



# MMC CORPORATION BERHAD

**4Q FY2020  
ANALYST BRIEFING PRESENTATION**

**1st MARCH 2021**



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## KEY FINANCIAL HIGHLIGHTS





Revenue  
**RM4,489.44 million**



Profit Before Tax ("PBT")  
**RM645.52 million**



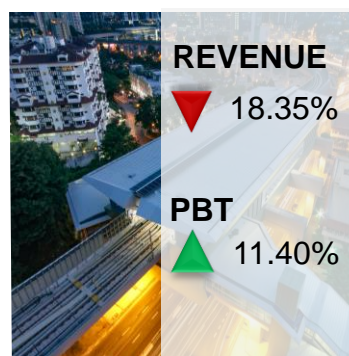
Profit After Tax And  
Minority Interest  
("PATMI")  
**RM375.30 million**

## Ports & Logistics



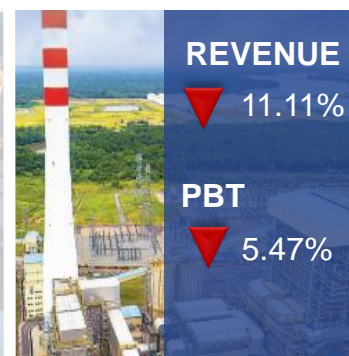
- Higher container volume handled at Pelabuhan Tanjung Pelepas ("PTP") and Northport (Malaysia) Berhad ("NMB").
- Lower operating expenses across the segment
- Offset by lower volume handled at Penang Port Sdn Bhd ("PPSB").

## Engineering



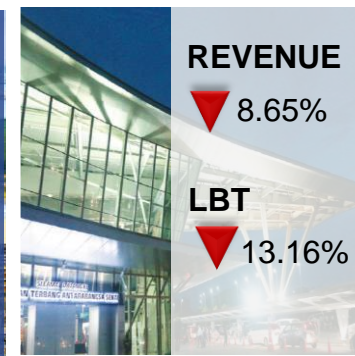
- Lower revenue due to lower work progress from KVMRT-SSP Line, affected by unprecedented movement control order ("MCO").
- Higher PBT contribution from KVMRT-SSP Line upon completion of tunneling works.

## Energy & Utilities



- Lower PBT mainly due to lower contribution from Malakoff.
- However, cushioned by full-year consolidation of contribution from Alam Flora and lower operations and maintenance costs

## Others



- Lower passenger and cargo volumes at Senai Airport.
- Provision for impairment of a discontinued project's receivables.
- Cushioned by sale of land at SAC and lower HQ and finance cost incurred.





# GROUP FINANCIAL PERFORMANCE OVERVIEW



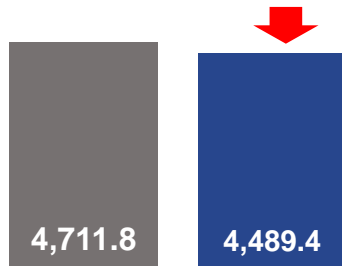
## CUMMULATIVE 12 MONTHS FINANCIAL PERFORMANCE (FY2020)



### Revenue

(RM million)

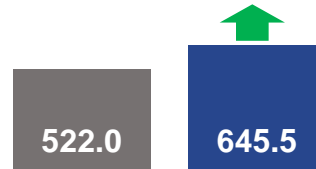
4.7% YoY



### PBT

(RM million)

23.7% YoY



### PATMI

(RM million)

47.1% YoY



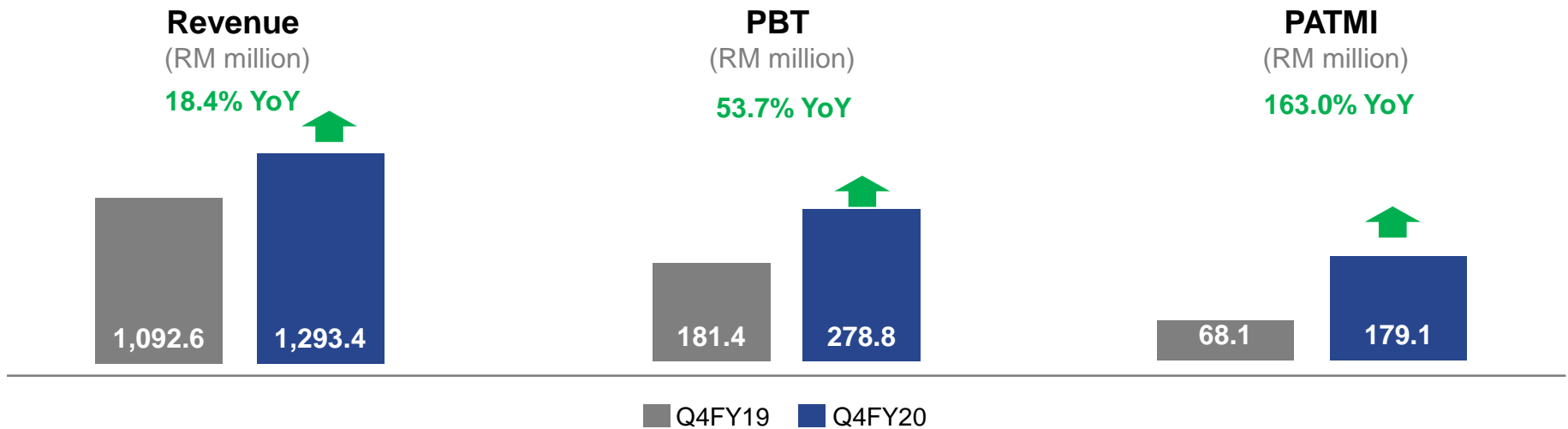
■ FY2019 ■ FY2020

### Revenue

- 4.7% YoY decrease was due to:
  - Lower work progress from KVMRT-SSP Line
  - Lower passenger and cargo volumes at Senai Airport
  - Lower volume handled at Penang Port
  - Partially offset by higher volume handled at PTP and sale of land at SAC

### PBT

- 23.7% YoY increase was due to:-
  - Higher volume handled at PTP
  - Higher contribution from KVMRT-SSP Line upon completion of tunneling works
  - Sale of land at SAC
  - Lower administrative cost and finance costs across the Group



## Revenue

- 18.4% YoY increase was due to:
  - Higher volume handled at PTP and NMB.
  - Higher work progress from KVMRT-SSP Line
  - Sale of land at Senai Airport City ("SAC")
  - Offset by lower passenger and cargo volumes at Senai Airport, which was affected by conditional movement control order imposed.

## PBT

- 53.7% YoY increase was due to:-
  - Higher contribution from KVMRT-SSP Line upon completion of tunneling works.
  - Offset by lower contribution from Senai Airport, lower share of results from Malakoff and provision for impairment of discontinued project's receivables.



## Total Assets

RM26.00 B

FY2019: RM26.45 B



## Total Equity

RM10.30 B

FY2019: RM10.11 B



## Total Liabilities

RM15.70 B

FY2019: RM16.34 B



## Cash and cash equivalents

RM0.32 B

FY2019: RM1.94 B



## Total Borrowings

RM9.77 B

FY2019: RM10.38 B



## Current Ratio

1.09x

FY2019: 0.75x



## Net Asset Per Share

RM3.12

FY2019: RM3.07



## Gross Gearing Ratio

1.17x

FY2019: 1.25x



## Net Gearing Ratio

0.90x

FY2019: 1.01x

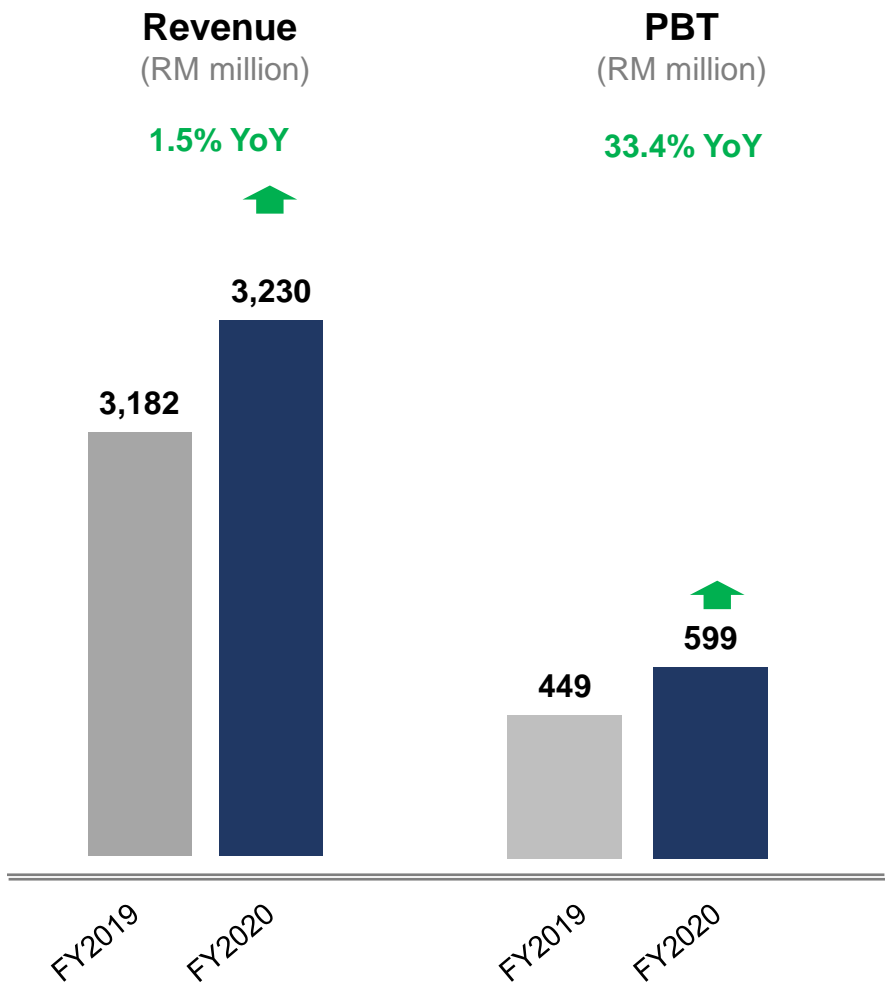




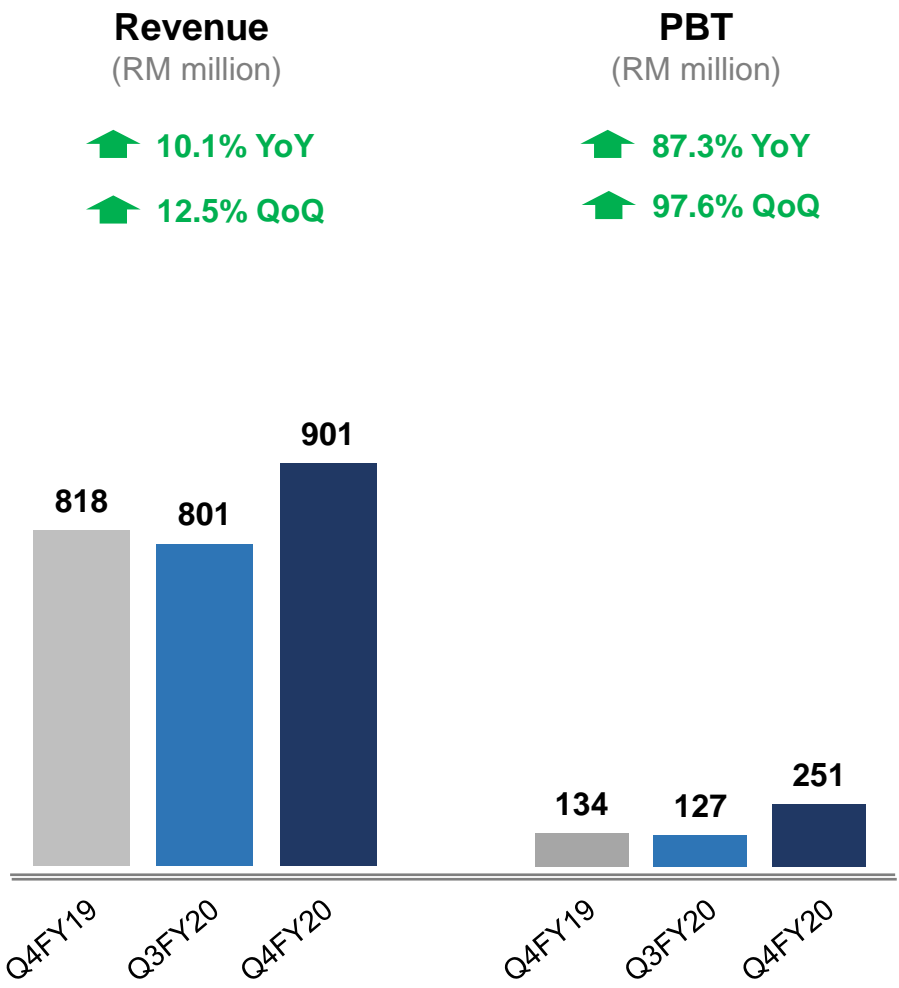
## PORTS & LOGISTICS



FY2019 vs FY2020  
REVIEW



Q4FY20 QUARTERLY  
REVIEW



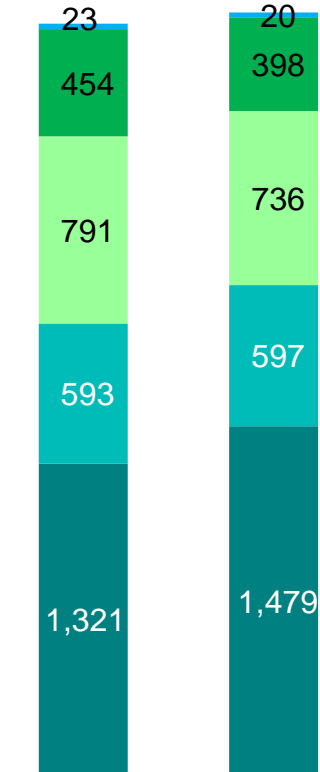
# PORTS & LOGISTICS : FINANCIAL PERFORMANCE



## Revenue (RM million)

↑ 1.5% YoY

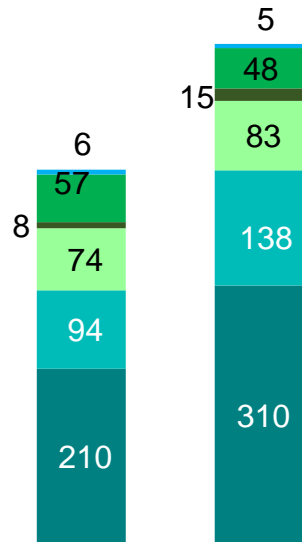
3,182 3,230



## PBT (RM million)

↑ 33.4% YoY

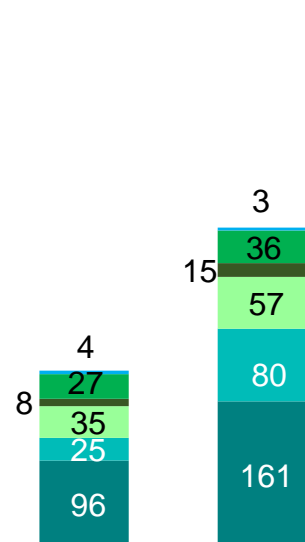
449 599



## PATMI (RM million)

↑ 80.5% YoY

195 352



PTP JPB NCB RSGT PPSB TBP

## Operational Statistics

### Port of Tanjung Pelepas

Throughput	FY 2020	Growth (YoY)
Container (in mil. TEUs)	9.85	8%

### Johor Port Berhad

Throughput (in mil. FWT)	FY 2020	Growth (YoY)
Liquid bulk	13.00	-5%
Dry bulk	3.74	-4%
Break bulk	0.56	-18%
<b>Total Conventional</b>	<b>17.30</b>	<b>-5%</b>
Container (in mil. TEUs)	1.01	-4%

### Northport (M) Bhd

Throughput (in mil. FWT)	FY 2020	Growth (YoY)
Liquid bulk	2.61	4%
Dry bulk	2.68	-3%
Break bulk	2.39	-15%
RORO	0.72	-39%
<b>Total Conventional</b>	<b>8.40</b>	<b>-9%</b>
Container (in mil. TEUs)	2.74	1%

### Penang Port Sdn Bhd

Throughput (in mil. FWT)	FY 2020	Growth (YoY)
Liquid	3.77	-13%
Dry bulk	3.34	-5%
Break bulk	1.18	-20%
<b>Total Conventional</b>	<b>8.29</b>	<b>-11%</b>
Container (in mil. TEUs)	1.39	-7%

### Tanjung Bruas Port

Throughput	FY 2020	Growth (YoY)
Conventional (in mil. FWT)	0.82	-17%
Container (in '000 TEUs)	14.1	21%

### Red Sea Gateway Terminal

Throughput	FY 2020	Growth (YoY)
Container (in mil. TEUs)	2.64	36%



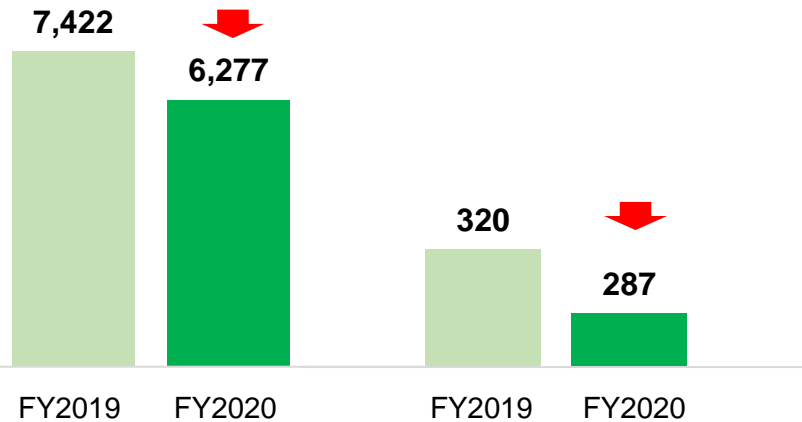
## ENERGY & UTILITIES



## MALAKOFF

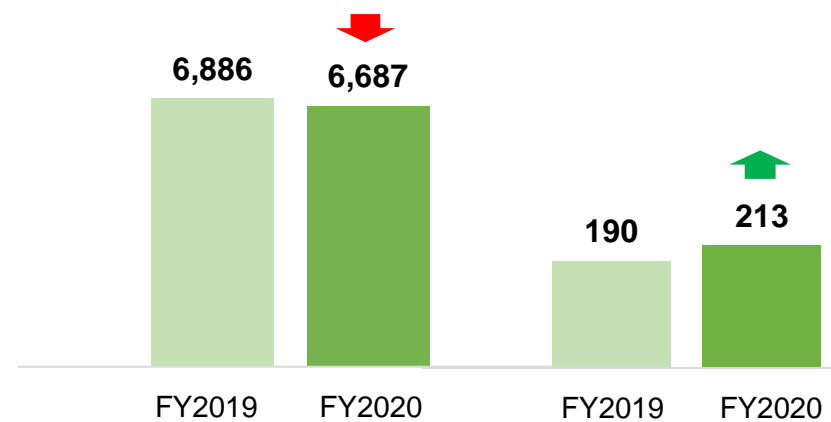
**Revenue**  
(RM million)  
**15.4% YoY**

**PATMI**  
(RM million)  
**10.3% YoY**



**Revenue**  
(RM million)  
**2.9% YoY**

**PATMI**  
(RM million)  
**12.1% YoY**



Malakoff	Revenue (RM million)		PATMI (RM million)	
FYE 31 Dec	2019	2020	2019	2020
MCB level	7,422	6,277	320	287
MMC Portion (37.6%)	N/A		101^	90^

^ After deducting PERPS interest

Gas Malaysia	Revenue (RM million)		PATMI (RM million)	
FYE 31 Dec	2019	2020	2019	2020
GMB level	6,886	6,687	190	213
MMC Portion (30.9%)	N/A		59	61



**Malakoff and Gas Malaysia (associated companies) are expected to provide consistent earnings to the Group**

- Malakoff will continue to focus on enhancing the operational efficiency of its plants, particularly on cost saving measures.
  - Participation in the 4<sup>th</sup> cycle of Large-Scale Solar (“LSS4”) would allow Malakoff to expand its renewable energy capacity, alongside with its progress on the biogas and small hydro projects.
- 
- Gas Malaysia will continue to seek growth from the increasing of Nation’s gas demand by developing gas pipeline.
  - New business venture in Combined Heat & Power as well as Virtual Pipeline will provide revenue diversification and support Gas Malaysia.





## Operational / Financial

	<u>FY 2020</u>	<u>YoY Growth</u>
Revenue (RM mil)	24.2	-9.5%
PBT (RM mil)	4.2	-6.1%
Treated water volume:		
• Water treatment plants (million m <sup>3</sup> )	60.2	2.9%
• Recycling plants (million m <sup>3</sup> )	1.5	133.4%

## Key Strategies

- 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.
- Venturing into commercial and industrial business segment of water reclamation/ recycling wastewater.
- Minimal business impact from Covid-19 as business is operated under concession in nature.

## Water Treatment Plants



## Wastewater Recovery Plants





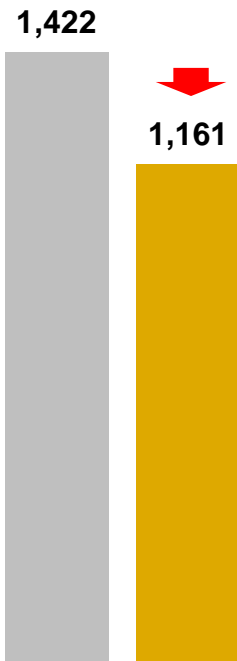
**ENGINEERING**



## FY2019 vs FY2020 REVIEW

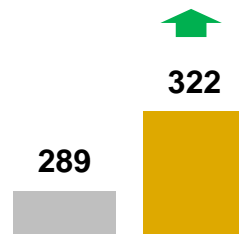
**Revenue**  
(RM million)

**18.3% YoY**



**PBT**  
(RM million)

**11.4% YoY**



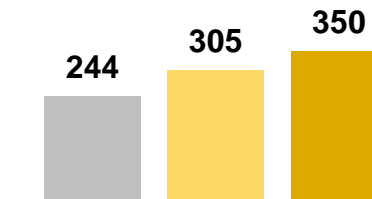
FY2019  
FY2020

FY2019  
FY2020

## Q4FY20 QUARTERLY REVIEW

**Revenue**  
(RM million)

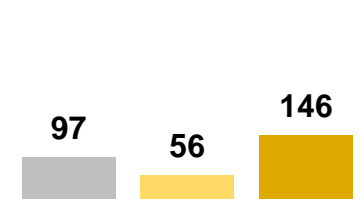
**43.4% YoY**  
**14.8% QoQ**



Q4FY19  
Q3FY20  
Q4FY20

**PBT**  
(RM million)

**50.5% YoY**  
**160.7% QoQ**



Q4FY19  
Q3FY20  
Q4FY20

# ENGINEERING : ORDER BOOK

Outstanding Order book of **RM2.95 Billion** as at 31 December 2020

#	Project	Total Contract Value (RM mil)	MMC's Portion	MMC's Outstanding Order Book (RM mil)	JV Partner	Overall Progress	Calendar Year															
							2020				2021				2022				2023			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	MRT Line 2 : Sg. Buloh - Serdang - Putrajaya (38.7km) - Overall (Elevated, Underground & System)	17,420	50%	1,503	Gamuda	85.1%																
2	MRT Line 2 : Sg. Buloh - Serdang – Putrajaya (13.5 km) - Underground Works	13,110	50%	984	Gamuda	83.2%																
3	Langat Sewerage Project (MMC PLSB)	1,505	100%	124	-	91.6%																
4	Sungai Pulai Bridge	565	60%	166	CHEC	50.4%																
5	PGU-I Gas Pipeline	131	100%	90	-	25.8%																
6	Upgrading NBCT for Penang Port	155	100%	3.4	-	100%																
7	Langat 2 Water Treatment Plant*	994	50%	24	Salcon	100%																
8	Other projects	163	100%	59	-	-																
	<b>TOTAL</b>	<b>34,043</b>		<b>2,953</b>			<b>We are here</b>															

7) Completed on July 2020, currently pending for EOT,CPC and final claims.

8) 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

Outlook - Earnings contribution will be sustained by on-going projects.



- **Substantial existing order-book** anchored by KVMRT-SSP Line.
- **Aggressive effort to secure new projects** – orderbook replenishment strategy.
- **Leveraging on Budget 2021's** increased Development Expenditure by 38%.
- **Healthy pipeline** of internal contracts within MMC Group.
- **Focusing on the niche segment** – Marine, utilities, rail-related.
- **Development of public infrastructure** - construction and/or upgrading of hospitals, schools, airports, and roads.



## CORPORATE & OTHERS





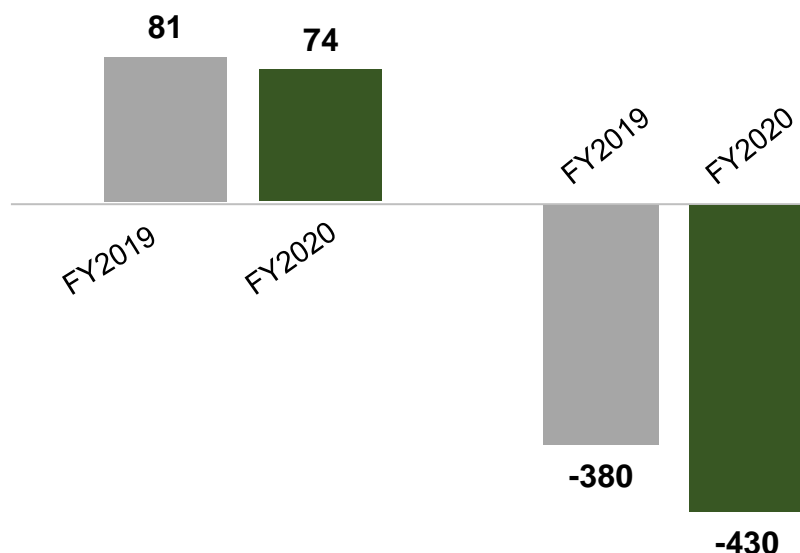
### FY2019 vs FY2020 REVIEW

**Revenue**  
(RM million)

↓ 8.7% YoY

**LBT**  
(RM million)

↓ 13.2% YoY



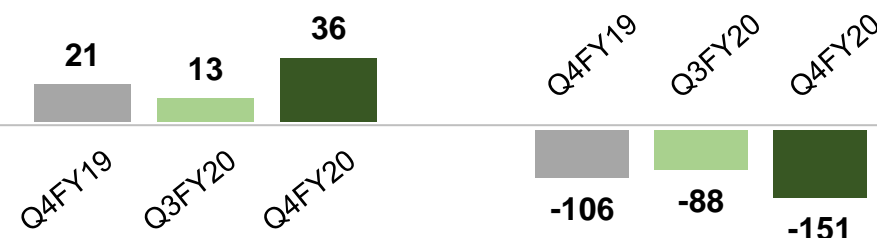
### Q4FY20 QUARTERLY REVIEW

**Revenue**  
(RM million)

↑ 71.4% YoY  
↑ 176.9% QoQ

**LBT**  
(RM million)

↓ 42.5% YoY  
↓ 71.6% QoQ



#### Lower Revenue and higher LBT due to:

- Lower contribution from Senai Airport due to lower volume of passengers and cargo volumes handled.
- Provision for impairment of a discontinued project's receivables.
- Cushioned by sale of land at SAC and lower finance cost incurred.

## SenaiAirport

### Operational / Financial

	<u>FY 2020</u>	<u>YoY Growth</u>
Revenue (RM mil)	33	-58.4%
PBT (RM mil)	-43	> -100%
Total Passenger volume ('000)	1,097	-74.3%
Cargo volume (tonnage '000)	10.1	-31.1%

### Key Strategies

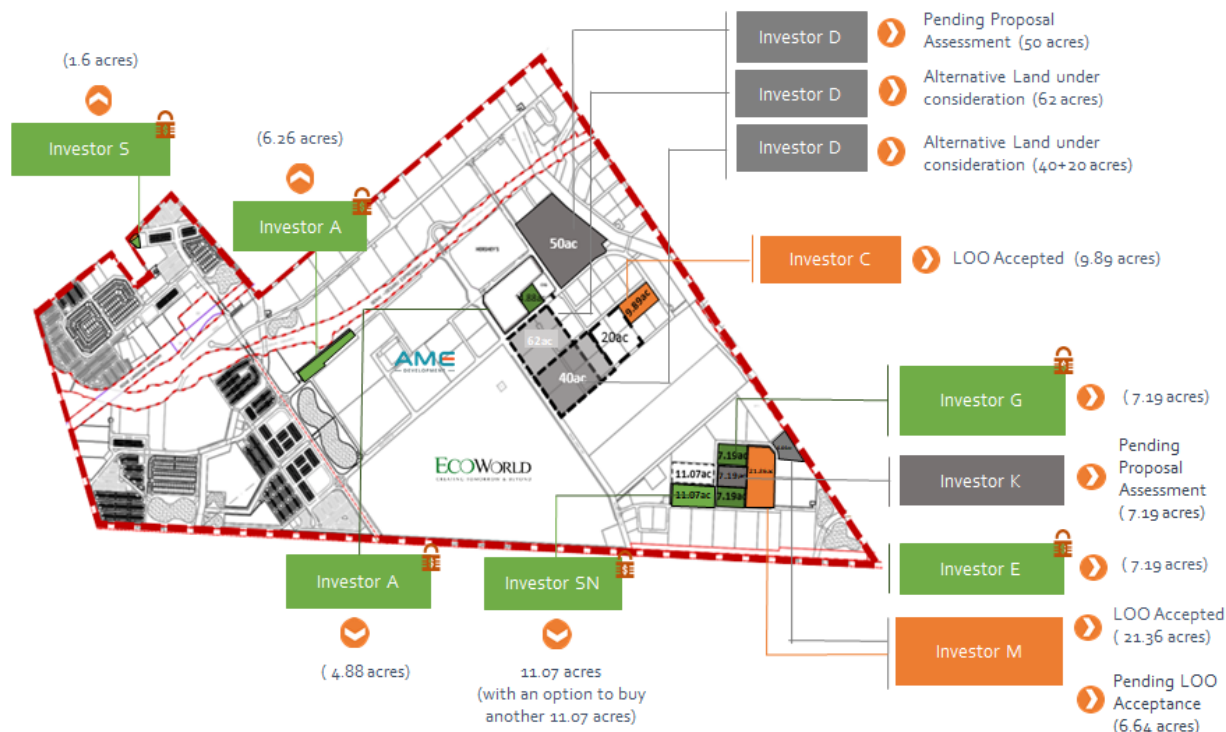
- Steep drop in the passenger traffic was due to lockdowns, travel restrictions health quarantine requirements and border closure for ASEAN & International flights.
- As of Dec 2020, 4 airlines have been operating weekly, namely Air Asia, Malaysia Airlines ("MAS"), Firefly and Malindo Air.
- Capex deferment and various cost savings initiatives in place to sustain operation throughout challenging operating environment

Normal Situation



Current





**SPAs  
Signed**

**38.19  
Acres**

Parties	Acre	Business
Investor A	4.88	Developer/ REIT
Investor G	7.19	Developer/ REIT
Investor E	7.19	Developer/ REIT
Investor S	1.60	Petrochemical
Investor SN	11.07	Renewable Energy
Investor A	6.26	Developer/ REIT

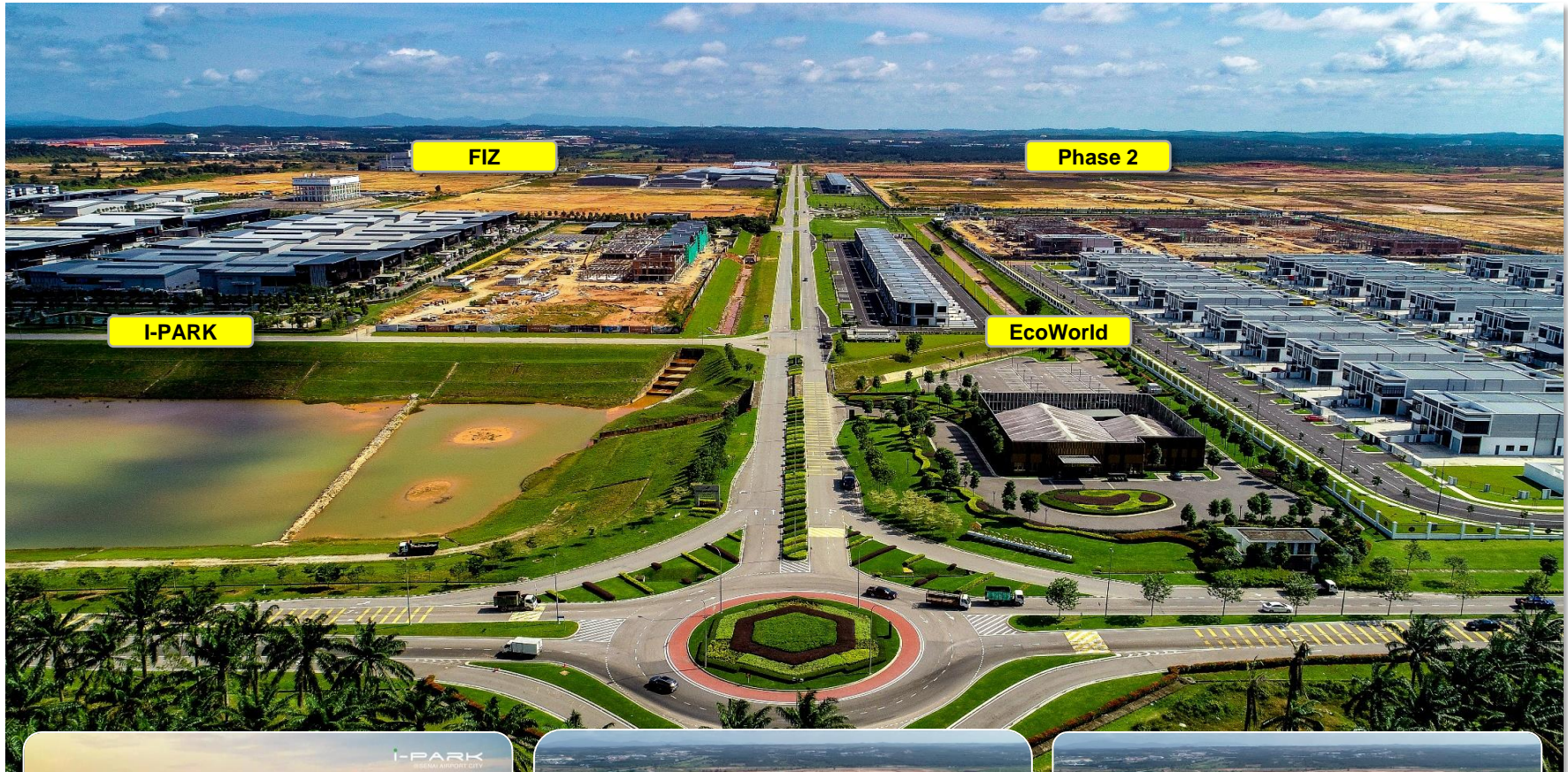
**Sales  
Pipeline**

**~96.26\*  
Acres**

\*Excluding alternative parcels under consideration



## Maturing Ecosystem with Early Investors



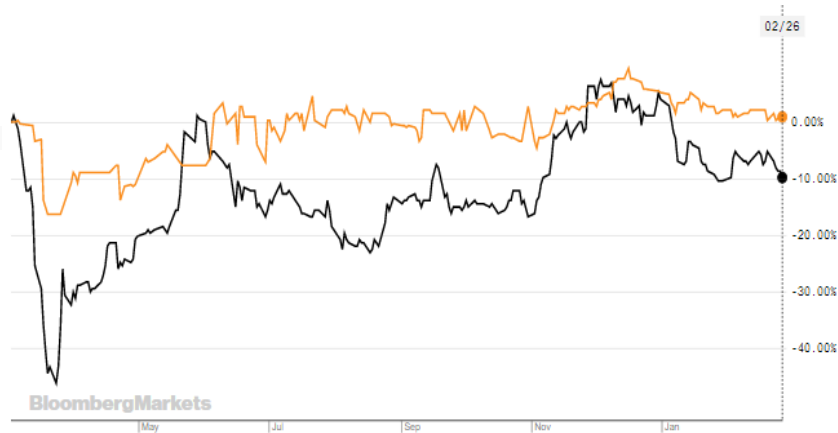




## STOCK INFORMATION

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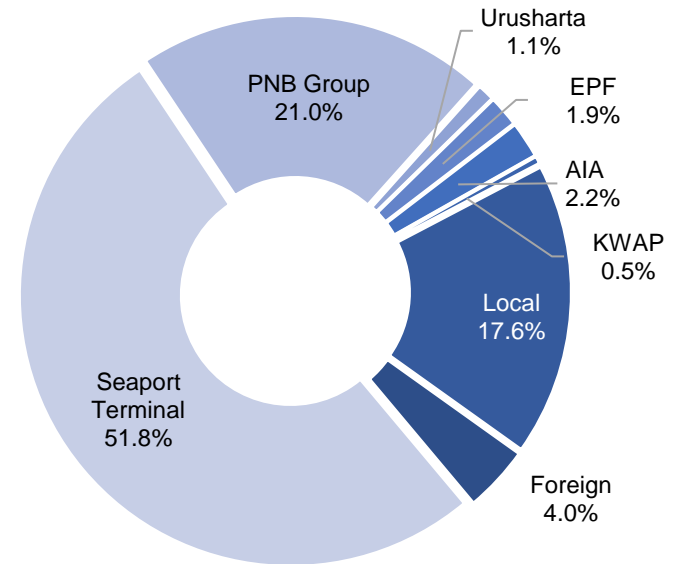
● MMC:MK -28.01% ● FBM30:MK -18.31%



Source: Bloomberg as of 26 February 2021

## SHAREHOLDING STRUCTURE (%)

AS AT 31 January 2021



### Stock Quote

**MMC**

Market Cap (RM Billion)	2.375
Shares Outstanding (Billion)	3.05
52-Week Range (High)	0.96
52-Week Range (Low)	0.45
P/E Ratio	6.34
30-Day Average Volume	4,167,903

Institution	Date	Call	Target Price
Aminvestment	30 November 2020	Buy	RM 1.56
AllianceDBS	25 November 2020	Buy	RM 1.35
Kenanga	26 November 2020	Buy	RM 1.00
MIDF	30 November 2020	Buy	RM 1.30
AVERAGE TP			RM 1.30





# **NMB'S DEVELOPMENT & STRATEGIC PLAN**



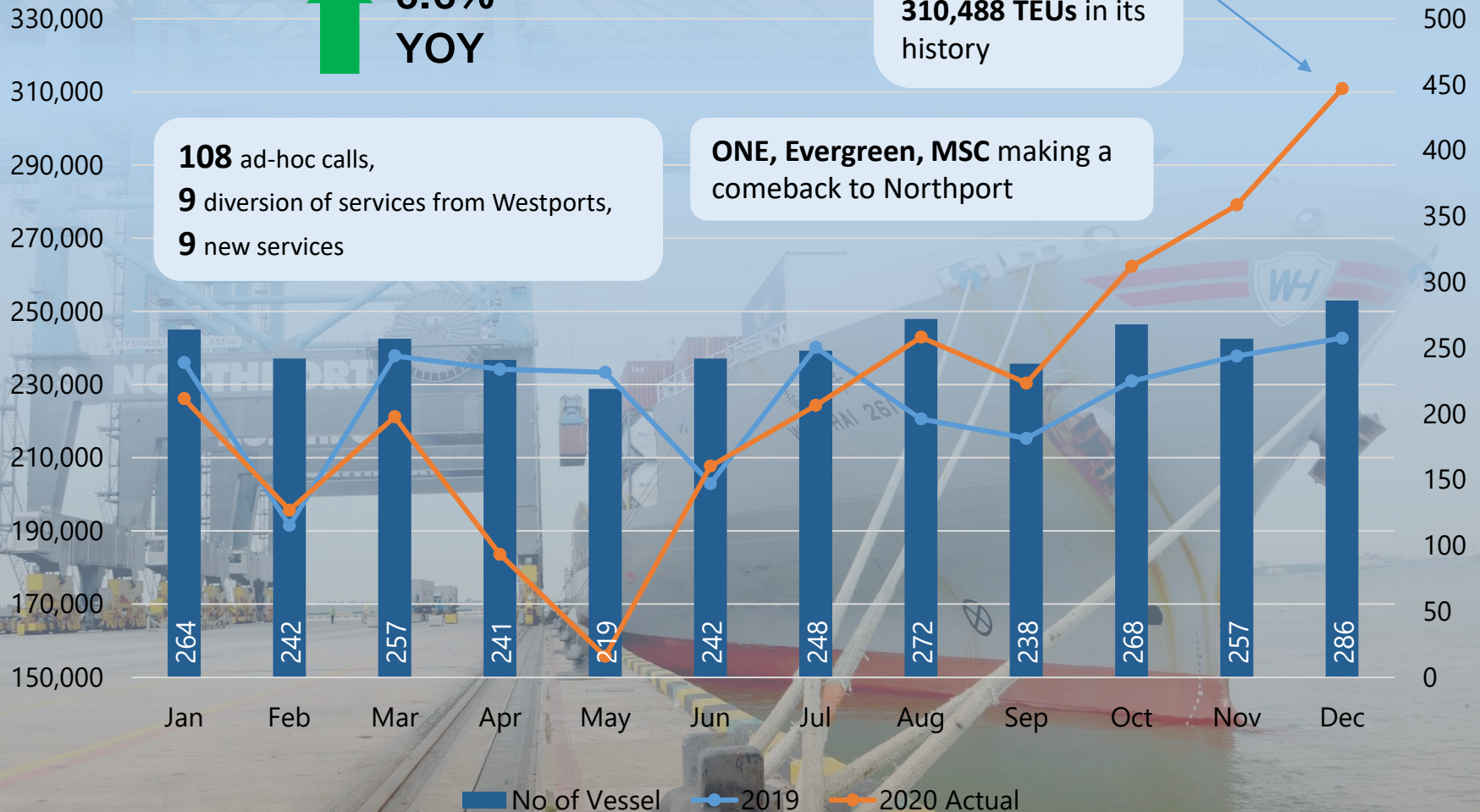
## 2.739 mil TEUs

**0.6%  
YOY**

Northport handled the **highest monthly volume of 310,488 TEUs** in its history

**108** ad-hoc calls,  
**9** diversion of services from Westports,  
**9** new services

**ONE, Evergreen, MSC** making a comeback to Northport





## 2020 CONVENTIONAL HIGHLIGHTS




Revamp of drybulk business yielded **RM1.5 mil/annum** extra income and reduced cost by **RM2.4 mil/annum** (Heaping & Transport Cost).



Vessels of up to 100k can berth at W20 & W21 with up to 5 converted grab cranes at productivity level of **10,000 per WWD**.





An aerial photograph of a large port facility. The foreground and middle ground are filled with rows of colorful shipping containers (red, blue, green, white) stacked in neat piles. Several large blue gantry cranes are positioned along the waterfront, ready for loading and unloading ships. In the background, there are industrial buildings, a large white cylindrical storage tank, and a multi-lane highway with a bridge. The sky is clear and blue.

PAT of **RM82.4 mil**, higher than 2019 by **26%**.

TCO & GRI achieved **RM13.2 mil** & **RM4.4 mil** respectively



## 2020 AWARDS ACHIEVEMENT

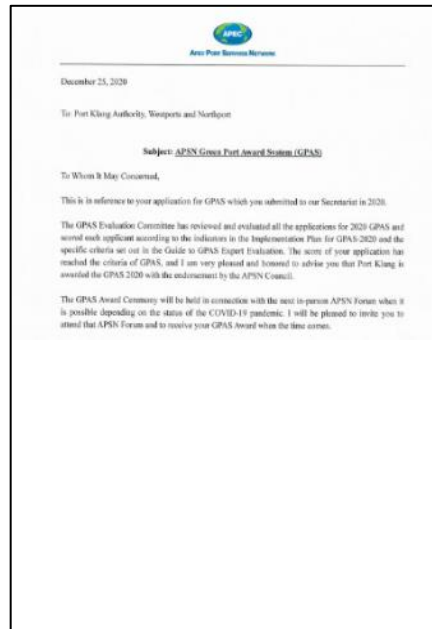


### 28 Feb 2020

Won NCOSH Award 2019 in the Business Services category on 28<sup>th</sup> February 2020 in recognition of our initiatives in maintaining high standard of occupational safety and health practice.

### 25 Dec 2020

Port Klang (Northport, LPK and Westports) awarded the **Green Port Award System (GPAS) 2020** by the APEC Port Services Network (APSN) Council.



### Northport attains ISO 37001:2016 ABMS certification

**KUALA LUMPUR:** Northport (M) Bhd, a member of MMC Group, became the first port in Malaysia to attain the ISO 37001:2016 Anti-Bribery Management System (ABMS) certification from Sirim QAS International Sdn Bhd, the Malaysian certification body for ABMS.

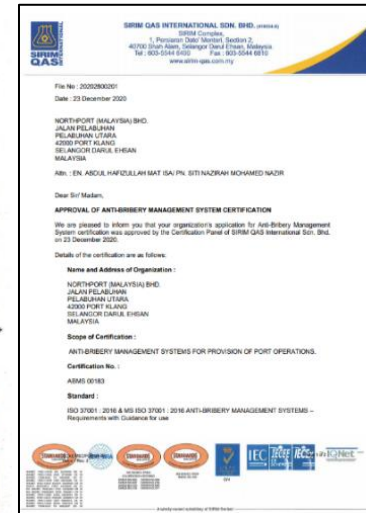
Chief executive officer Datuk Azman Shah Mohd Yusof said the certification shows Northport's commitment to the highest level of integrity and ethical culture in business operations.

"We strongly believe this certification will boost the confidence among our customers, business partners and other stakeholders towards Northport," he said in a statement yesterday.

As one of the country's essential service providers, Azman said Northport is committed to eradicate any form of corruption along its process chain to strengthen its port security standard and safeguard its business operations.

Since the takeover by MMC, Northport has embarked on a journey of transformation founded upon a new set of core values, namely integrity, customer focus, innovation, teamwork and excellence.

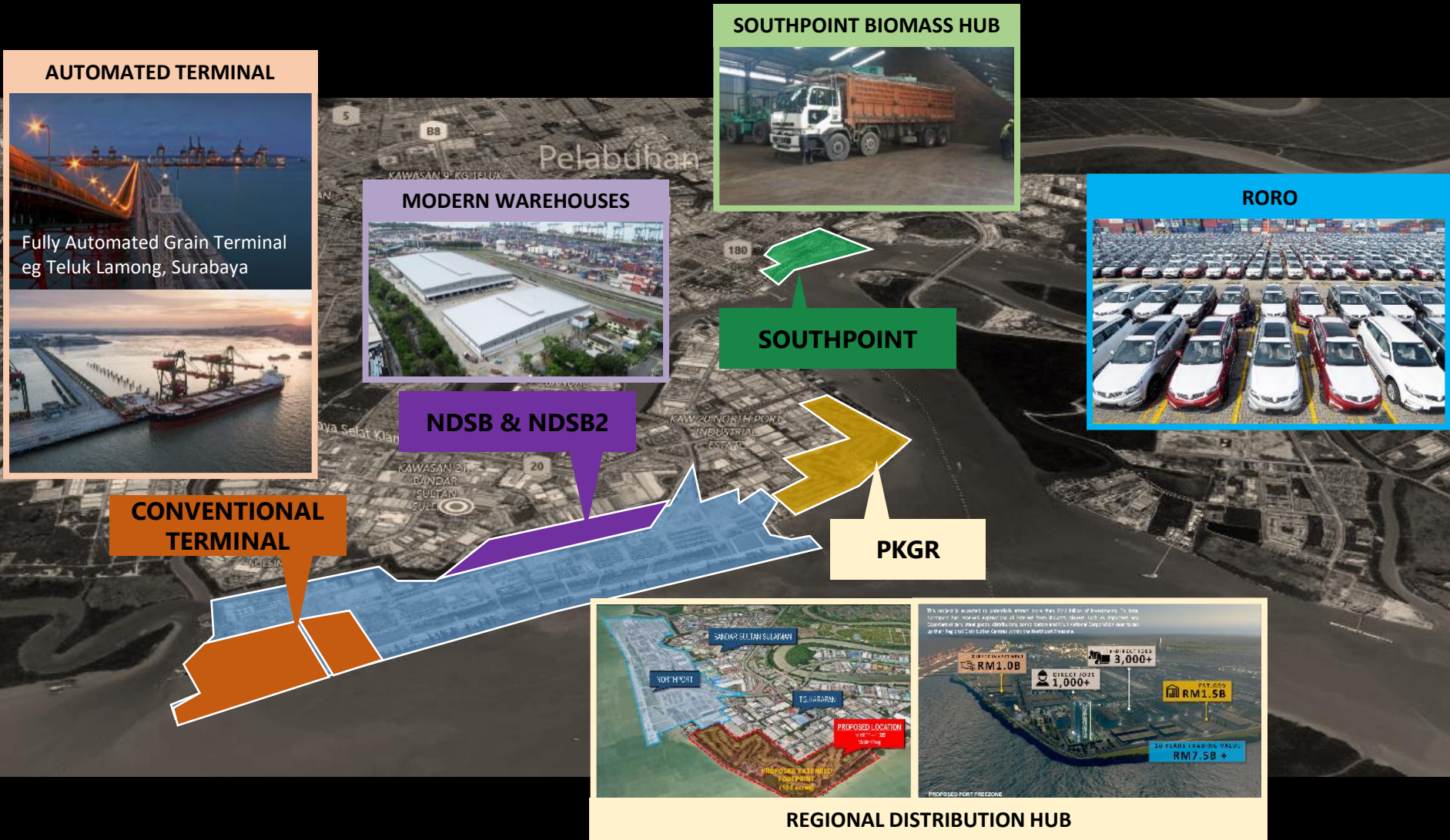
In the initial stage, Northport said efforts to promote the culture of integrity were initiated through engagement sessions with employees to educate and raise awareness of integrity-related best practices.



### 30 Dec 2020

Northport became the **first port** in Malaysia to be accredited the **MS ISO37001:2016 Anti-Bribery Management System** by SIRIM QAS International Sdn Bhd.

# NORTHPORT EXPANSION PLANS



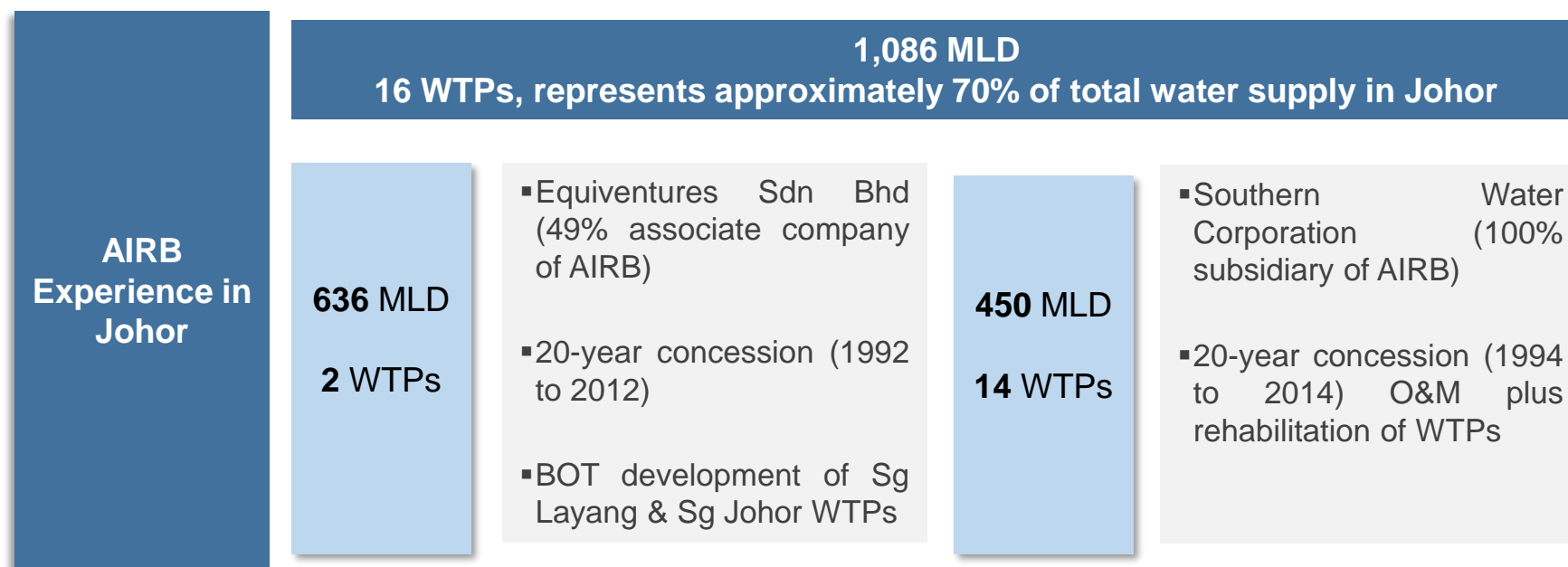




# AIRB'S DEVELOPMENT & STRATEGIC PLAN



Integrated solution service provider in water and wastewater developments, ranging from design, construction, rehabilitation, operation and maintenance of water treatment plants, water reclamation plants and desalination plants.



29 years of experience in water supply services industry in Malaysia since 1992

## Current Project

### Water Treatment Plants

- Lembaga Air Perak has appointed AIRB to **manage 2 WTPs in Gunung Semanggol and Taiping with the total capacity of 165 MLD treated water.**
- **18.4 MLD of private WTPs** (10 MLD under development stage).

### Water Reclamation Plants

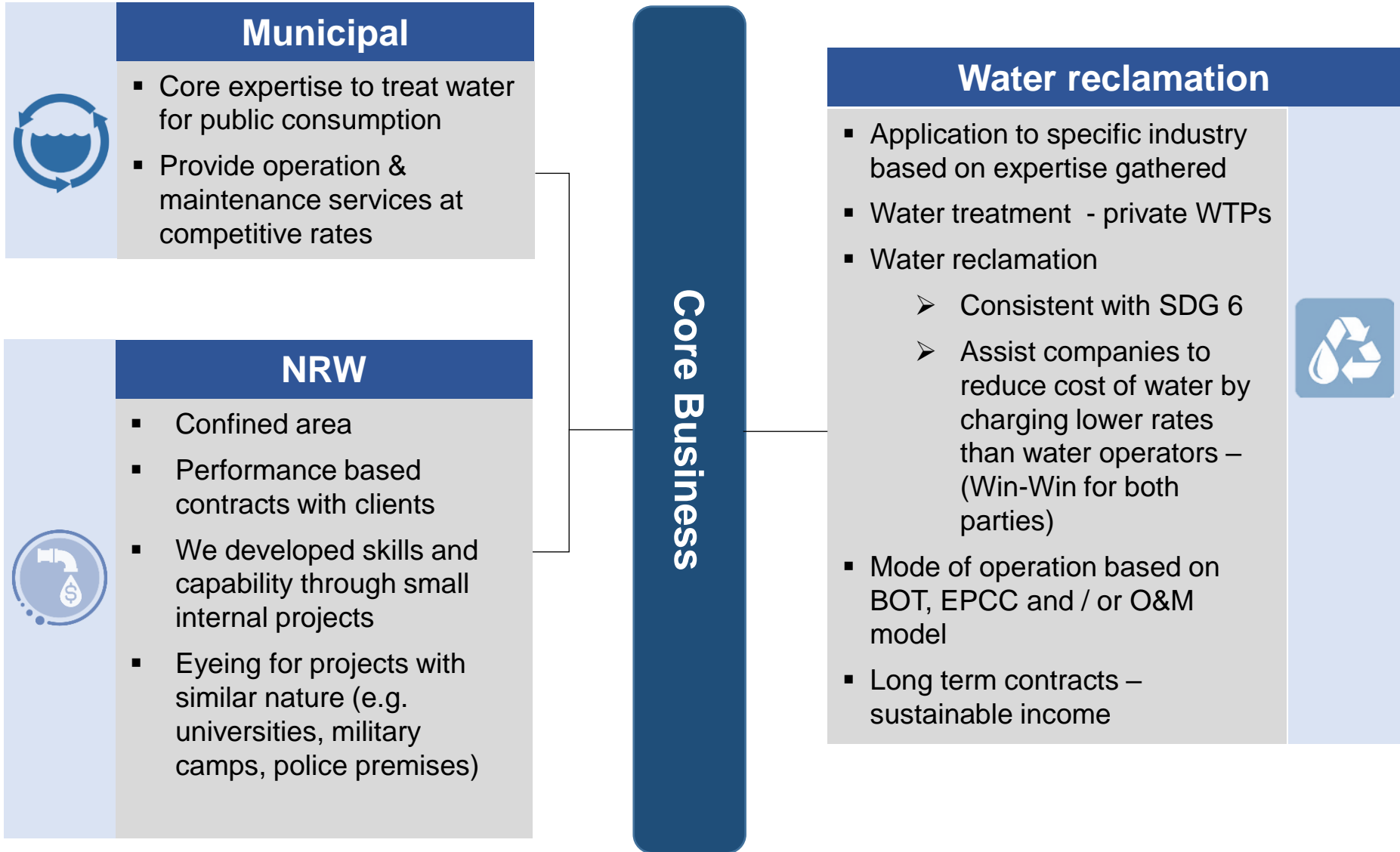
- AIRB is also currently operating **6 ‘Industrial Wastewater Reclamation Plant’ using Membrane Technology for a total capacity of 8.58 MLD.**
- **3 Wastewater Reclamation Plants under development stage** with total capacity of **9.52 MLD.**

### Non-Revenue Water (“NRW”) Reduction

- NRW reduction projects in confined area i.e., ports, airport.
- **4 NRW reduction projects** currently in progress in **Johor Port, Northport, Penang Port and Senai Airport.**

Type of Project Secured	Capacities/ No of Projects
Municipal	165 MLD
Private WTPs	18.4 MLD
Water reclamation	18.1 MLD
NRW	4 Projects





**Gaining momentum for our water reclamation projects through our expertise which enhances the security of supply for our customers**

### Challenges in Municipal Market

- Stagnant or minimum growth
- Tariff setting mechanism not implemented yet
- High capital expenditure investment
- Low efficiency due to aged assets, high NRW
- Low service level (i.e., constant water supply interruption and low pressure)
- Low operation & maintenance (“O&M”) margins
- Limited O&M and BOT opportunities

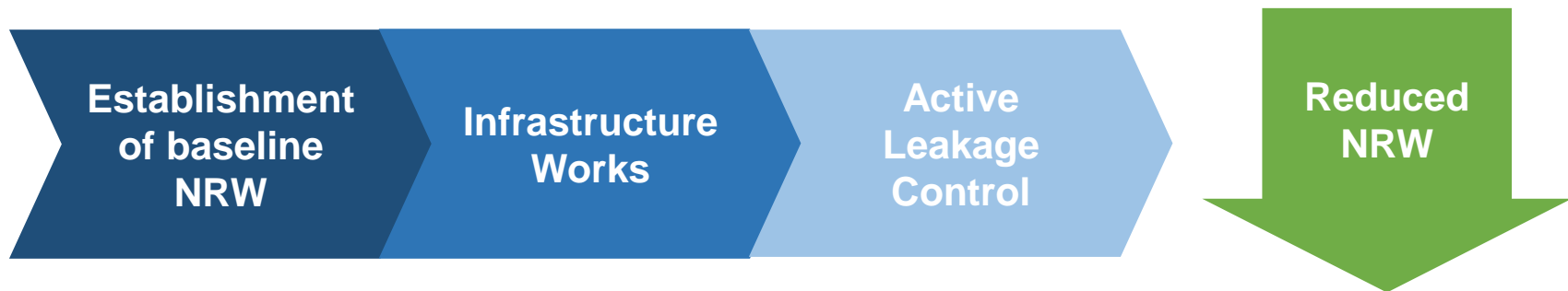
### Opportunities in Water Reclamation

- Create our own markets – water reclamation for industrial customers
- Growth opportunities – growing green initiatives undertaken by corporations and supported by Government of Malaysia
- Low tariff base means there are ample room for catching up – demand for water reclamation is expected to increase
- Current projects mainly focused on high commercial/ industrial water tariff states (i.e., Johor, N. Sembilan, Selangor & Melaka (selective basis))

**Malaysia Green Technology Master Plan projected to achieve 33% of reclaim water by 2030.  
Ample growth opportunities in this sector as this is initiative inline with the SDG 6**

**With our achievement in Johor Port, we are replicating the same model in other ports within MMC Group and plan to expand our business externally focusing on universities, military camps and police premises**

- Market is cluttered – But we are **FOCUS**
- Our NRW rates in Johor Port are down from over 50% to below 10%



- Malaysia NRW rates stand at 35%
- We opined that the actual NRW rates may be higher than reported
- Great opportunities for AIRB to participate in this business with innovative financing through performance based contracts which benefits the customers



**AIRB has gathered solid know-how and technical competency in managing NRW in few step of approaches especially for closed compound**



**PENANGPORT**

A Member of  MMC Group

**#92.0% → 20.0%\***

**NORTHPORT**

A Member of  MMC Group

**# 75.48 % → 20.0%\***

*# Actual NRW rate*

**SenaiAirport**

A Member of  MMC Group

**# 60.0% → 30.0%\***

**JohorPort®**

A Member of  MMC Group

**# 54.7% → 9.53%#**

*\* Targeted NRW rate*

### Improved performance based on increasing water reclamation projects and NRW

2017

O&M Perak – 165MLD  
Water Reclamation Plant - 1MLD  
EPCC – 2 projects  
Supply manpower

2018

O&M Perak – 165MLD  
Water Reclamation Plants - 3.30MLD  
Services Project – WAMS  
Supply manpower

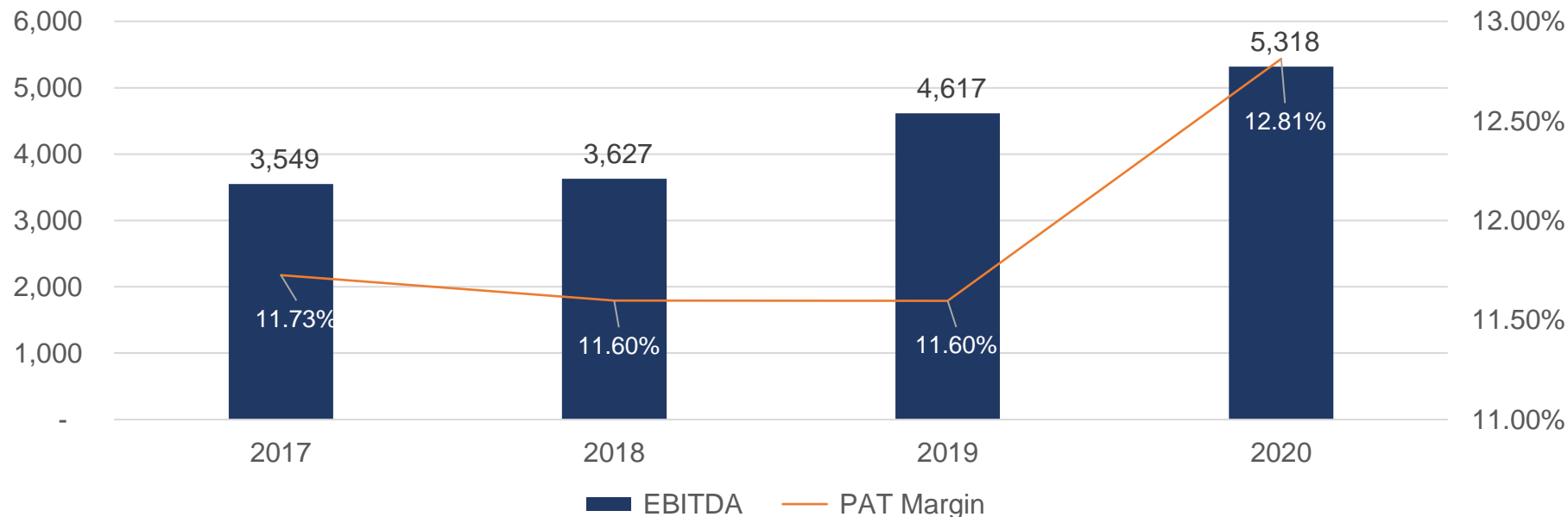
2019

O&M Perak – 165MLD  
Water Reclamation Plants – 5.70MLD  
EPCC – 2 projects  
Supply manpower  
NRW – 1 project

2020

O&M Perak – 165MLD  
Water Reclamation Plants – 8.58MLD  
Private WTP – 8.40MLD  
NRW – 3 projects

RM'000



**Strong growth potential in the water reclamation sector with new enquiries from existing customers and new potential customers**

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