

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019

27th November 2019

CREATING HAPPY GUESTS
BECOMING CARING HOSTS



Disclaimer

This presentation may contain forward-looking statements by Malaysia Airports Holdings Berhad (Malaysia Airports) that reflect management's current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies. Actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of Malaysia Airports and Malaysia Airports assumes no obligation or responsibility to update any such statements.

No representation or warranty (either express or implied) is given by or on behalf of Malaysia Airports or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers), as to the quality, accuracy, reliability or completeness of the information contained in this presentation, or that reasonable care has been taken in compiling or preparing the Information.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

No part of this presentation is intended to or construed as an offer, recommendation or invitation to subscribe for or purchase any securities in Malaysia Airports.

The financial results should be read in conjunction with the audited Financial Statements for the year ended 31 December 2018 and the Interim Financial Statements for the quarter ended 30 September 2019.





9M19 Key Highlights

GROUP FINANCIAL PERFORMANCE

Revenue

RM3,868.7

million +9.5%

(9M18: RM3,531.9million) ¹

EBITDA

RM1,816.9

million (+8.2%)

(9M18: RM1,679.3 million) ²

AIRPORT PERFORMANCE

Group Passenger

Traffic Movements

104.6

million +5.1%

(9M18: RM99.5 million)

Group Aircraft

Movements

833,763

+3.0%

(9M18: 809,620)

Profit Before Tax

RM613.0

Million +31.1%

(9M18: RM467.6 million) ²

Total Equity

RM9,308.9

million +1.8%

(FY18: RM9,140.7 million)

KUL ASQ Score

4.78 out of 5.00

(2018: 4.70)

KUL ASQ Rank

(> 40 mppa Category)

16th

(2018: 14th)

Notes:

- 1. Excluding Construction Revenue in relation to IC interpretation 12: Service Concession Arrangement (IC12)
- 2. Actual excluding Non-Core Items (NCI). NCI represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil), gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil) and transaction costs related to divestment projects (RM1.1mil).



Headline Key Performance Indicator (KPI)

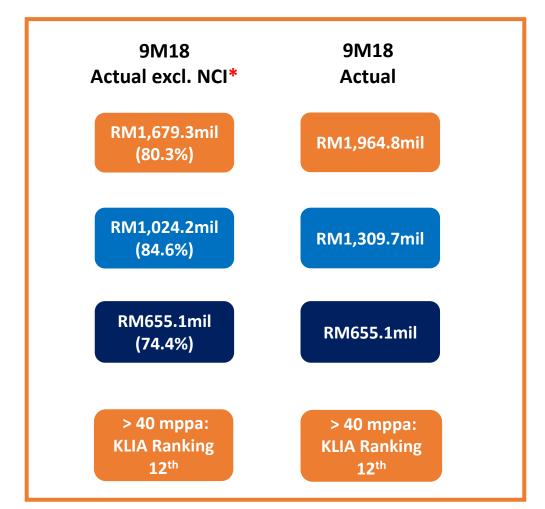
EBITDA (%)¹

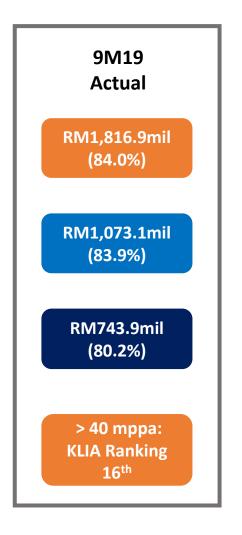
TR³
Operations
EBITDA

Operations

EBITDA

Airport Service Quality (ASQ)







^{1%} represents percentage of KPI achieved for the financial year

² MY represents results from the Malaysian operation and overseas project and repair maintenance segment in Qatar

³ TR represents consolidated results from ISG & LGM in Turkey

^{*}Non-Core Items (NCI) represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil), gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil) and transaction costs related to divestment projects (RM1.1mil).



Quarter-on-Quarter & Preceding Quarter Summary

	MY				TR		MAHB GROUP				
	AIR AIR	LAYSIA PORTS		IS	G G		M A L AIRP	AYSIA	6		
		3Qv3Q	3Qv2Q		3Qv3Q 3	Qv2Q	_	3Qv3Q	3Qv2Q		
Revenue incl. IC12	RM980.4mil	+6.5%	+4.0%	RM374.7mil	+21.2% +17	7.8% RM	1,355.2mil	+10.2%	+7.5%		
Revenue excl. IC12	RM980.4mil	+6.5%	+4.0%	RM374.7mil	+21.2% +17	7.8% RM	1,355.2mil	+10.2%	+7.5%		
Airport Operations	RM906.5mil	+6.8%	+3.4%	RM372.2mil	+21.3% +1	17.9%	RM1,278.7mil	+10.7%	+7.3%		
Non-Airport Operations	RM73.9mil	+3.0%	+11.0%	RM2.5mil	+5.1%	+0.7%	RM76.4mil	+3.0%	+10.7%		
EBITDA	RM356.6mil	+9.9%	(-1.1%)	RM290.7mil	+9.6% +19	9.4% RI	M647.3mil	+9.7%	+7.2%		
EBITDA excl. NCI*	RM356.6mil	+9.7%	(-1.1%)	RM290.7mil	+9.6% +19	9.4% RI	M647.3mil	+9.7%	+7.2%		
Net Assets						RM	9, 30 8.9mil	+1.6%	+0.6%		
Passenger Movement	26.8mil	+8.2%	+4.3%	9.9mil	+2.0% +14	4.0%	36.7mil	+6.5%	+6.7%		
Aircraft Movement	227,858	+5.2%	+4.1%/	62,772	+3.2% +9	9.8%	290,630	+4.7%	+5.2%		

^{*}Non-Core Items (NCI) represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil), gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil) and transaction costs related to divestment projects (RM1.1mil).



Year-to-date Summary

Revenue incl. IC12
Revenue excl. IC12
Airport Operations
Non-Airport Operations
EBITDA
EBITDA excl. NCI*
Net Assets
Passengers
Movements
Aircraft
Movements

MY	
MALAYSI	s ·
RM2,896.0mil	9M19v9M18 +6.5%
RM2,896.0mil	+6.5%
RM2,677.5mil	+6.6%
RM218.5mil	+5.3%
RM1,073.1mil	(-18.1%)
RM1,073.1mil	+4.8%
78.0mil	+5.9%
660,669	+3.0%

TR	
ISG	(3)
RM972.7mil	9M19v9M18 +10.3%
RM972.7mil	+19.5%
RM965.4mil	+19.6%
RM7.2mil	+9.5%
RM743.9mil	+13.6%
RM743.9mil	+13.6%
26.7mil	+2.9%
173,094	+2.8%

MAHB GROUP

9M19v9M18 + 7.5 %
+9.5%
+9.8%
+5.4%
(-7.5%)
+8.2%
+1.6%
+5.1%
+3.0%

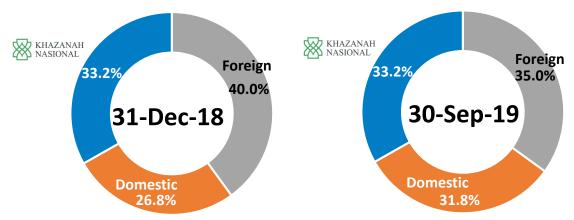
^{*}Non-Core Items (NCI) represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil), gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil) and transaction costs related to divestment projects (RM1.1mil).



Equity & Borrowing Profile

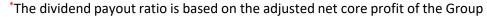
Shareholding Profile

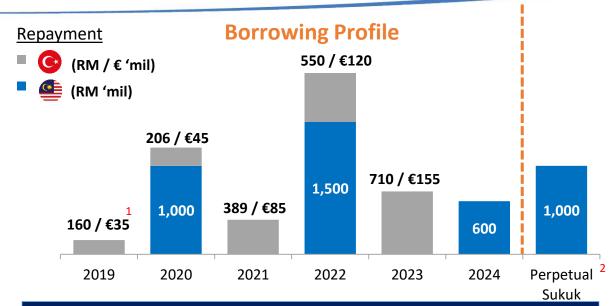
No. of paid-up share capital: 1,659,191,828



Dividend Profile

Financial Year	Dividend Reinvestment Plan Subscription Rate		Dividend Payment per Share (sen)			Tota	l Amount (RM' mil)	Dividend Payout Ratio*		
	Interim	Final	Interim	Final	Total	Interim	Final	Total	Total	
2012	46.2%	85.0%	6.00	7.63	13.63	72.60	92.86	165.46	50.0%	
2013	88.4%	87.6%	6.00	5.78	11.78	73.95	78.87	152.82	50.0%	
2014	53.4%	74.1%	2.00	3.60	5.60	27.48 59.47		86.95	61.2%	
2015	N/A	N/A	4.00	4.50	8.50	66.37	74.66	141.03	58.1%	
2016	N/A	N/A	4.00	6.00	10.00	66.37	99.55	165.92	55.5%	
2017	N/A	N/A	5.00	8.00	13.00	82.96	132.74	215.69	55.1%	
2018	N/A	N/A	A 5.00 9.00 14.0		14.00	82.96 149.33		232.29	52.0%	
2019	N/A	N/A	5.00	TBD	5.00	82.96	TBD	82.96	50.0%	





	30 Sept 19	31 Dec 18
Net debt (RM 'mil) ³	2,162.2	2,350.3
Share of fixed-rate debt	100% ⁴	100% ⁴
Weighted average maturity (years)	3.69	4.45
Weighted average cost	4.09%	4.06%
Gross gearing ratio (times)	0.54x	0.56x

Credit Rating / Outlook	
RAM (Reaffirmed on (19-Dec-18)	AAA / Stable
Moody's (Reaffirmed on (16-Jan-19)	A3 / Stable

¹€15m was paid in June 2019

²Non-call 10 year, fixed initial periodic distribution rate of 5.75% recognised in equity

³Net Debt = Total Debt – (Cash and Cash Equivalents *plus* Unit Trust and Bonds)

⁴After ISG's floating rate swap



Significant Events





22 Mar 2018

KLIA won Routes Asia 2018 Marketing Award



27 Mar 2018

Proposed disposal by Malaysia Airports of its



entire 23% equity interest in GMIAL



ISG opened its new domestic boarding hall, increasing the terminal capacity from 33 mppa to 41 mppa



28 Aug 2018

Declared single-tier interim dividend of 5.0 sen per ordinary share for FY18



1 Sep 2018

Langkawi International Airport expansion project completed with capacity increasing from 1.5mppa to 4.0mppa



Ground breaking ceremony for a new dedicated _____ processing centre for departing airline crew at = klia2



15 Mar 2019

Langkawi International Airport won Routes Asia 2019 Marketing Award



17 Jan 2019

Appointment of Tan Sri Datuk Zainun Ali as Chairman of Malaysia Airports



4 Jan 2019

Appointment of Raja Azmi Raja Nazuddin as Group Chief Executive Officer of Malaysia Airports



Malaysia Airports terminated the agreement in relation to the Proposed Disposal



Malaysia Airports launched 'Happy Guests, Caring Hosts' campaign in its effort to become a service leader

3 Dec 2018

The board of Malaysia Airports extended the deadline for the completion of the Proposed Disposal



10 Apr 2019

The Government of Malaysia had approved the extension of the Operating Agreement for an additional thirty-five (35) years, up to 2069



2 May 2019

Appointment of Dato' Mohd Shukrie Mohd Salleh as Chief Operating Officer of Malaysia Airports



2 May 2019

Declared a single-tier final dividend of 9.0 sen per ordinary share for FY18



26 Jul 2019

Prime Minister visits Malaysia-owned ISG Airport in Turkey



30 Aug 2019

Declared a single-tier interim dividend of 5.0 sen per ordinary share for FY19



15 Oct 2019

Qatar Airways expanded its route by commencing its flight operation to Langkawi International Airport



ISG commenced its first long-haul flights operated by Malaysia Airlines









Group 3Q19 Results (vs 3Q18)

	3Q19			3Q18					C*		MALAYSIA	
(RM 'mil)		C*	Airports		C*	AIRPORTS	Variance %		Variance %		Variance %	
Revenue	980.4	374.7	1,355.2	920.3	309.2	1,229.5		6.5		21.2		10.2
Other Income	57.9	5.4	63.3	67.1	8.0	75.1		(13.8)		(32.3)		(15.7)
Direct Cost	(202.4)	-	(202.4)	(176.1)	-	(176.1)		(14.9)		-		(14.9)
Operating Expenditure	(479.3)	(89.5)	(568.7)	(486.8)	(52.0)	(538.7)		1.5		(72.2)		(5.6)
EBITDA	356.6	290.7	647.3	324.5	265.3	589.8		9.9		9.6		9.7
Depreciation & Amortisation	(98.4)	(132.2)	(230.7)	(93.5)	(131.5)	(225.1)		(5.2)		(0.5)		(2.5)
Finance Costs	(45.0)	(130.4)	(175.3)	(41.6)	(172.1)	(213.7)		(8.2)		24.3		17.9
Share of Assoc. & JV Profit	5.5	-	5.5	3.7	-	3.7		46.7		-		46.7
Profit before Tax & Zakat	218.7	28.1	246.8	193.2	(38.4)	154.8		13.2		173.3		59.4
Taxation & Zakat	(49.7)	0.8	(48.9)	3.4	10.3	13.7		(1,561.2)		(91.9)		(457.0)
Net Earnings	168.9	28.9	197.9	196.6	(28.1)	168.5		(14.1)		203.1		17.4
EBITDA Margin (%)	36.4%	77.6%	47.8%	35.3%	85.8%	48.0%		1.1 ppt		(8.2) ppt		(0.2) ppt
PBT Margin (%)	22.3%	7.5%	18.2%	21.0%	(12.4%)	12.6%		1.3 ppt		19.9 ppt		5.6 ppt

Exchange rate used in profit and loss for 3Q19: RM4.61/EUR Exchange rate used in profit and loss for 3Q18: RM4.79/EUR



Group 3Q19 Results (vs 3Q18)

	3Q19				3Q18		<u> </u>	C*	AIRPORTS		
(R	RM 'mil)		C*	Airports		C ∗	Airports	Variance %	Variance %	Variance %	
R	Revenue	980.4	374.7	1,355.2	920.3	309.2	1,229.5	6.5	21.2	1 0.2	

Group revenue grew by 10.2%

- **★** Airport operations: RM1,278.7mil (+10.7%)
 - Aeronautical: RM714.0mil (+12.9%) mainly due to higher overall passenger movements in Malaysia and international passengers in Turkey by 8.2% and 17.9% respectively
 - Non-Aeronautical: RM564.7mil (+8.0%) due to improved duty free rental revenue arising from higher international passenger movements in Turkey
- ★ Non-airport operations: RM76.4mil (+3.0%)
 - Project and repair maintenance: RM44.6mil (+11.2%)
 - Hotel: RM24.2mil (-1.9%)
 - Agriculture & horticulture: RM7.7mil (-17.8%)



Group 3Q19 Results (vs 3Q18)

	3Q19				3Q18		(*	C*	MALAYSIA		
(RM 'mil)		C*	AIRPORTS		C*	AIRPORTS	Variance %	Variance %	Variance %		
EBITDA	356.6	290.7	647.3	324.5	265.3	589.8	9.9	9.6	9.7		
Profit before Tax & Zakat	218.7	28.1	246.8	193.2	(38.4)	154.8	13.2	173.3	59.4		

Group EBITDA increased by 9.7%

- ★ Malaysia operations: EBITDA grew by 9.9% due to improvements in Malaysian passenger growth
- ★ Turkey operations: EBITDA increased by 9.6% in line with higher operating revenue

Group Profit before Tax & Zakat increased by 59.2%

- ★ Malaysia operations: Higher PBT by 13.2% was largely attributed to higher EBITDA
- ★ Turkey operations: Recorded an inaugural PBT of RM28.1mil (3Q18: LBT of RM38.4mil), after taking into account a loss of RM55.2mil (3Q18: RM55.2mil) primarily owing to the amortization of fair value of the concession rights



Group 3Q19 Results (vs 2Q19)

	3Q19			2Q19					C*		AIRPORTS	
(RM 'mil)		C*	Airports		C*	Airports		ance %	Variance %		Variance %	
Revenue	980.4	374.7	1,355.2	943.0	318.2	1,261.2		4.0		17.8		7.5
Other Income	57.9	5.4	63.3	59.2	5.6	64.8		(2.3)		(2.9)		(2.3)
Direct Cost	(202.4)	-	(202.4)	(199.7)	-	(199.7)		(1.4)		-		(1.4)
Operating Expenditure	(479.3)	(89.5)	(568.7)	(442.0)	(80.3)	(522.4)		(8.4)		(11.4)		(8.9)
EBITDA	356.6	290.7	647.3	360.4	243.5	603.9		(1.1)		19.4		7.2
Depreciation & Amortisation	(98.4)	(132.2)	(230.7)	(102.3)	(125.8)	(228.2)		3.8		(5.1)		(1.1)
Finance Costs	(45.0)	(130.4)	(175.3)	(48.1)	(134.1)	(182.2)		6.5		2.8		3.8
Share of Assoc. & JV Profit	5.5	-	5.5	8.1	-	8.1		(31.9)		-		(31.9)
Profit before Tax & Zakat	218.7	28.1	246.8	218.0	(16.4)	201.6		0.3		271.0		22.4
Taxation & Zakat	(49.7)	0.8	(48.9)	(46.1)	4.6	(41.5)		(7.9)		(81.8)		(17.8)
Net Earnings	168.9	28.9	197.9	171.9	(11.9)	160.1		(1.8)		343.8		23.6
EBITDA Margin (%)	36.4%	77.6%	47.8%	38.2%	76.5%	47.9%		(1.9) ppt		1.1 ppt		(0.1) ppt
PBT Margin (%)	22.3%	7.5%	18.2%	23.1%	(5.2%)	16.0%		(0.8) ppt		12.7 ppt		2.2 ppt

Exchange rate used in profit and loss for 3Q19: RM4.61/EUR Exchange rate used in profit and loss for 2Q19: RM4.67/EUR



Group 3Q19 Results (vs 2Q19)

		3Q19		2Q19				C*	AIRPORT	A
(RM 'mil)		C*	AIRPORTS		C ∗	Airports	Variance %	Variance %	Variance 9	
Revenue	980.4	374.7	1,355.2	943.0	318.2	1,261.2	4.0	17.8		7.5

Group revenue increased by 7.5%

- **★** Airport operations: RM1,278.7mil (+7.3%)
 - Aeronautical: RM714.1mil (+7.6%) mainly due to higher international passenger movements in Turkey
 - Non-Aeronautical: RM564.7mil (+6.9%) mainly due to improved duty free rental revenue arising from higher international passenger movements in Turkey
- ★ Non-airport operations: RM76.4mil (+10.7%)
 - Project and repair maintenance: RM44.6mil (+12.4%)
 - Hotel: RM24.2mil (+4.9%)
 - Agriculture & horticulture: RM7.7mil (+22.7%)



Group 3Q19 Results (vs 2Q19)

(DA4 lee:1)	3Q19			2Q19					C*		Änrp	PORTS
(RM 'mil)		C ⋆	Airports		C*	Airports	Variance %		2 % Variance %		Variance %	
EBITDA	356.6	290.7	647.3	360.4	243.5	603.9		(1.1)		19.4		7.2
Profit before Tax & Zakat	218.7	28.1	246.8	218.0	(16.4)	201.6		0.3		271.0		22.4

Group EBITDA increased by 7.2%

- ★ Malaysia operations: EBITDA declined by (-1.1%) mainly due to higher operating expenditure in 3Q19
- ★ Turkey operations: Higher EBITDA by (+19.4%) in tandem with higher revenue growth by 17.8%

Group PBT increased by 22.4%

- ★ Malaysia operations: Flat PBT largely attributable to marginal decline in EBITDA
- ★ Turkey operations: Recorded an inaugural PBT of RM28.1mil (2Q19: LBT of RM16.4mil), after taking into account a loss of RM55.2mil (2Q19: RM54.1mil) primarily owing to the amortization of fair value of the concession rights



Group 9M19 Results (vs 9M18)

		9M19			9M18			C* ZAN		IALAYSIA IRPORTS
(RM 'mil)		C*	Airports		C*	AIRPORTS	Variance %			iance %
Revenue incl. IC12	2,896.0	972.7	3,868.7	2,718.2	881.8	3,600.0	6.!	10.3		7.5
Revenue excl. IC12	2,896.0	972.7	3,868.7	2,718.2	813.7	3,531.9	6.5	19.5		9.5
Other Income	181.2	16.6	197.8	455.7	17.9	473.6	(60.2	(7.5)		(58.2)
Direct Cost	(601.9)	-	(601.9)	(536.7)	-	(536.2)	(12.2	0.0		(12.2)
Operating Expenditure	(1,402.2)	(245.4)	(1,647.6)	(1,327.5)	(176.5)	(1,504.0)	(5.6	(0.3)		(9.5)
Construction Cost	-	-	-	-	(68.1)	(68.1)				-
EBITDA	1,073.1	743.9	1,816.9	1,309.7	655.1	1,964.8	(18.1	13.6		(7.5)
Depreciation & Amortisation	(307.1)	(393.1)	(700.1)	(271.0)	(383.1)	(654.1)	(13.3	(2.6)		(7.0)
Finance Costs	(133.6)	(390.8)	(524.4)	(130.4)	(444.2)	(574.6)	(2.4	12.0		8.7
Share of Assoc. & JV Profit	20.6	-	20.6	17.0	-	17.0	21.3	0.0		21.1
Profit before Tax & Zakat	653.0	(40.0)	613.0	925.4	(172.2)	753.1	(29.4	76.8		(18.6)
Taxation & Zakat	(126.3)	20.8	(105.5)	(87.3)	33.4	(53.9)	(44.7	(37.6)		(95.6)
Net Earnings	526.8	(19.2)	507.5	838.1	(138.9)	699.2	(37.1	86.2		(27.4)
EBITDA Margin (%) (excl. IC12)	37.1%	76.5%	47.0%	48.2%	80.5%	55.6%	(11.1) pp	t (4.0) ppt		(8.7) ppt
PBT Margin (%) (excl. IC12)	22.5%	(4.1%)	15.8%	34.0%	(21.2%)	21.3%	(11.5) pp	t 📤 17.1 ppt		(5.5) ppt
Net Asset per Share (RM)			5.61			5.52				1.3

Exchange rate used in profit and loss for 9M19: RM4.61/EUR Exchange rate used in profit and loss for 9M18: RM4.79/EUR



Group 9M19 Results (vs 9M18)

	9M19			9M18					C*		AIRPORTS			
(RM 'mil)		C	AIRPORTS		C	AIRPORTS	Variance %		Variance %		Varia	nce %	Varian	
Revenue incl. IC12	2,896.0	972.7	3,868.7	2,718.2	881.8	3,600.0		6.5		10.3		7.5		
Revenue excl. IC12	2,896.0	972.7	3,868.7	2,718.2	813.7	3,531.9		6.5		19.5		9.5		

Group revenue grew by 9.5%*

- **★** Airport operations: 3,642.9mil (+9.8%)
 - Aeronautical: RM2,024.4mil (+15.1%) mainly due to higher international passenger growth in Malaysia and Turkey by 2.2% and 19.7% respectively, leading to higher PSC revenue
 - Non-Aeronautical: RM1,618.5mil (+3.8%) driven by the commercial revenue growth in Turkey
- Non-airport operations: RM225.8mil (+5.4%)
 - Project and repair maintenance: RM132.7mil (+14.3%)
 - Hotel: RM72.7mil (-0.9%)
 - Agriculture & horticulture: RM20.4mil (-17.3%)

^{*}Excluding Construction Revenue in relation to IC interpretation 12: Service Concession Arrangement (IC12)



Group 9M19 Results (vs 9M18)

(DRA lest)	9M19			9M18				C*	AIRPORTS
(RM 'mil)		C*	AIRPORTS		C*	Airports	Variance %	Variance %	Variance %
EBITDA	1,073.1	743.9	1,816.9	1,309.7	655.1	1,964.8	(18.1)	13.6	(7.5)
Profit before Tax & Zakat	653.0	(40.0)	613.0	925.4	(172.2)	753.1	(29.4)	76.8	(18.6)

Group EBITDA decreased by 7.5%

- ★ Malaysia operations: EBITDA decreased by 18.1% mainly due to unrealised gain on NCI amounting to RM285.5mil in the prior period
- ★ Malaysia operations: EBITDA excluding non-core items, EBITDA grew by 4.8% in tandem with higher aeronautical revenue
- ★ Turkey operations: EBITDA up by 13.6% in line with higher international passenger growth by 19.7%

Group PBT decreased by 18.7%

- ★ Malaysia operations: Lower PBT by 29.4% was largely attributed to unrealised gain on NCI in the prior period
- ★ Malaysia operations: PBT excluding non-core items grew 2.3% attributed to higher passenger movements
- ★ Turkey operations: Recorded PBT of RM126.4mil (9M18: LBT of RM7.5mil), prior to taking into account a loss of RM166.4mil (9M18: RM164.7mil) primarily owing to the amortization of fair value of the concession rights.



9M19 EBITDA and PBT Reconciliation

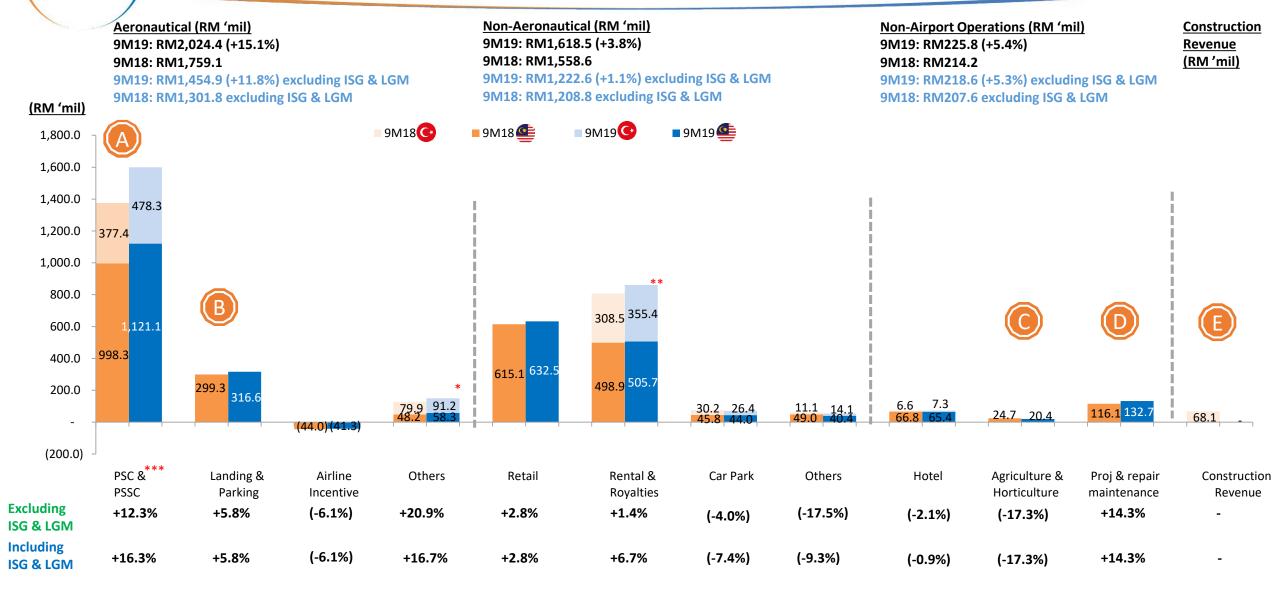
			9M19			9M18		Variance (%)		
(RM '	(RM 'mil)		C*	Airports		C*	AIRPORTS		C*	AIRPORTS
	EBITDA excluding Non-core items (NCI) & Adjustments (Adj)	1,073.1	735.7	1,808.8	1,024.2	646.8	1,671.0	4.8%	13.8%	8.3%
NCI	+ Other Income - Gain on disposal of GMIAL	-	-	-	28.2	-	28.2			
NCI	+ Other Income - FV gain on investment in GHIAL	-	-	-	258.4	-	258.4			
Adj*	+ Other Income - ISG PPA interest income	-	8.1	8.1	-	8.3	8.3			
NCI	+ Other Expenses - Transaction cost	-	-	-	(1.1)	-	(1.1)			
	EBITDA including NCI & Adj	1,073.1	743.9	1,816.9	1,309.7	655.1	1,964.8	-18.1%	13.6%	-7.5%
	- Depreciation and Amortisation	(307.1)	(241.8)	(548.9)	(271.0)	(233.2)	(504.1)			
Adj*	- Amortisation - ISG&LGM PPA concession rights fair value	-	(151.2)	(151.2)	-	(150.0)	(150.0)			
	 Finance Costs - interest on borrowing and misc. 	(133.6)	(70.4)	(204.0)	(130.4)	(107.7)	(238.1)			
	- Finance Costs - ISG utilization fee expense	-	(297.2)	(297.2)	-	(313.0)	(313.0)			
Adj*	 Finance Costs - ISG&LGM PPA interest expense 	-	(23.2)	(23.2)	-	(23.5)	(23.5)			
	+ Share of Assoc. & JV Profit	20.6	-	20.6	17.0	-	17.0			
	Profit before Tax & Zakat including NCI &Adj	653.0	(40.0)	613.0	925.4	(172.2)	753.1	-29.4%	76.8%	-18.6%
	- Taxation and Zakat	(126.3)	20.8	(105.5)	(87.3)	33.4	(53.9)			
	PAT including NCI & Adj	526.8	(19.2)	507.5	838.1	(138.9)	699.2	-37.1%	86.2%	-27.4%

Note: Included within current period retained earnings is a distribution to the perpetual sukuk holders amounting to RM43.0mil (9M18: RM43.0mil)

^{*}PPA (Purchase Price Allocation): Non-cash adjustments are in respect of the fair valuation exercise on the Turkish operations under MFRS3: Business Combinations (9M19: RM166.4mil; 9M18: RM164.7mil)



Group Segmental Revenue



^{*}Included in Turkish operations' aeronautical revenue is ISG's jet fuel farm rental income of EUR6.0mil / RM27.5mil (9M18: EUR5.5mil / RM26.4mil)

^{**}Included in Turkish operations' rental and royalties is revenue generated from ISG's duty free business with Setur of EUR47.4mil / RM218.7mil (9M18: EUR40.1mil/ RM192.2mil)

^{***}Inclusive of MARCS PSC and MARCS ERL



Group Explanatory Notes



PSC and PSSC (inclusive of MARCS PSC and MARCS ERL)

The increase in PSC and PSSC is in line with the increase in total passenger movements in Malaysia and international passenger movements in Turkey by 5.9% and 19.7% respectively with ISG also introducing PSSC of EUR3 for departing international passengers

Landing & Parking

Landing & parking revenue in Malaysia increased due to higher aircraft movements by 3.0%. Landing & parking revenue at ISG is collected by the Government of Turkey

- - **Agriculture & Horticulture**

The decrease was due to lower average price attained per Fresh Fruit Bunches (FFB) (9M19: RM391/MT; 9M18: RM490/MT) coupled with lower FFB production (9M19: 42,043 MT; 9M18: 48,737 MT)

Project & Repair Maintenance

The increase in revenue is attributed to higher contract billings on the Qatar facility & IT systems management projects

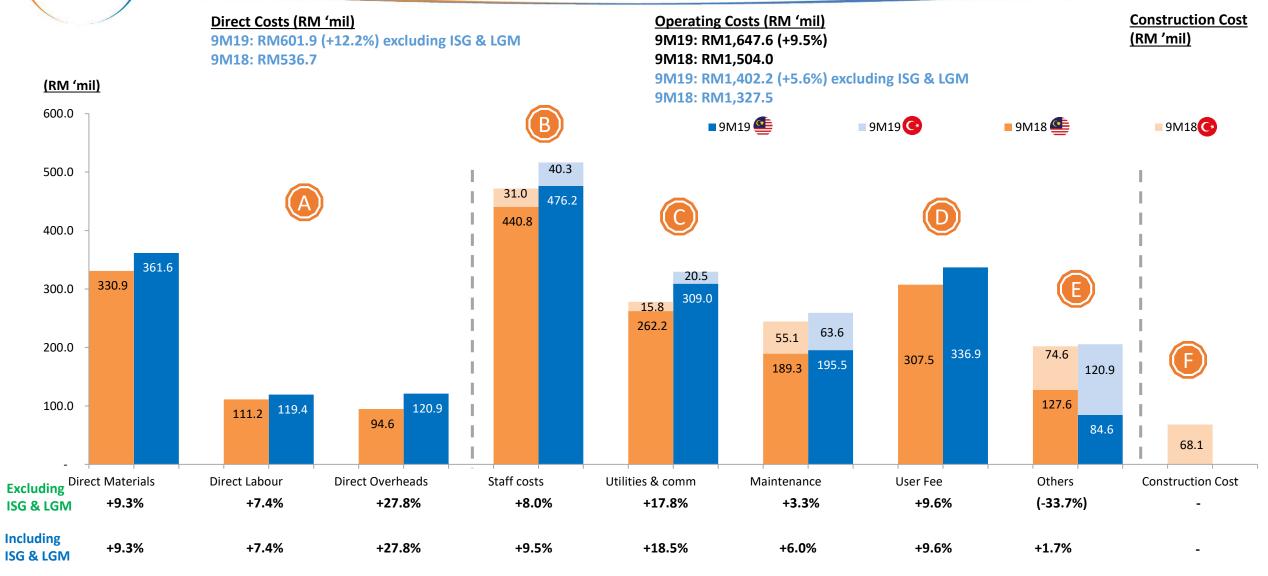
Construction Revenue (IC12: Service Concession Agreement)

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

The ISG boarding hall expansion was completed in July 2018



Group Operating Cost Analysis





Group Explanatory Notes



Direct Costs

Direct costs increase is in line with the increase in revenue from the Project & Repair Maintenance segment

B Sta

Staff Costs

Increase in staff costs in Malaysia is mainly due to the annual increment of 3%-5.5% (effective May 2019) as well as increase in total number of staff from 9,891 (9M18) to 9,911 (9M19)

(C)

Utilities & Comm

Higher utilities due to increase in electricity tariff effective July 2018 as well as higher consumption

User Fee

The increase is mainly due to higher revenue for airport operations revenue and annual escalation of user fee rate (9M19: 12.13%; 9M18: 11.81%)

01

Others

Higher for Turkey operation due to increase in revenue share arising from the implementation of PSSC from 1 January 2019, where EUR 1.50 of the EUR 3.00 will be shared with the Turkish Government. Other expenses is lower for Malaysia due to a writeback on provision for doubtful debt

F

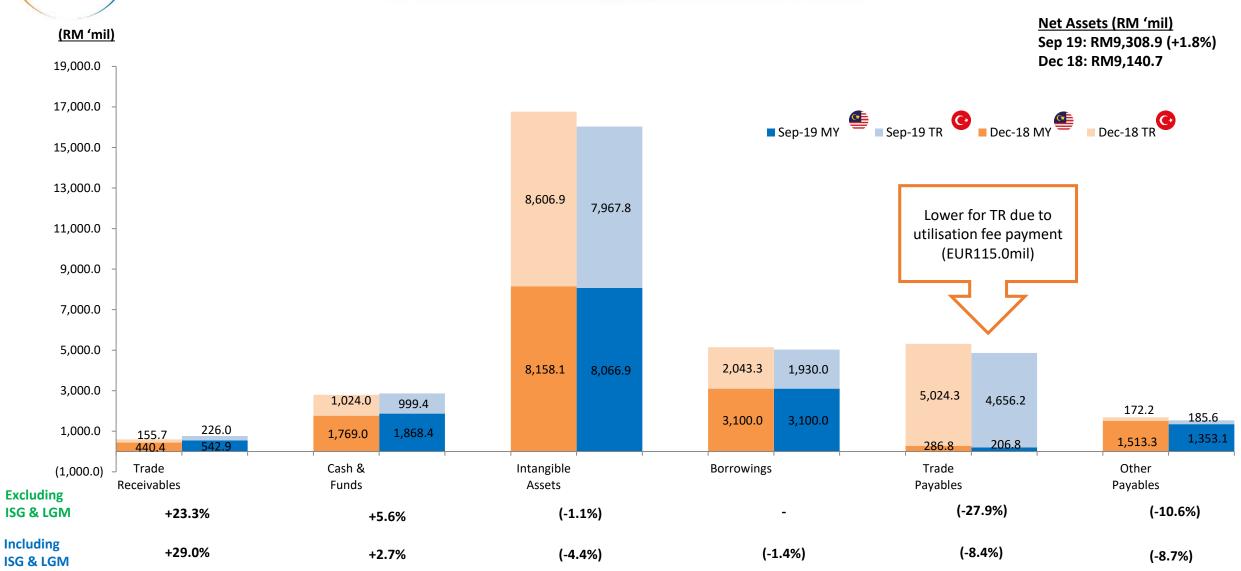
Construction Cost (IC12: Service Concession Agreement)

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement).

The ISG boarding hall expansion was completed in July 2018



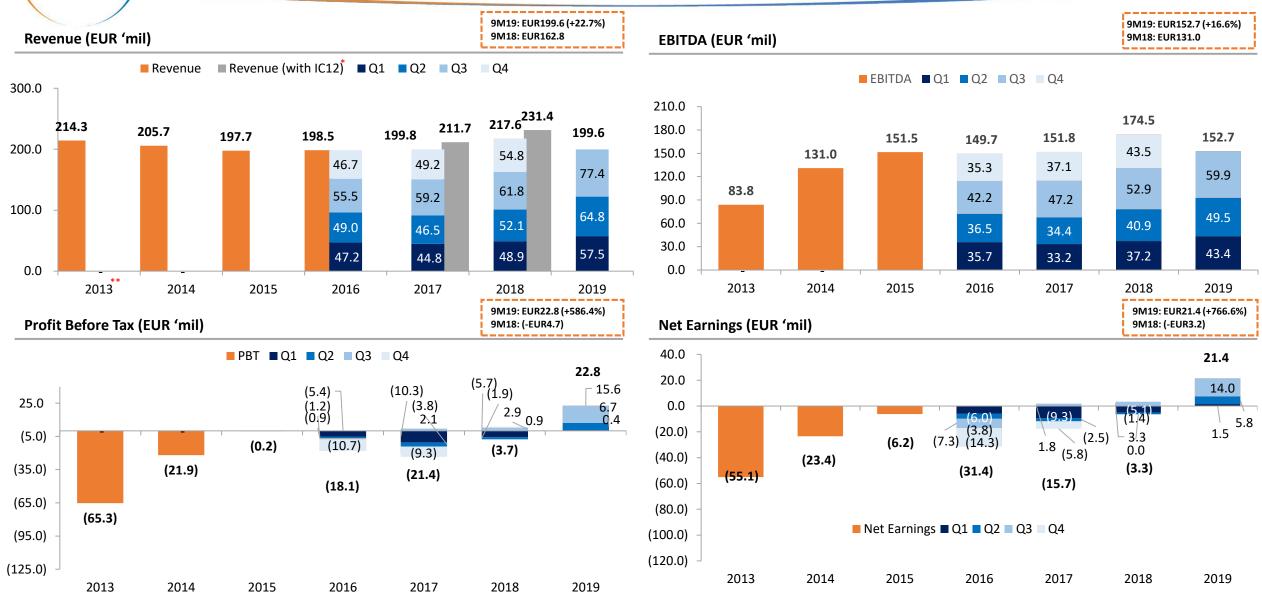
Group Balance Sheet Analysis



Turkish Operations (ISG & LGM) Financial Performance



ISG Income Statement Summary

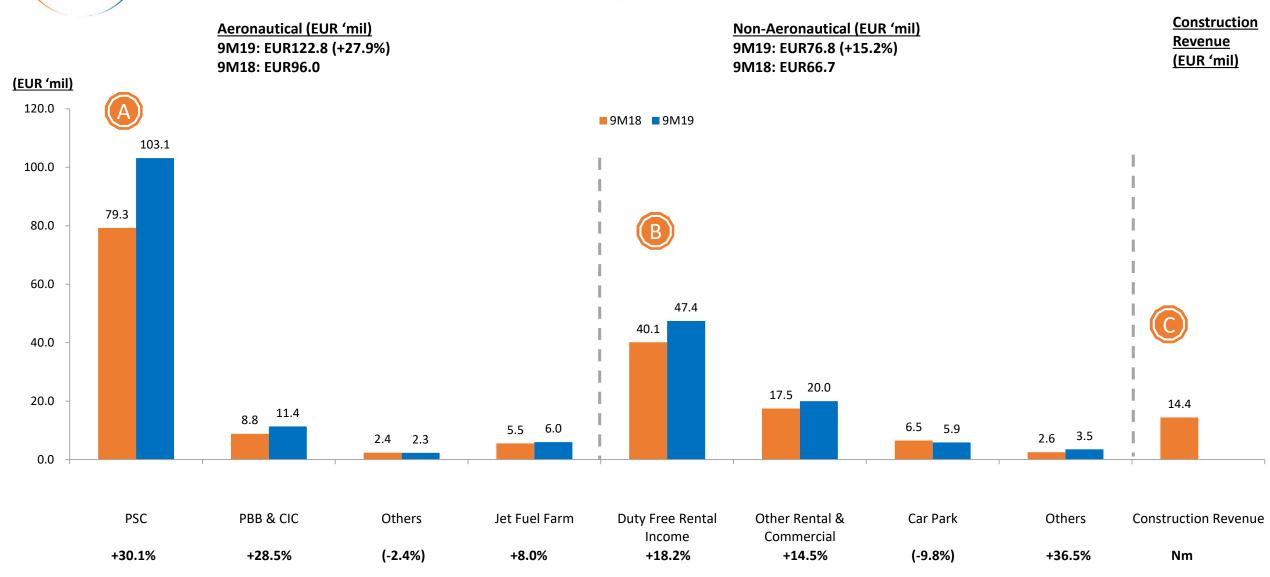


^{*}In relation to IC interpretation 12: Service Concession Arrangement whereby ISG recognised the construction revenues and costs by reference to the stage of completion of Istanbul Sabiha Gokcen International Airport expansion works

^{**}Change of jet fuel supply operations in 2013 from supply of jet fuel to airlines to provision of jet fuel farm services to the jet fuel supplier. With effect from Sept 2014, ISG further changed its jet fuel farm operations to outright rental of the farm in the form of variable rent (tariff) per ton of jet fuel supplied to airlines



ISG Revenue Analysis





ISG Explanatory Notes



PSC & PSSC

The increase of 30.1% in revenue is mainly due to the 19.7% increase in international passenger traffic supported by the introduction of passenger security service charges (PSSC) for all departing international passengers

Int	ernational Charges (El	Domestic Charges (EUR)			
PSC	PSSC	Transfer PSC	PSC	Transfer PSC	
15.00	3.00	5.00	3.00	1.00	



Duty Free Rental Income

The increase in duty free rental income was mainly due to the rise in international passenger traffic. ISG will receive revenue amounting to the higher of 46.0% between: 1) guaranteed spending per pax which is the contractual income guaranteed by Setur; or (2) actual duty free spending per pax

- Average spending per pax (9M19: EUR7.69; 9M18: EUR8.04)
- Guaranteed spending per pax (9M19: EUR9.50; 9M18: EUR9.50)



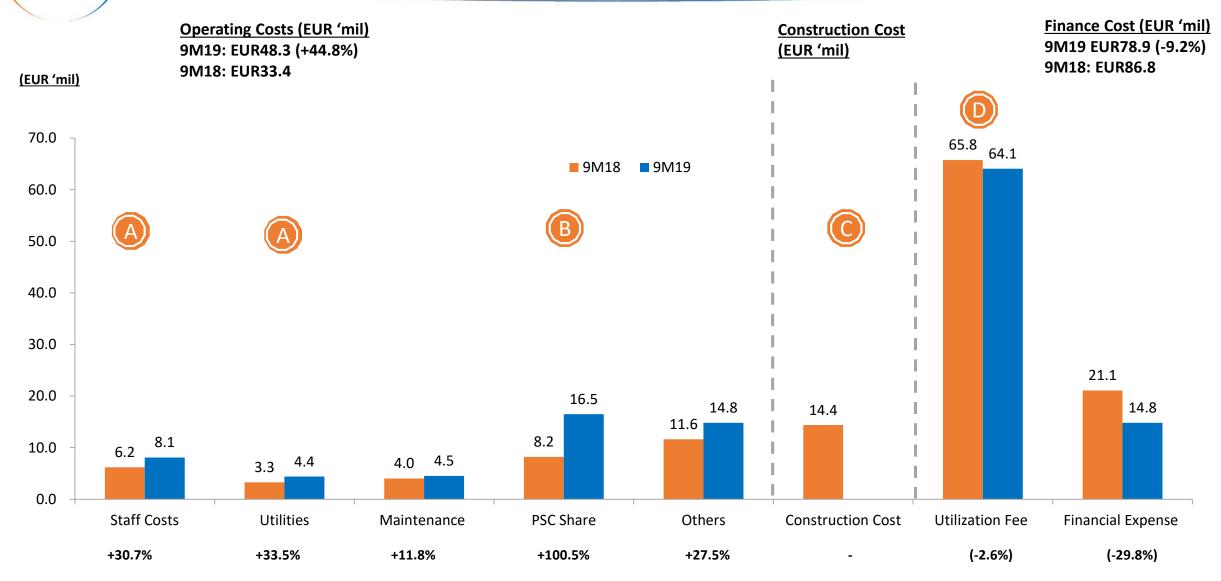
Construction Revenue (IC12: Service Concession Agreement)

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

The ISG boarding hall expansion was completed in July 2018



ISG Cost Analysis





ISG Explanatory Notes



Staff, Utilities & Maintenance costs

The increase was largely attributable to the opening of new expanded domestic boarding hall



PSC & PSSC Share

Relates to the share of PSC and PSSC to the Turkish Government upon an increase in PSC & PSSC tariff. The increase of 100.5% is due to higher international passenger growth and the introduction of PSSC for all departing international passengers

Revenue Sł	nare for International Ch	Revenue Share for Domestic Charges (EUR)				
PSC	PSSC	Transfer PSC	PSC	Transfer PSC		
1.50	1.50	2.50	-	0.5		



Construction Cost (IC12: Service Concession Agreement)

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

The ISG boarding hall expansion was completed in July 2018

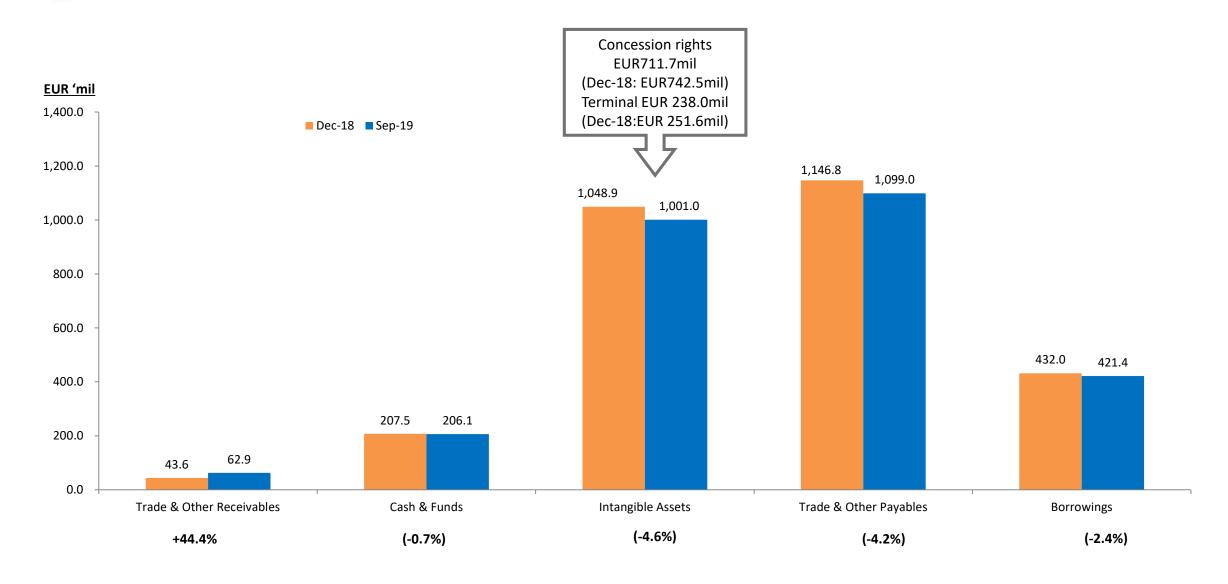


Utilization Fee Finance Cost

The utilization fee liability represents the present value of amounts payable to the Turkish Government in accordance with the Implementation Agreement for the operation of ISG for 24 years. The actual utilization fee payment is based on a step up basis of which the first cycle is EUR76.5 million, followed by an increase of EUR19.1 million for each step up. The first step up to EUR95.6 million was in 2015 with the next step up to EUR114.8mil occurred in 2019. The utilization fee finance cost of EUR64.1mil relates to interest expense on utilization fee liability for the period

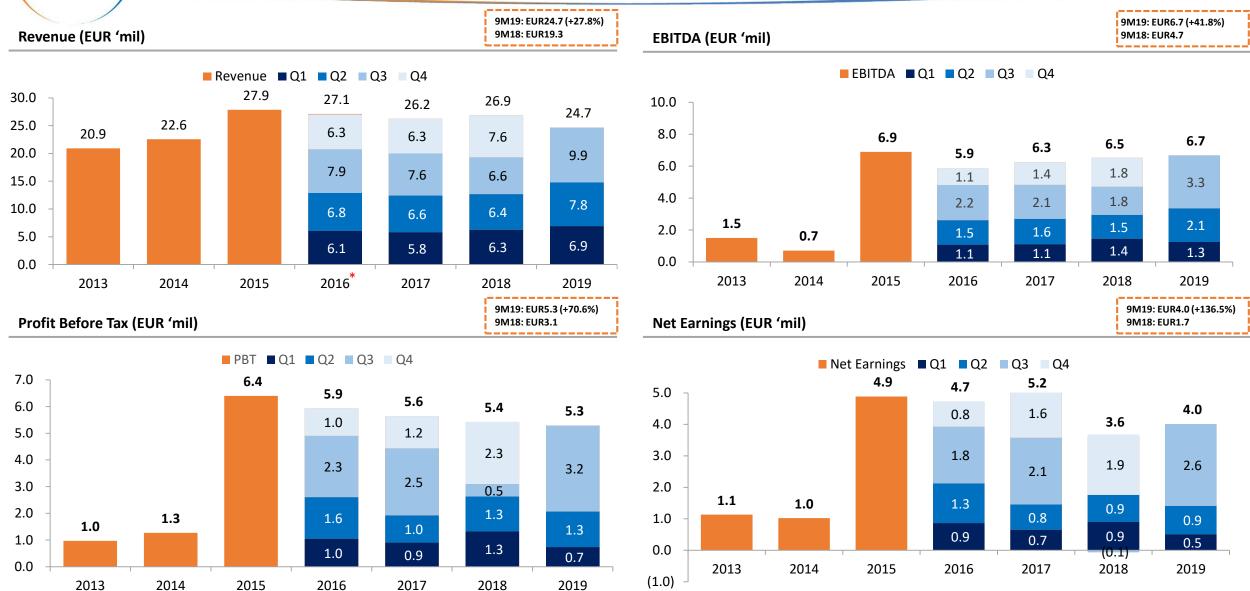


ISG Balance Sheet Analysis





LGM Income Statement



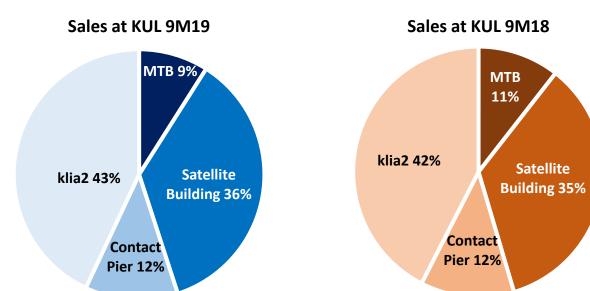
^{*}Decrease in revenue for LGM is mainly due to lower Commercially Important Person (CIP) rental revenue due to Akbank Lounge which was closed with effect from August 2015





KUL - Total Retail and F&B Sales

Description.		9M19			Sales Per Pax		
Description	Sales (RM 'mil)	No. of Pax ('mil)	Sales per Pax (RM)	Sales (RM 'mil)	No. of Pax ('mil)	Sales per Pax (RM)	Variance (%)
Main Terminal Building	132.6			168.5			
Satellite Building	556.0			557.2			
Contact Pier	183.3			193.3			
Total KLIA Main	871.9	21.4	40.73	919.0	20.9	43.88	(7.2)
Total klia2	669.8	24.7	27.06	678.6	23.7	28.57	(5.3)
Total KUL (KLIA Main + klia2)	1,541.7	46.2	33.40	1,597.6	44.7	35.75	(6.6)



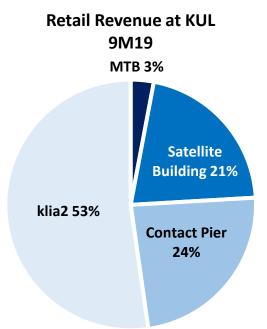
Lower sales per pax at KUL was mainly contributed by:

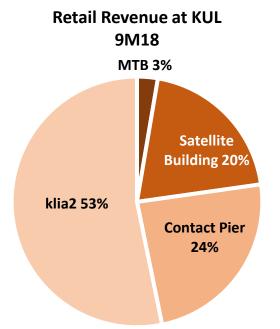
- Tight customs enforcement in China and Malaysia
- A faster domestic passenger growth of 6.8% vis-avis the increase of 1.9% in international passengers in KUL
- Continuation of commercial reset in KLIA Main and commencement at klia2

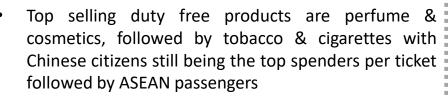


KUL - ERAMAN Retail Revenue

		9M19			9M18		Revenue	Revenue Per
Description	Revenue	No. of Pax	Per Pax	Revenue	No. of Pax	Per Pax	Variance	Pax Variance
	(RM 'mil)	('mil)	Revenue (RM)	(RM 'mil)	('mil)	Revenue (RM)	(%)	(%)
Main Terminal Building	16.1			16.7				
Satellite Building	107.5			105.7				
Contact Pier	121.3			123.5				
Total KLIA Main	244.8	21.4	11.43	246.0	21.0	11.74	(0.5)	(2.7)
Total klia2	271.2	24.7	10.96	272.2	23.7	11.46	(0.3)	(4.4)
Total KUL (KLIA Main + klia2)	516.1	46.2	11.18	518.2	44.7	11.59	(0.4)	(3.6)





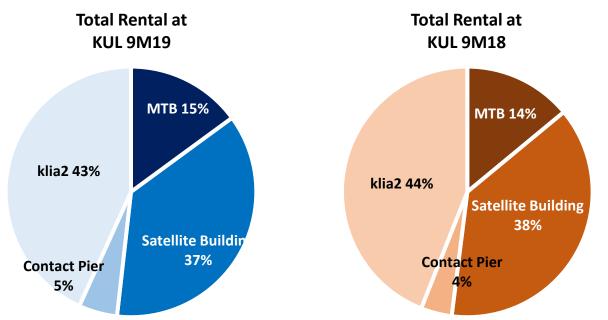


• Eraman commands about 40.5% of total sales at klia2



KUL - Retail & F&B Rental

		9M19										
Laurette e				Rental Revenue (RM 'mil)				Rental Revenue (RM 'mil)			Rental Revenue	
	No. of Lease out	Space (Sqm)	MGP	Royalty	Total Rental	No. of Lease out	Space (Sqm)	MGP	Royalty	Total Rental	Variance (%)	
Main Terminal Building	38	4,689	28.4	12.0	40.4	34	4,070	30.8	8.7	39.5		
Satellite Building	65	7,074	68.3	29.0	97.3	63	7,017	77.5	27.2	104.8		
Contact Pier	10	3,373	8.4	3.6	12.0	10	3,373	5.7	6.1	11.8		
Total KLIA Main	113	15,136	105.1	44.6	149.7	107	14,460	114.0	42.0	156.0	(8.3)	
Total klia2	101	14,538	70.9	42.4	113.3	91	14,220	74.7	47.1	121.9	(9.1)	
Total KUL (KLIA Main + klia2)	214	29,674	176.1	87.0	263.1	198	28,680	188.7	89.2	277.9	(8.5)	



 KLIA Main and klia2 recorded a lower rental revenue mainly due to the on-going commercial reset exercise



ISG - Duty Free & Rental Analysis

ISG's Duty Free Analysis*

	Unit	9M19	9M18
Average Duty Free spending per pax	EUR/Pax	7.69	8.04
Guaranteed spending per pax	EUR/Pax	9.50	9.50

	9M19		9N	Rental Revenue	
Description	Space (Sqm)	Rental (EUR 'mil)	Space (Sqm)	Rental (EUR 'mil)	Variance (%)
Setur Duty Free	5,050.0	47.4	5,050.0	40.1	18.2

ISG's Retail & F&B Rental Analysis

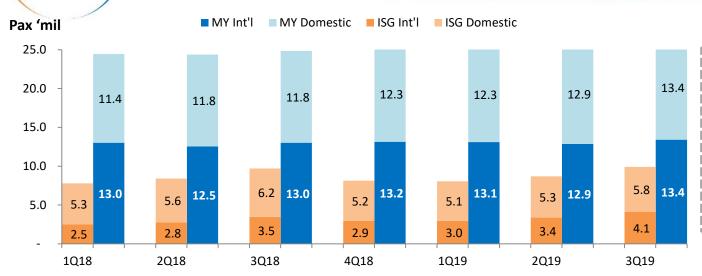
	9M19		9N	Rental Revenue	
Description	Space (Sqm)	Total Rental (EUR 'mil)	Space (Sqm)	Total Rental (EUR 'mil)	Variance (%)
Food & Beverage	10,120.6	9.0	9,107.0	7.5	21.3
Retail	3,082.7	2.2	3,049.5	1.7	32.0
Total ISG	13,203.3	11.2	12,156.5	9.1	23.2

^{*} ISG will receive rental revenue amounting to the higher of 46.0% between: (1) guaranteed spending per pax which is the contractual income guaranteed by Setur; or (2) duty free spending per pax





Passenger movements (Pax)



- ★ Total MAHB network of airports registered 5.1% growth
- ↑ There has been an increase in domestic passenger movements by 10.0% for MAHB airports excluding ISG. Furthermore, there has also been an increase in direct international services to MASB airports which has reduced some movements through KLIA
- ↑ Positive developments in Turkey continued, with an 2.9% increase total passenger for 9M19, contributed by international passenger traffic growth of 19.7%

	KLIA Main klia2		KLIA (KUL) MASB				MASB Airports *		MY Airports			ISG (SAW)			MAHB Group						
	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %
International	17.2	17.0	1.1	16.0	15.6	2.8	33.2	32.5	1 .9	6.2	6.0	3.5	39.4	38.6	2.2	10.4	8.7	1 9.7	49.9	47.3	5.4
ASEAN	6.7	6.7	(0.1)	9.3	8.8	5.4	16.0	15.5	3.0	3.7	3.6	2.9	19.6	19.0	3.0						
Non-ASEAN	10.5	10.3	1.9	6.7	6.7	(0.6)	17.2	17.1	0.9	2.6	2.5	4.4	19.8	19.5	1.4					1111111	
Domestic	4.2	4.0	6 .7	8.7	8.2	6 .9	13.0	12.2	6.8	25.6	22.9	11.7	38.6	35.1	1 0.0	16.2	17.2	(5.7)	54.8	52.2	4.8
Total	21.4	21.0	2.2	24.7	23.7	4.2	46.2	44.7	3.3	31.8	28.9	10.0	78.0	73.6	5.9	26.7	25.9	2.9	104.6	99.5	5.1

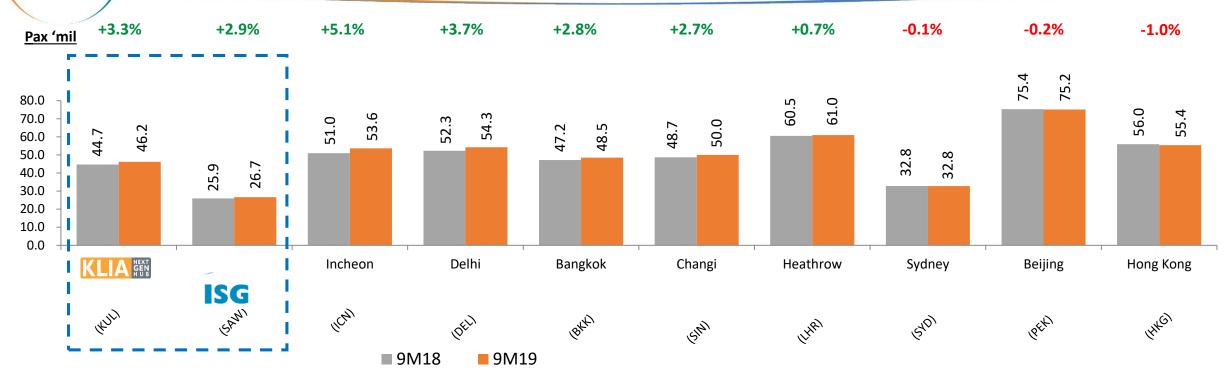
New destinations for home-based carriers in 9M19

Malaysia Airlines	AirAsia/AirAsiaX		Malindo Air		<u>Pegasus</u>	<u>Pegasus</u>				
KUL-Kochi KUL-Solo KUL-Pekanbaru	KUL-Taipei-Osaka KUL-Fukuoka KUL-Can Tho KUL-Quanzhou KUL-Lanzhou	BKI-BTU BKI-SBW BKI-Bandar Seri Begawan MKZ-PEN	KUL-Denpasar-Adelaide KUL-Hokkaido KUL-Zhengzhou KUL-Chengdu KUL-Sydney	KUL-Varanasi LGK-Phuket BKI-SDK MKZ-LGK MKZ-KBR	SAW-Riyadh SAW-Basra SAW-Eindhoven SAW-Manchester SAW-Venice	SAW-Casablanca				

^{*}MASB Airports refers to the 38 Malaysian airports other than KLIA/KUL operated by Malaysia Airports Sdn Bhd



Airport Peers Passenger Movements



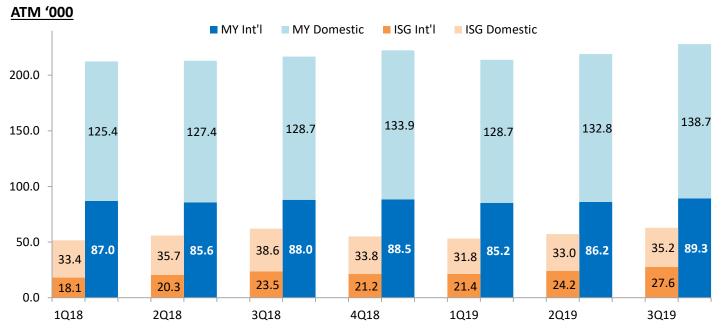
Source: Various airport websites, IATA



- Industry-wide revenue passenger kilometres (RPKs) increased by 3.8% over the year to September, a broadly unchanged pace from August. The moderate upward trend in underlying demand remains firmly in place.
- Despite some recent improvements across key economies, including China, Japan and Brazil, the global composite Purchasing Managers' Index (PMI) continues to trend sideways – an indication that any sharp uptick in RPKs is unlikely in the near-term.
- Asia Pacific carriers flew 3.6% more international RPKs in September than a year ago. The pace remains well below that of 2018 amidst a weaker economic backdrop in some of the region's key economies.



Aircraft Movements (ATM)



Snapshot of new services from foreign based carriers in 9M19

Airline	Routing	Frequency	Effective									
	New Services											
Citilink Indonesia	Surabaya-KUL	4x weekly	30/1									
Thai Airasia	Chiang Rai-KUL	4x weekly	31/1									
Citilink Indonesia	Jakarta-KUL	4x weekly	26/2									
Air Busan	Daegu-BKI	4x weekly	15/5									
Air Busan	Busan-BKI	Daily	22/5									
Batik Air	Jakarta-PEN	Daily	29/5									
Kuwait Airways	Kuwait-SAW	Daily	01/6									
Indigo	Chennai-KUL	14x weekly	15/7									
Air Arabia Maroc	Tangier-SAW	2x weekly	4/7									
	New Airli	ine										
Ariana Afghan Airlines	Kabul-SAW	2x weekly	09/4									
Jazeera Airways	Kuwait-SAW	3x weekly	15/6									
Royal Air Maroc	Casablanca-SAW	Daily	25/6									
Air Arabia	Sharjah-KUL	Daily	1/7									
Scoot	Singapore-KBR	3x weekly	2/7									
Salam Air	Muscat-SAW	2x weekly	3/7									

	KLIA Main		klia2			KLIA (KUL)		MASB Airports*		MY Airports			ISG (SAW)			MAHB Group					
	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %	9M19	9M18	Var %
International	109.3	112.7	(3.0)	95.8	92.4	3 .7	205.1	205.1	0.0	55.4	55.3	^ 0.2	260.5	260.4	^ 0.1	73.1	60.9	2 0.1	333.7	321.3	1 3.8
Domestic	39.3	37.0	6.2	57.9	54.4	6.5	97.2	91.4	6 .4	302.9	289.4	4 .7	400.1	380.8	^ 5.0	100.0	107.5	(7.0)	500.1	488.3	^ 2.4
Total	148.7	149.8	(0.7)	153.7	146.8	4 .7	302.4	296.5	^ 2.0	358.3		1 3.9		641.3	1 .0		i	^ 2.8		809.6	1 3.0

^{*}MASB Airports refers to the 38 Malaysian airports other than KLIA/KUL operated by Malaysia Airports Sdn Bhd



Notes

MALAYSIA AIRPORTS HOLDINGS BERHAD

MALAYSIA AIRPORTS CORPORATE OFFICE
PERSIARAN KORPORAT KLIA
64000 KLIA
SEPANG, SELANGOR
www.malaysiaairports.com.my

TEL: +603-8777 7000 FAX: +603-8777 7776 EMAIL: ir@malaysiaairports.com.my