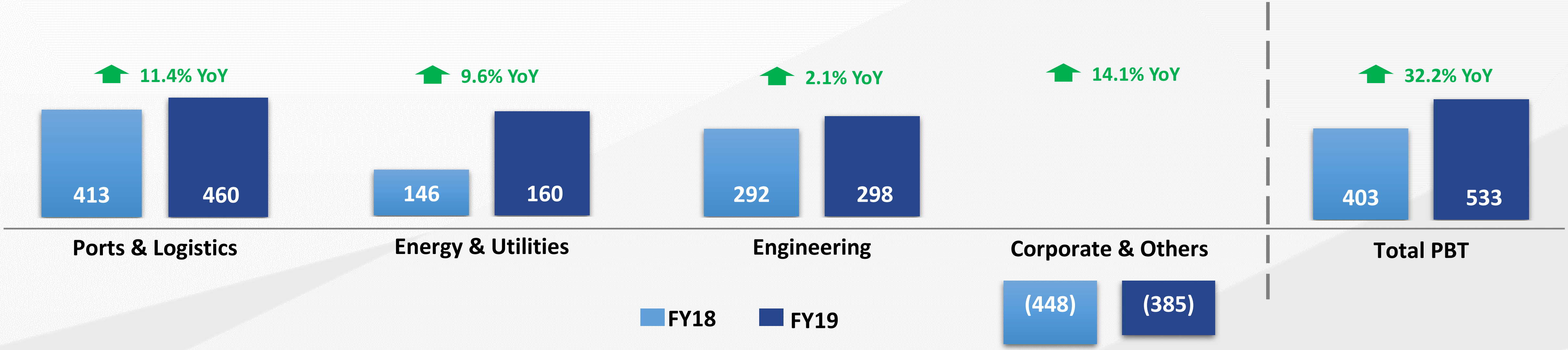
Engineering

- Revenue decreased by 24.9% due to lower work in progress from Langat Sewerage project and lower contribution from KVMRT-SSP line, following the revision of contract in November 2018.

Corporate & Others

- Revenue increased by 12.6% due to higher passenger and cargo volumes at Senai Airport.

PBT CONTRIBUTION TO THE GROUP (RM'MILLION)



Port and Logistics

- PBT increased by 11.3% due to higher volume handled at PTP and JPB, oil spill compensation at PTP and gain on disposal of an asset held for sale at JPB.

Energy & Utilities

- PBT increased by 9.6% due to higher contribution from Malakoff attributed to net one-off gain on disposal of investment in its subsidiary, fair value remeasurement gain on existing investment in its associate, lower barging and demurrage costs and lower net finance costs.

Engineering

- PBT increased by 1.9% due to reversal of provision no longer required at EDTP.

Corporate & Others

- Loss Before Tax ("LBT") improved due to higher contribution from Senai Airport, gain on disposal of an asset held for sale, lower finance costs and lower administrative costs.

PORTS & LOGISTICS

PORTS & LOGISTICS : FINANCIAL PERFORMANCE

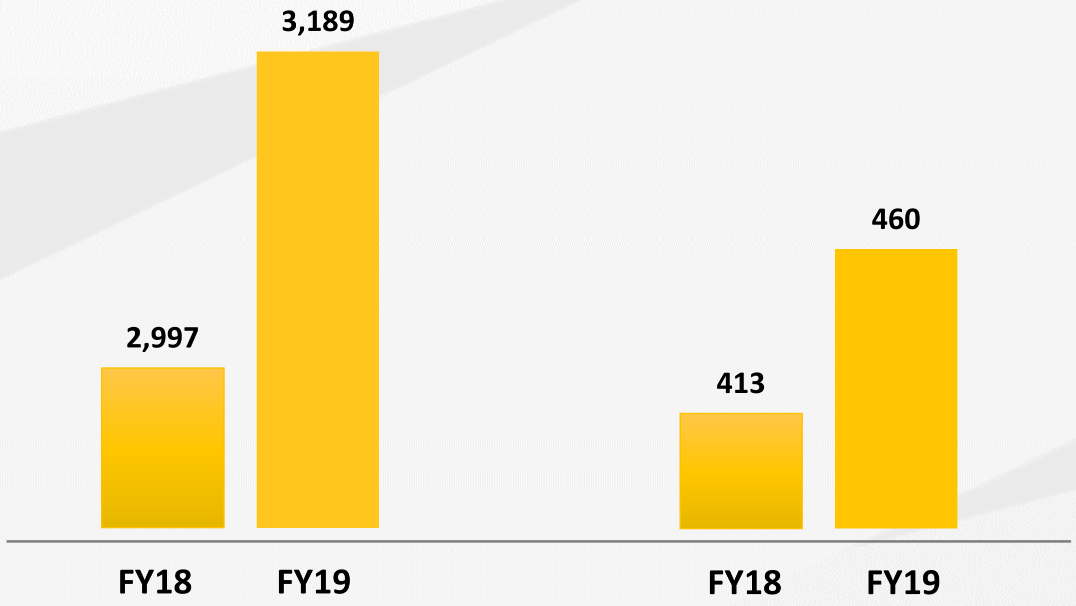
ANNUAL REVIEW

Revenue (RM million)

6.4% YoY

PBT (RM million)

11.4% YoY



QUARTERLY REVIEW

Revenue (RM million)

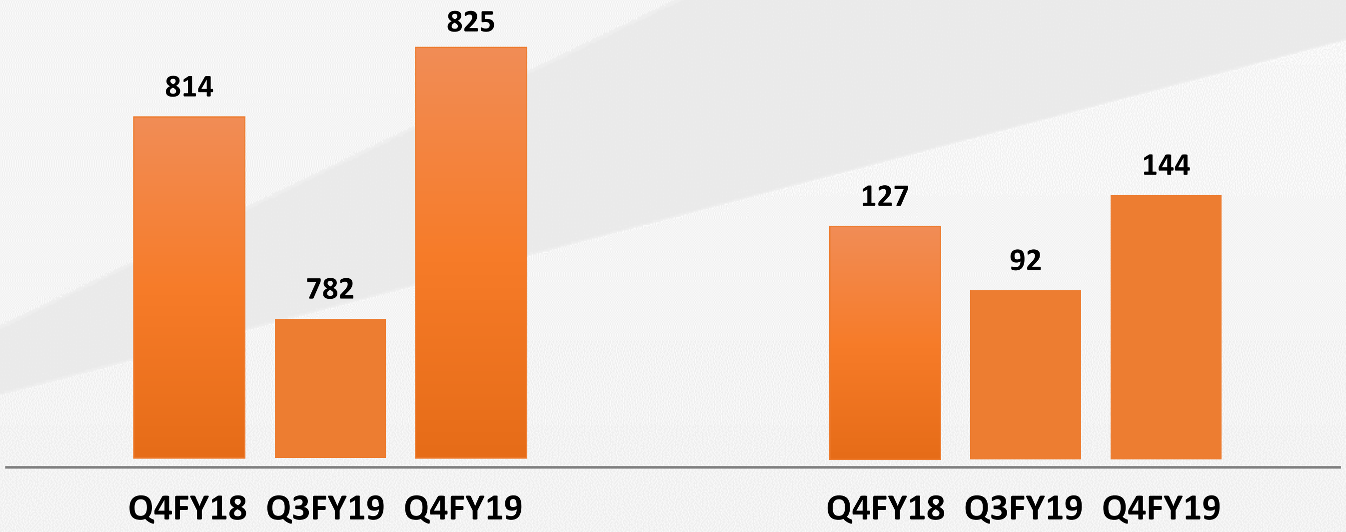
1.4% YoY

5.5% QoQ

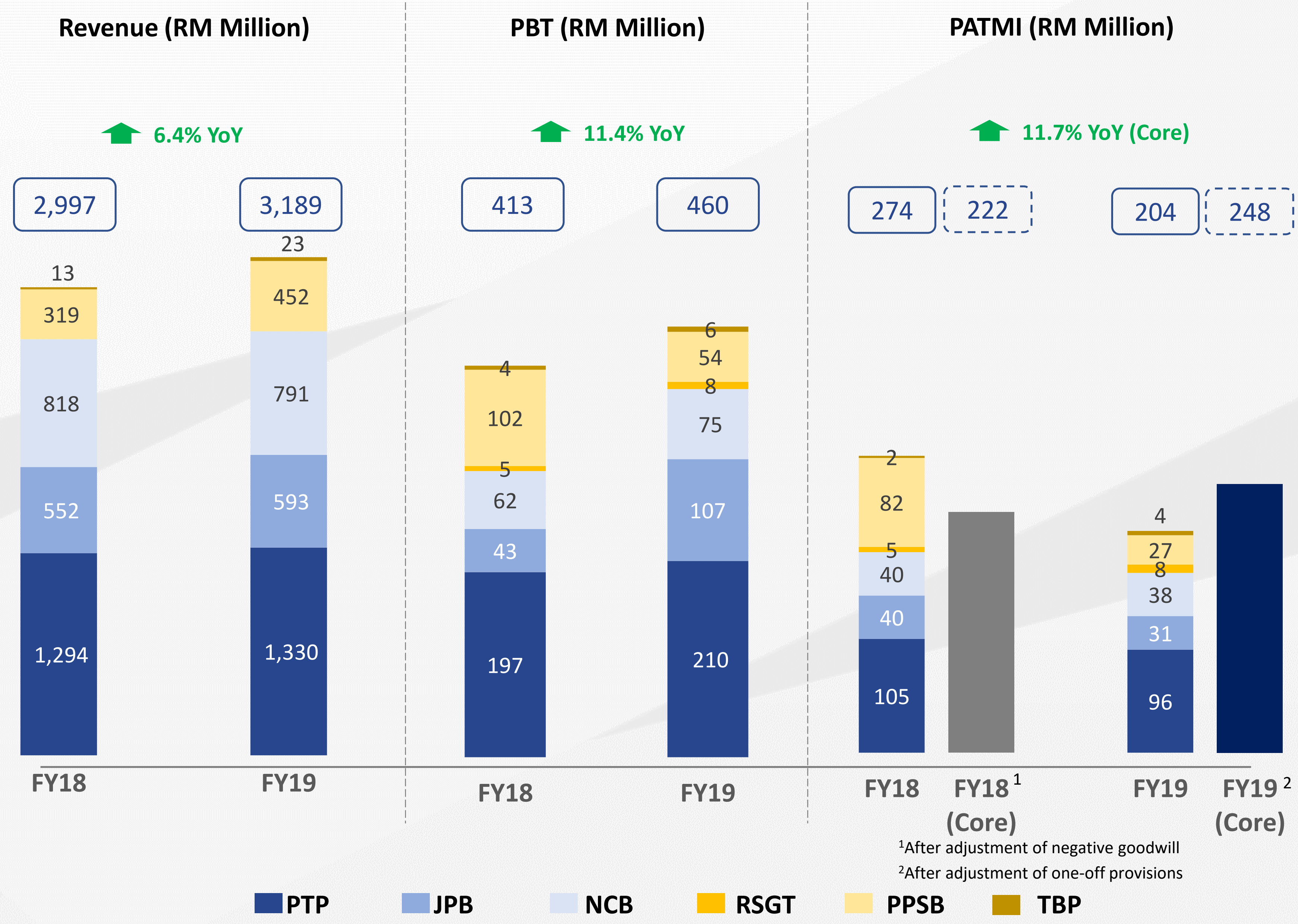
PBT (RM million)

13.4% YoY

56.5% QoQ



PORTS & LOGISTICS : FINANCIAL PERFORMANCE



[1]After adjustment of negative goodwill

[2]After adjustment of one-off provisions

Operational Statistics

Port of Tanjung Pelepas

Volume	FY19	Growth (YoY)
Container (in mil. TEUs)	9.1	**0.9%**

Johor Port Berhad

Throughput (in mil. FWT)	FY19	Growth (YoY)
Liquid bulk	13.6	**-3.1%**
Dry bulk	3.9	**-4.3%**
Break bulk	0.7	**-24.8%**
Total Conventional	**18.2**	**-4.4%**
Container (in mil. TEUs)	1.0	**10.8%**

Northport (M) Bhd

Throughput (in mil. FWT)	FY19	Growth (YoY)
Liquid bulk	2.5	**-2.4%**
Dry bulk	2.8	**-2.8%**
Break bulk	2.8	**10.3%**
RORO	1.2	**74.9%**
Total Conventional	**9.3**	**7.2%**
Container (in mil. TEUs)	2.7	**-2.3%**

Penang Port Sdn Bhd

Throughput (in mil. FWT)	FY19	Growth (YoY)
Liquid	4.3	**-1.6%**
Dry bulk	3.5	**-19.8%**
Break bulk	1.5	**-2.0%**
Total Conventional	**9.3**	**-10.3%**
Container (in mil. TEUs)	1.5	**-1.3%**

Tanjung Bruas Port

Volume ('000 FWT)	FY19	Growth (YoY)
Total Conventional	1.0	**38.4%**
Container (in 'ooo TEUs)	11.7	**New service**

PORTS & LOGISTICS : HIGHLIGHTS OF 2019

Financials & Operational cv

PTP

		YoY Growth
Total TEU (Million)	9.1	+0.9%
Revenue (RM million)	1,307	+2.5%
PBT (RM million)	206	+6.0%

NORTHPORT MALAYSIA'S WORLD PORT

		YoY Growth
Total TEU (Million)	2.7	-2.3%
Total FWT (Million)	9.3	+7.2%
Revenue (RM million)	635	+2.0%
PBT (RM million)	100	+26.0%

JohorPort®

		YoY Growth
Total TEU (Million)	1.0	+10.8%
Total FWT (Million)	18.2	-4.4%
Revenue (RM million)	540	+12.3%
PBT (RM million)	153	+91.3%

Key Highlights 2019

- Handled **highest monthly throughput of 823,203 TEUs** (Dec 2019) in PTP's history
- The first port in the world to hit back to back record for highest utilization of a container vessel with **record load of 19,574 TEUs for MSC Gulsun** in July surpassing world-record set in June of 19,284 TEUs Maersk Monaco
- **Successfully upgraded its Terminal Operating System** to Navis N4 on 11 July 2019

- **Highest conventional volume in the past 5 years**
- **First Malaysian port to be awarded the ISO 45001:2018 standard** for occupational safety, health and environment
- **Signed strategic collaboration with Proton** as their homeport for all Proton vehicles and CKD
- **Doubled RORO units handling in 2019**

- Container: **Handled the highest container throughput of 1.04 mil TEU in JPB history**
- Dry Bulk: **Completion of Warehouse 3E, fully operational and 100% tenanted**
- **Commencement of operations of Solid Product Jetty in Pengerang** in April 2019
- Marine: Entered into an agreement with Tyden Engineering Sdn Bhd in June 2019 for **provision of Marine Services to Jimah East Power Plant**

PORTS & LOGISTICS : HIGHLIGHTS OF 2019

PENANGPORT | TANJUNG BRUAS PORT | محطة بوابة البحر الأحمر RED SEA GATEWAY TERMINAL

Financials & Operational

Penang Port

		YoY Growth
Total TEU (Million)	1.5	-1.3%
Total FWT (Million)	9.3	-10.3%
Revenue (RM million)	452	-5.6%
PBT (RM million)	69	+0.7%

Tanjung Bruas Port

		YoY Growth
Total TEU (Thousand)	11.7	-
Total FWT (Million)	1.0	+38.4%
Revenue (RM million)	23	+75.7%
PBT (RM million)	6	+0.4%

Red Sea Gateway Terminal

		YoY Growth
Total TEU (Million)	1.9	+24.0%
Revenue (SAR million)	442	+27.8%
PBT (SAR million)	58	+135%

Key Highlights 2019

Penang Port

- **Continued expansion of NBCT (T1)** to 2.5 mil TEU capacity
- Undertaking **redevelopment of SPCT** to accommodate berthing of two mega cruise vessels at any one time.
- Handled **1.16 mil** cruise passengers (+9% YoY)

Tanjung Bruas Port

- Commencement of **container operations in April 2019**
- **Highest conventional cargo** handled since privatization in 2016

Red Sea Gateway Terminal

- Handled **highest throughput of 1.94 mil** since inception
- Gained **higher market share of c. 31% in Jeddah Islamic Port** (from 23% in 2018)
- Signed **new concession agreement for Jeddah Expansion** with expected consolidation in mid 2020.

PORTS & LOGISTICS : OUTLOOK

- **Moderate growth:** Uncertain economic and trade outlook as well as slow start to the year due to Coronavirus.
- **Dampened global trade:** Rising trade protectionism and economic nationalism e.g. US – China trade war.
- **Rise in East-Asian trade:** Taking advantage of the diversion of trade out of China, and ASEAN as alternative manufacturing base.
- **Operational and cost synergies** would further improve the performance of its Ports & Logistics division
- **Continuous investments** into the ports' infrastructure, capacities and capabilities along with execution of operational plans are expected to deliver positive results.

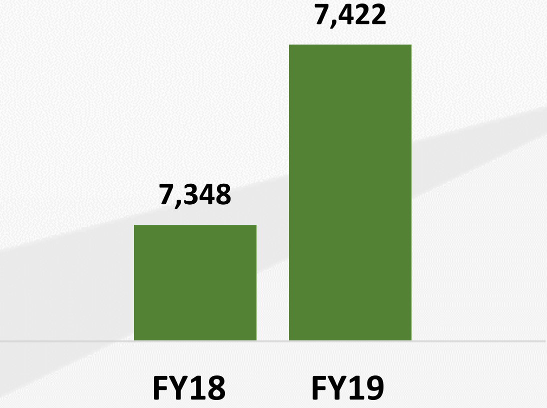
ENERGY & UTILITIES

ENERGY & UTILITIES : FINANCIAL PERFORMANCE

MALAKOFF Company Level (Energy)

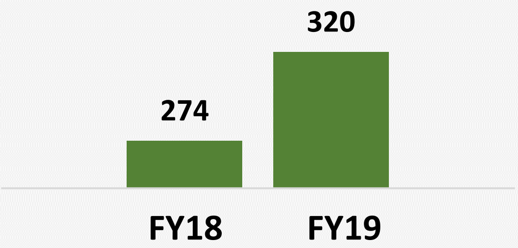
Revenue[1] (RM million)

1.0% YoY



PATMI[1] (RM million)

16.8% YoY



MMC's portion of 37.6% totaling to RM101 million from the total FY2019 PATMI [2]

- Revenue increased due to higher energy payment recorded from Segari Energy Ventures Sdn. Bhd. ("SEV") in line with the increase in dispatch factor, higher capacity income recorded from Tanjung Bin Energy Sdn. Bhd.("TBE") and one-month revenue contribution from newly acquired subsidiary, Alam Flora Sdn Bhd (" AFSB ")

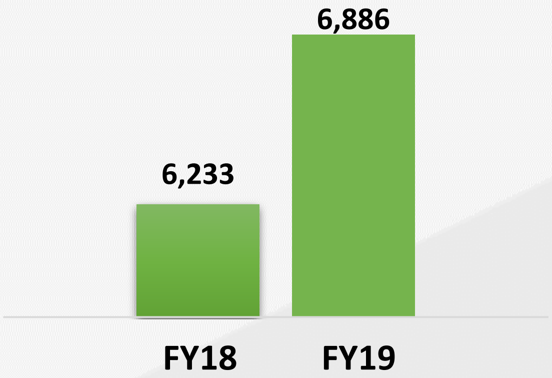
[1] Results are a combination of continuing and discontinued operations

[2] *After perpetual interest*

GAS MALAYSIA Company Level (Gas)

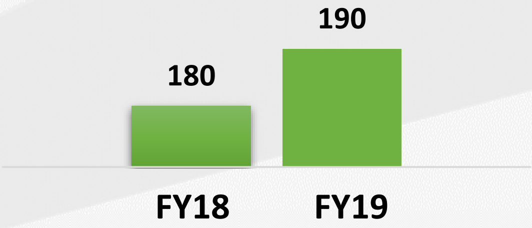
Revenue (RM million)

10.5% YoY



PATMI (RM million)

8.8% YoY



MMC's portion of 30.9% totaling to RM59 million from the total FY2019 PATMI

- Revenue increased due to the higher natural gas tariff and higher volume of natural gas sold.
- Higher earnings mainly due to higher share of results in joint ventures companies.

MMC

MALAKOFF

Operational

Net Energy Generated

37.65 TWh

0.2% YoY

Key Highlights 2019

- **Completion of** RM869 mil acquisition of **Alam Flora.**
- **Disposal of Malakoff's entire 50% participating interest in Macarthur wind farm** for a cash consideration of AUD344.67 million
- **Acquisition of Khazanah Nasional's entire interest in the Shuaibah assets in Saudi Arabia,** increasing Malakoff's overall power generation and water production capacity by 108MW and 123,450 m^3/day, respectively
- **Won a feed-in tariff bid for small hydro projects** with a total capacity of 55MW.
- **Awarded a 2.4MW biogas project at Sg. Kachur, Johor** and entered into a Renewable Energy Power Purchase Agreement (REPPA) with TNB for 21 years
- **Completed a 73-day scheduled outage at Tanjung Bin Energy to undertake rectification works** to increase its resilience and reliability.
- Operational commencement of the **29 MW_{ac} LSS power plant** in Kota Tinggi

GAS MALAYSIA

2,468 km pipeline

6% YoY

Volume

201 mil MMBTU

4% YoY

- Volume sold **exceeds 200 mil MMBTU**
- **58 new industrial customers** (Total: 936)
- Completed preparation for **Third Party Access** through creation of Gas Malaysia Distribution and Gas Malaysia Energy Services
- **Conferred 2 prestigious awards** under the Utilities Sector at the **The Edge Billion Ringgit Club Corporate Awards**:
  - ❑ Highest ROE over 3 years
  - ❑ Highest growth in PAT over 3 years

ENERGY & UTILITIES : OUTLOOK

- Positive contribution from its two associates namely:
  - ✓ Malakoff
  - ✓ Gas Malaysia
- **Stabilization of energy commodity prices.**
- **Liberalization of market:** Malaysia Electricity Supply 2.0 (MESI 2.0) and Third-Party Access (TPA) as well as energy import.
- **Resilient domestic demand:** Rubber glove, oleo-chemical, consumer product and glass industries.
- **Renewable Energy:** Shifting to less carbon intensive sources i.e. large scale solar as well as waste-to-energy.

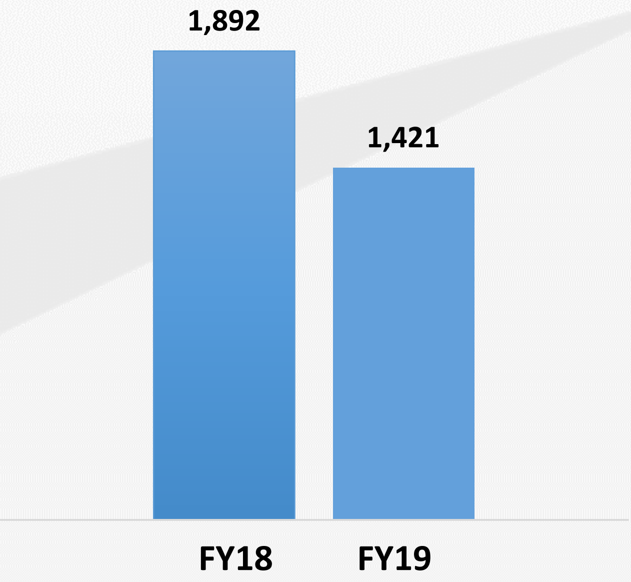
ENGINEERING

ENGINEERING : FINANCIAL PERFORMANCE

ANNUAL REVIEW

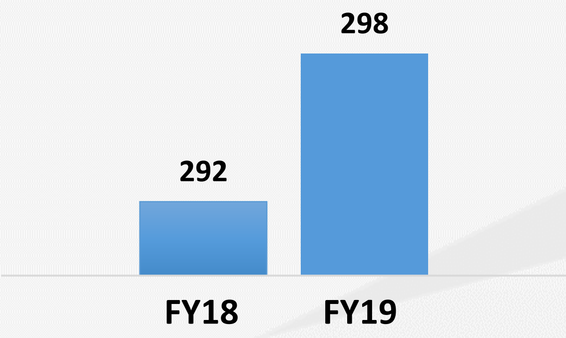
Revenue (RM million)

24.9% YoY



PBT (RM million)

2.1% YoY

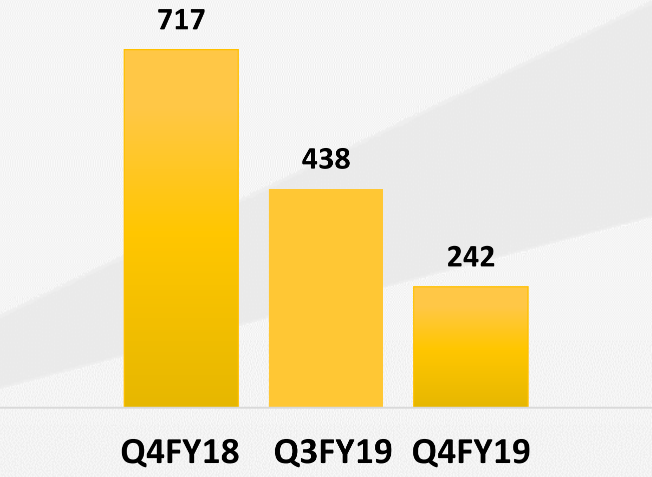


QUARTERLY REVIEW

Revenue (RM million)

66.2% YoY

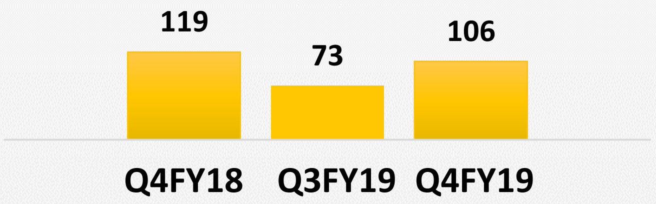
44.7% QoQ



PBT (RM million)

10.9% YoY

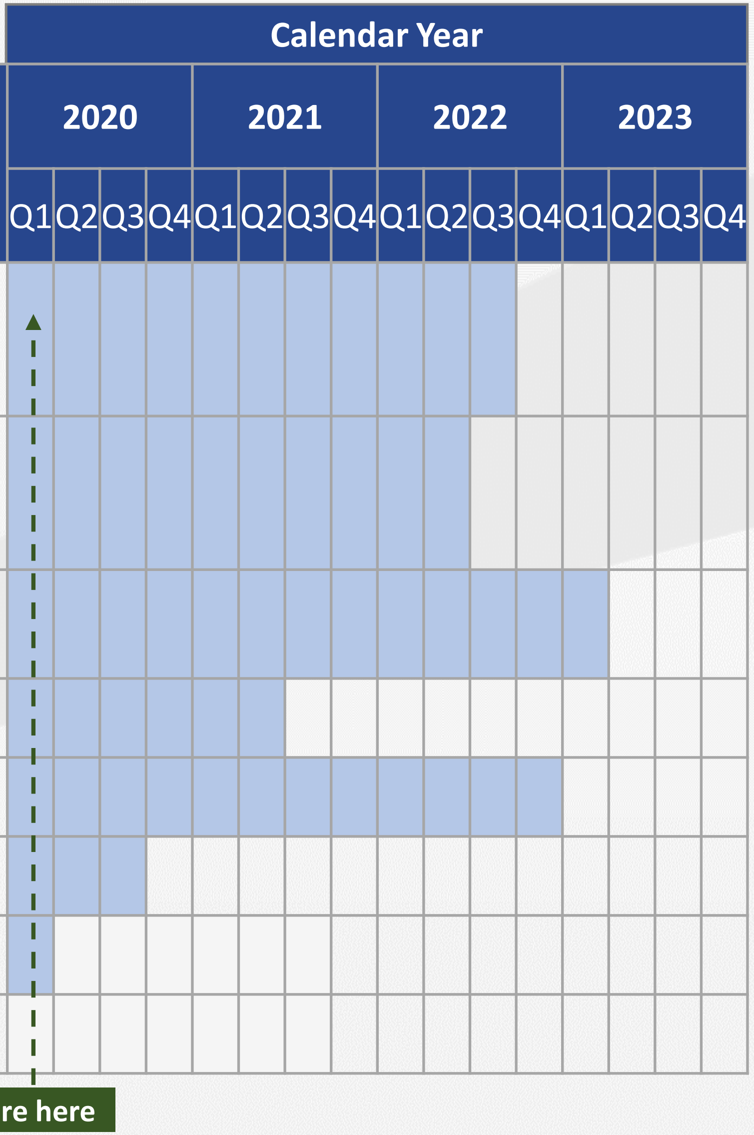
45.2% QoQ



ENGINEERING

Total Of **RM6.62 Billion** Outstanding Order Book As At 31 December 2019

#	Project	Contract Value (RM'mil)	MMC's Portion	Outstanding Order Book (RM'mil)	JV Partner	Overall Progress
1	MRT Line 2 : Sg. Buloh - Serdang - Putrajaya (38.7km) -Overall (Elevated, Underground & System)	17,420	50%	3,797	Gamuda	67.35%
2	MRT Line 2 : Sg. Buloh - Serdang – Putrajaya (13.5 km) - Underground Works	13,110	50%	2,025	Gamuda	70.51%
3	Langat Sewerage Project (MMC PLSB)	1,505	100%	308	-	84.54%
4	Sungai Pulai Bridge	565	60%	238	CHEC	25.05%
5	PGU-I Gas Pipeline	131	100%	131	-	-
6	Upgrading NBCT for Penang Port	155	100%	45	-	71.63%
7	Langat 2 Water Treatment Plant	994	50%	30	Salcon	99.20%
8	Other projects	105	100%	47	-	-
	TOTAL	**33,985**		**6,620**		



ENGINEERING : HIGHLIGHTS OF 2019

MMC

Operational	Key Highlights 2019

MMC Engineering

Outstanding orderbook:

RM6.62 billion

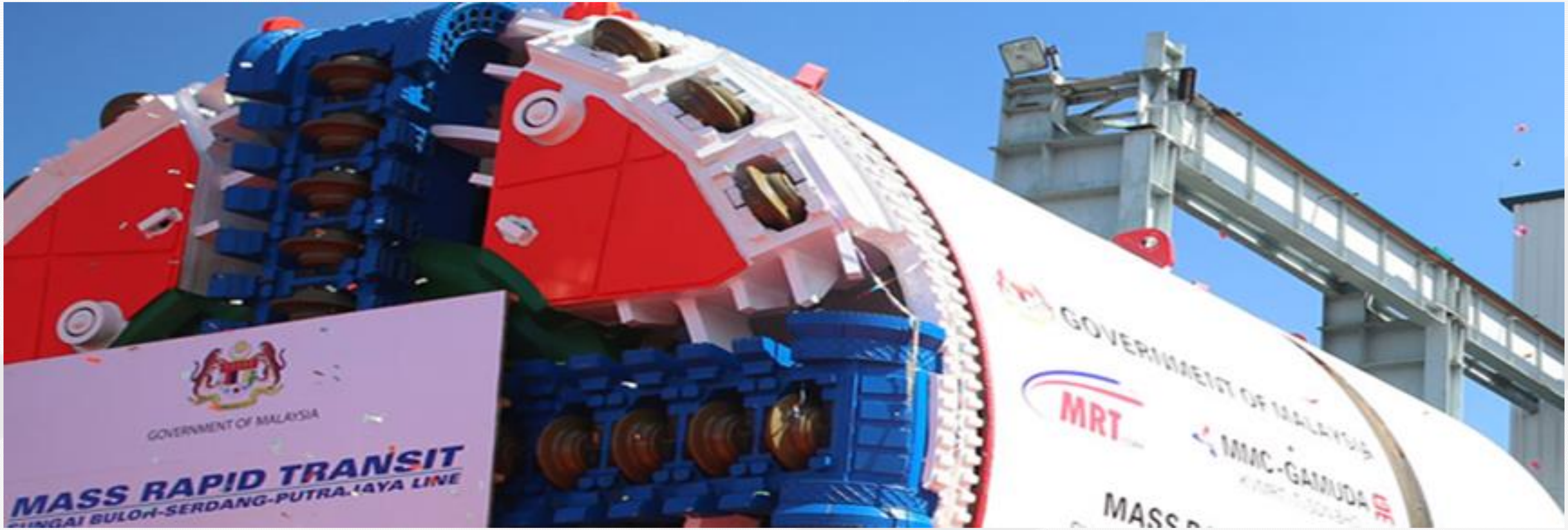
Ongoing Projects

- **Langat Sewerage Project:** Successfully achieved first flow to the Centralised Sewage Treatment Plant on 3 October 2019, witnessed by YB Tuan Dr. Xavier Kumar
- **Langat 2 Water Treatment Plant:** Successfully completed Section 1. Currently in operation and water is being injected to AIR Selangor for distribution on 21 December 2019
- **North Butterworth Container Terminal:** Successfully handover section 1 and 2 ahead of time
- **KVMRT-SSP Line:** Profit in-placed and progress is still ahead of time despite rationalization of the contract sum following conversion from PDP to Turnkey contractor

Projects Secured in 2019

- **PGU-I Gas Pipeline:** Successfully won the tender via open tender exercise (RM131.4 mil)
- **Johor Port:** Awarded contract for the development of new container yard for the purpose of laden & empty containers (RM20.5 mil) and the rehabilitation works of the container yard and ancillary (RM7.2 mil)
- **SATS:** Awarded contract for the design and build contractor for the proposed arrival hall expansion and construction of new passenger holding lounge

ENGINEERING : OUTLOOK



- **Substantial existing order-book** anchored by KVMRT-SSP Line.
- **Aggressive effort to secure new projects –** orderbook replenishment strategy.
- **Focussing on the niche segment** – Marine, utilities, rail-related.
- **Development of public infrastructure** - construction and/or upgrading of hospitals, schools, airports, and roads.
- Earnings contribution will be sustained by on-going projects.
- Healthy pipeline of internal contract job flow from within MMC Group

OTHERS

OTHERS : HIGHLIGHTS OF 2019

SenaiAirport

Operational

		YoY Growth
Total Passenger volume (Million)	4.3	+21.2%
Cargo volume ('000 tonne)	14.7	+51.6%
Revenue (RM million)	81	+15.7%
PBT (RM million)	2	+17.6%

Key Highlights 2019

- **Fastest growing airport in 2019** with 21% passenger growth.
- Handled 4.27 mil passengers and 14,694 tonnes of cargo, **the highest recorded volume in its history.**
- Ongoing expansion to grow capacity to **5.0 MPPA.**

Passenger Handling

Rank	Airport	2019 MPPA	2018 MPPA	YoY growth
1.	KLIA (KUL)	62.33	59.99	3.9%
2.	Kota Kinabalu (BKI)	9.43	8.62	9.4%
3.	Penang (PEN)	8.33	7.79	6.9%
4.	Kuching (KCH)	5.94	5.56	6.8%
5.	**Senai (JHB)**	**4.27**	**3.52**	**21.2%**
6.	Langkawi (LGK)	2.95	2.74	7.7%
7.	Subang (SZB)	2.26	1.96	15.1%

Cargo Handling

Rank	Airport	2019 Tons	2018 Tons	YoY Growth
1.	KLIA (KUL)	683,722	714,669	-4.3%
2.	Penang (PEN)	138,881	145,649	-4.6%
3.	Subang (SZB)	34,580	32,284	7.1%
4.	Kota Kinabalu (BKI)	28,550	28,039	1.8%
5.	Kuching (KCH)	25,038	26,819	-6.6%
6.	**Senai (JHB)**	**14,694**	**9,691**	**51.6%**
7.	Labuan (LBU)	6,215	3,996	55.5%
8.	Miri (MYY)	5,284	5,054	4.6%

OTHERS : HIGHLIGHTS OF 2019

AIR
Aliran Ihsan Resources Berhad

Operational

		YoY Growth
Treated water volume:		
Water treatment plants (Million m^3)	59.2	+2.1%
Recycling plants (Million m^3)	0.97	+59.6%
Revenue (RM million)	27	+5.7%
PBT (RM million)	4.5	-21.9%

Key Highlights 2019

- Secured **new projects concession worth RM45 mil.**
- 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.

COMPLETED PROJECTS

Project Name	Client Name
1. Submerged Ultrafiltration Compact WTP, Pulau Besar, Melaka	Syarikat Air Melaka Berhad
2. Seawater Reverse Osmosis WTP, Pulau Besar, Melaka	Syarikat Air Melaka Berhad
3. Wastewater Recycling Plant-Phase 2 (1MLD), Senawang	Careglove Global Sdn. Bhd.
4. Wastewater Recycling Plant (1.4MLD), Senai, Johor	Seagate International (Johor) Sdn. Bhd.

SECURED/PROJECTS IN PROGRESS

Project Name	Client Name
1. Non-Revenue Water Project, Johor	Johor Port Berhad
2. To Upgrade The South Quay WTP and For The Supply Of Treated Water To Bandar Sunway Commercial Building , Sunway	Sunway REM Sdn Bhd
3. Wastewater Recycling Plant (0.5MLD), Johor Tenggara, Johor	Ayamas Food Corporation Sdn Bhd

MMC

REMAINING LANDBANK (ACRES)

SENAI AIRPORT CITY

19 Acres of land sold

Comprising 14 acres at Non FIZ land
& 5 acres at FIZ land (pending completion)

1,221

seaport worldwide

Sungai Pulai Bridge

is on track after signing of 3rd supplemental agreement by Seaport World Wide (SWW) and UKAS in December 2019

1,239

NORTHERN TECHNOCITY

Rezoning and Kebenaran Merancang

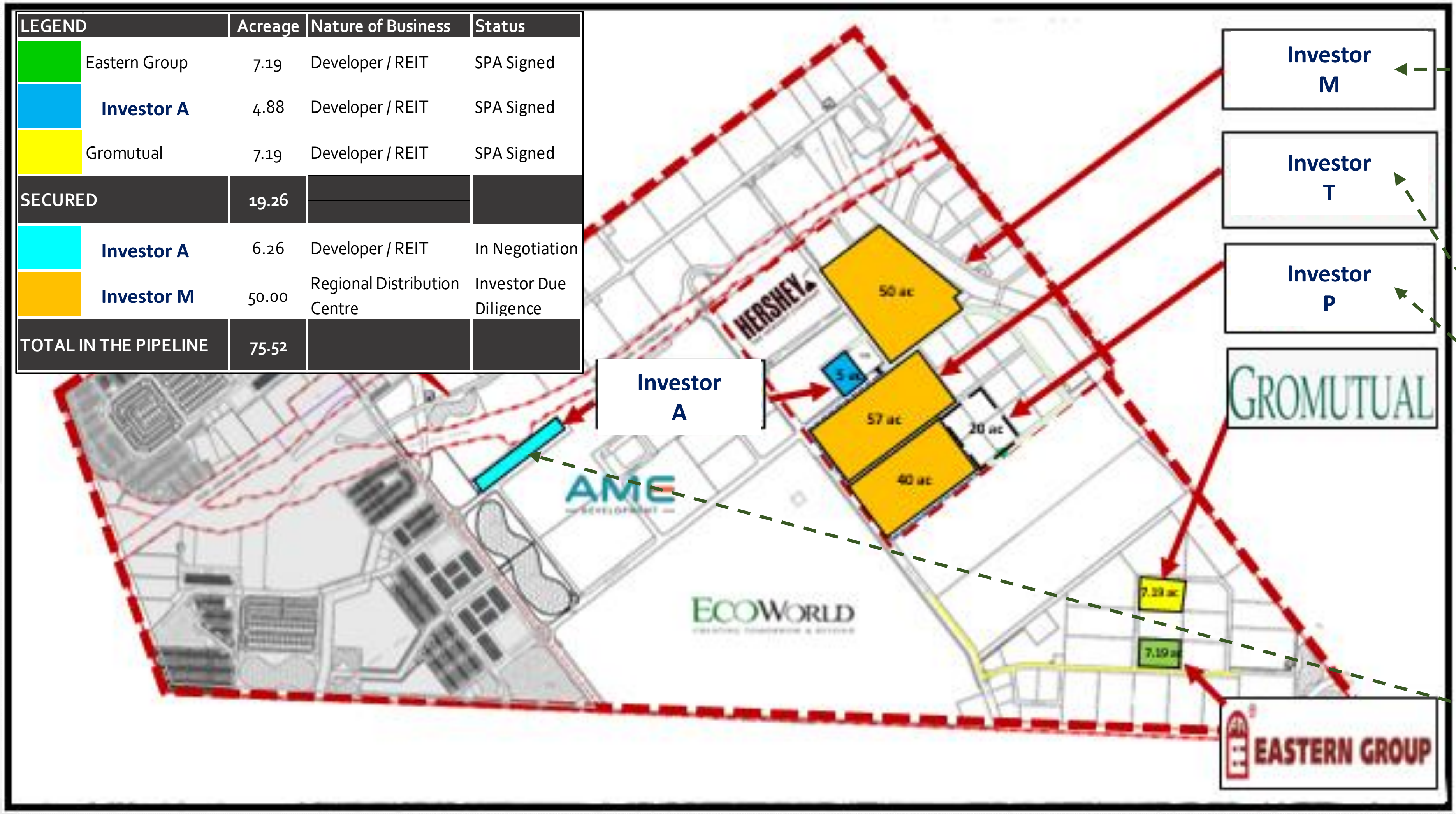
Approval obtained in December 2019

268

TOTAL	**2,728**

OTHERS : SENAI AIRPORT CITY (SALES PIPELINE)

LEGEND		Acreage	Nature of Business	Status
	Eastern Group	7.19	Developer / REIT	SPA Signed
	Investor A	4.88	Developer / REIT	SPA Signed
	Gromutual	7.19	Developer / REIT	SPA Signed
SECURED		19.26		
	Investor A	6.26	Developer / REIT	In Negotiation
	Investor M	50.00	Regional Distribution Centre	Investor Due Diligence
TOTAL IN THE PIPELINE		75.52		



Issued proposal and tenderer currently shortlisting sites and expected to decide in 1H2020

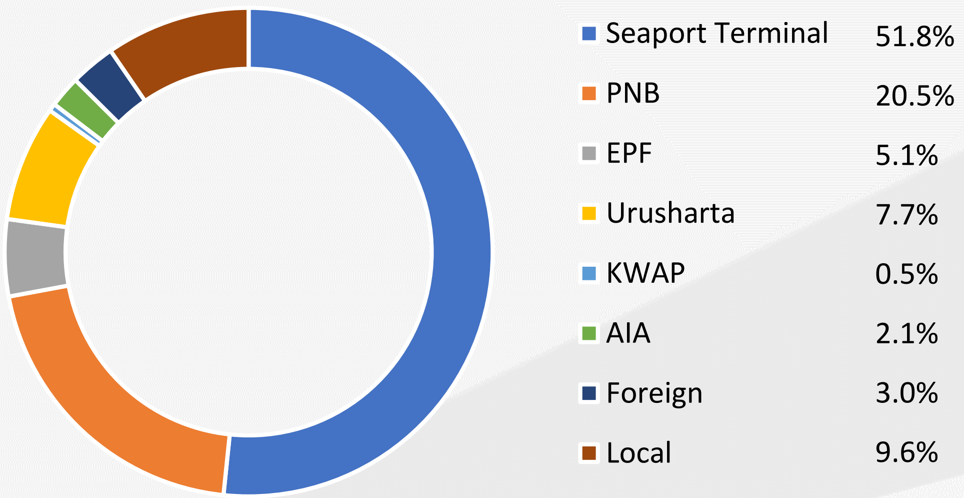
Pending acceptance of Letter of Offer by 30th March 2020

Issued Letter of Offer & currently in negotiation

STOCK INFORMATION

Source: Bloomberg as at 24 February 2020

Shareholdings as at End Dec 2019



Stock Quote	**MMC**
Market Cap (RM Billion)	2.725
Shares Outstanding (Billion)	3.05
52-Week Range (High)	1.25
52-Week Range (Low)	0.84
P/E Ratio	8.83
30-Day Average Volume	2,756,090

Institution	Date	Call	Target Price
Aminvestment	27 Nov 2019	Buy	RM 1.58
AllianceDBS	27 Nov 2019	Buy	RM 1.49
Kenanga	27 Nov 2019	Hold	RM 0.97
MIDF	27 Nov 2019	Buy	RM 1.30
UOB Kay Hian	27 Nov 2019	Hold	RM 1.20
	AVERAGE TP		**RM 1.31**

MMC

MMC CORPORATION BERHAD

THANK YOU!

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