



**TENAGA
NASIONAL**

Better. Brighter.

INVESTOR PRESENTATION



TABLE OF CONTENT

01

INTRODUCTION TO TENAGA

02

REGULATORY

03

BUSINESS STRATEGY & DIRECTION

04

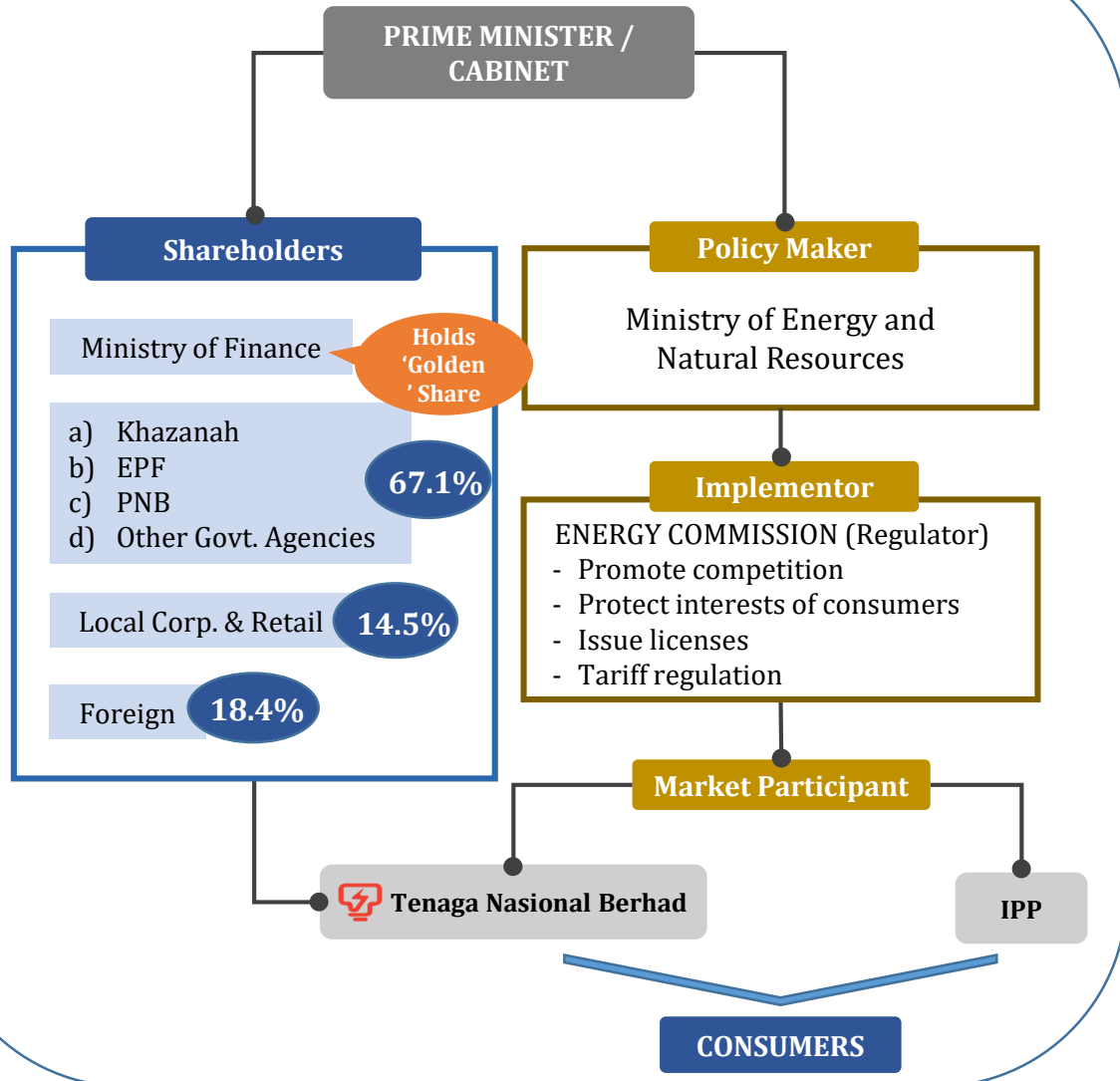
CAPITAL MANAGEMENT

05

FINANCIAL & TECHNICAL HIGHLIGHTS

INTRODUCTION TO TENAGA

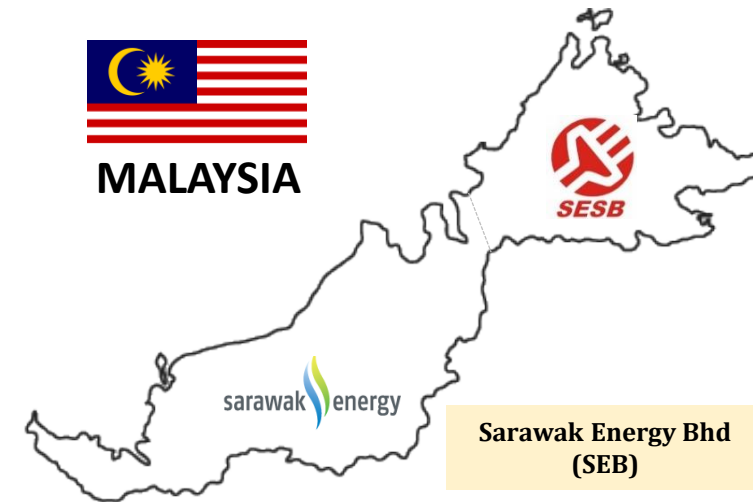
REGULATORY & SHAREHOLDING STRUCTURE



Tenaga Nasional Bhd (TNB)








Sabah Electricity Sdn Bhd (SESB)
(83% owned by TNB)
Dependable Capacity:
1,229MW



Sarawak Energy Bhd (SEB)

INTRODUCTION TO TENAGA

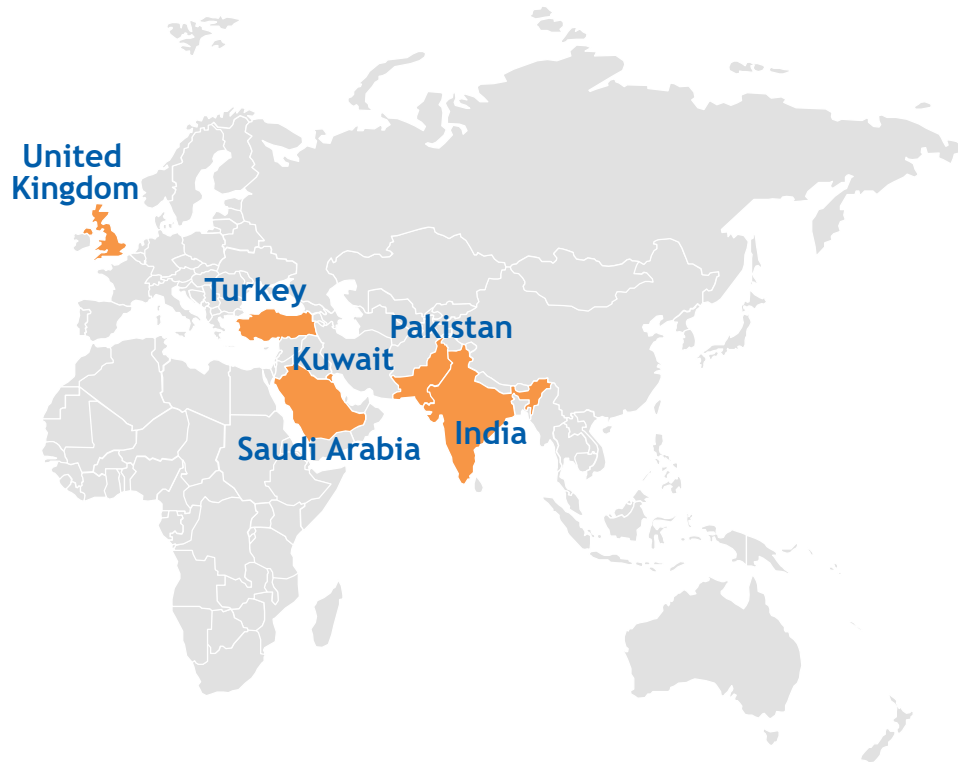
Core Business	Generation	Grid/Transmission	Distribution Network & Customer Service
	Non-Regulated Business	Regulated Business	
	<div><div><div>TNB Generation Mix:</div><div><div><div><div>Oil & Distillate</div><div></div><div>0.01%</div></div><div><div>Solar</div><div></div><div>0.6%</div></div><div><div>Hydro</div><div></div><div>3.1%</div></div><div><div>Gas & LNG</div><div></div><div>42.3%</div></div><div><div>Coal</div><div></div><div>53.9%</div></div></div></div><div><div>Installed Capacity:</div><div>26,296MW</div><div>TNB: 15,038MW @ 57.2%</div><div>IPP: 11,258MW @ 42.8%</div><div>Generation Market Share:</div><div>51.0%</div><div>Equivalent Availability Factor (EAF):</div><div>83.4%</div><div>Note: TNB installed capacity & Market Share are based on gross capacity</div></div></div></div>	<div><div>Transmission Network Length:</div><div>23,082KM</div><div>Transmission Substations:</div><div>443</div><div>Transmission System Minutes:</div><div>0.27 mins</div></div>	<div><div>Distribution Network Length:</div><div>660,038KM</div><div>Distribution Substations:</div><div>81,327</div><div>SAIDI:</div><div>48.1mins</div><div>Customer Satisfaction Index (CSI):</div><div>8.1</div></div>

Source: TNB Data / Info as at December 2019

Non-Core Business	Main Subsidiaries		
	Non-Regulated Business		
	<p>Operation & Maintenance (O&M)</p> <ul style="list-style-type: none"> TNB Repair & Maintenance Sdn. Bhd. (REMACO) <p>Manufacturing</p> <ul style="list-style-type: none"> Tenaga Switchgear Sdn. Bhd. Malaysia Transformer Manufacturing Sdn Bhd. Tenaga Cables Industries Sdn. Bhd. 	<p>Renewables, Energy Efficiency & Other Services</p> <ul style="list-style-type: none"> TNB Renewables Sdn. Bhd. GSPARX Sdn. Bhd. TNB Energy Services Sdn. Bhd. TNB Engineering Corporation Sdn. Bhd. Integrax Bhd. Allo Technology Sdn. Bhd. 	<p>Education & Research</p> <ul style="list-style-type: none"> TNB Integrated Learning Solution Sdn. Bhd. (ILSAS) TNB Research University Tenaga Nasional (UNITEN)

INTRODUCTION TO TENAGA

Expanding Global Footprint To Achieve Aspiration – TNB is currently present in more than 5 countries



**TNB'S FOCUS ON INTERNATIONAL
EXPANSION**

**AND INVESTMENT IN THERMAL &
RENEWABLE ENERGY**



United Kingdom

- 50% equity ownership in Vortex Solar Investments S.à.r.l, solar PV farm portfolio (May 2017)
- TNB Wind Ventures, onshore wind portfolio (Feb 2018)



Turkey

- 30% equity ownership in GAMA Enerji A.Ş. (Apr 2016)



Saudi Arabia

- 20% equity ownership in a Malaysian Shoaiba Consortium Sdn Bhd (Aug 2005)
- REMACO O&M Services for Shuaibah IWPP (Jan 2010)



Kuwait

- REMACO O&M for 225MW Sabiya Power Generation & Water Distillation Plant (July 2014)
- REMACO O&M for Shuaiba North Co-Gen 780MW Power; 204,000 m3/day water (Sept 2013)
- REMACO O&M for 210MW Doha West Power Generation & Water Distillation Plant (Nov 2016)



Pakistan

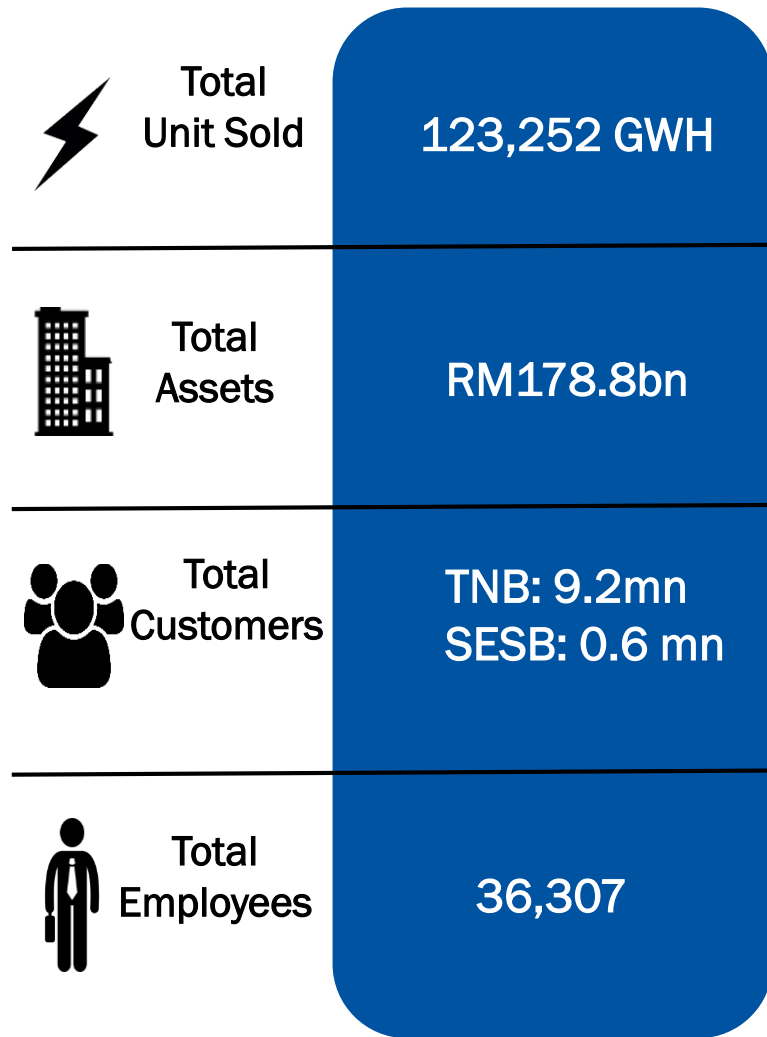
- Liberty Power Ltd 235MW (Sept 2001)
- REMACO O&M Services - Bong Hydro Plant (May 2011)
- REMACO O&M Services - Balloki Power Plan (July 2018)



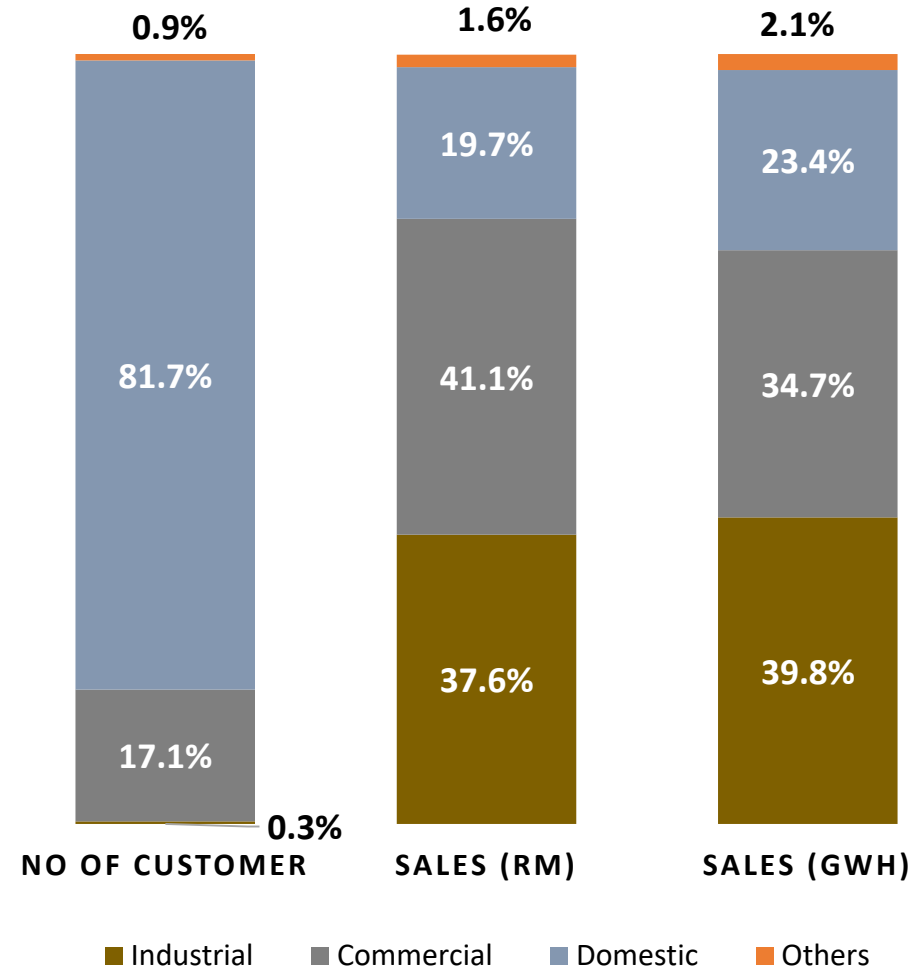
India

- 30% equity ownership in GMR Energy Ltd (Nov 2016)
- “compulsorily convertible debenture” in GMR Bajoli Holi Hydropower Private Ltd

INTRODUCTION TO TENAGA



TNB Sectoral Sales Analysis*



Note: Data / Info as at FY19 (December 2019)

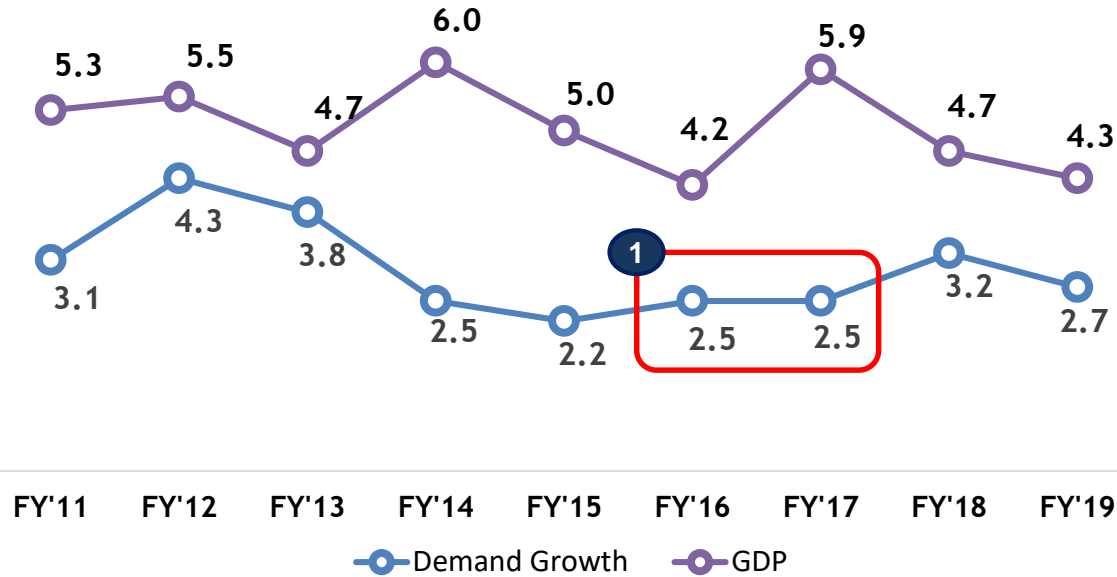
* Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)

INTRODUCTION TO TENAGA

Lower Electricity Demand in line with Lower GDP Growth

GDP & TNB (Peninsula) Demand Growth by Financial Year

%

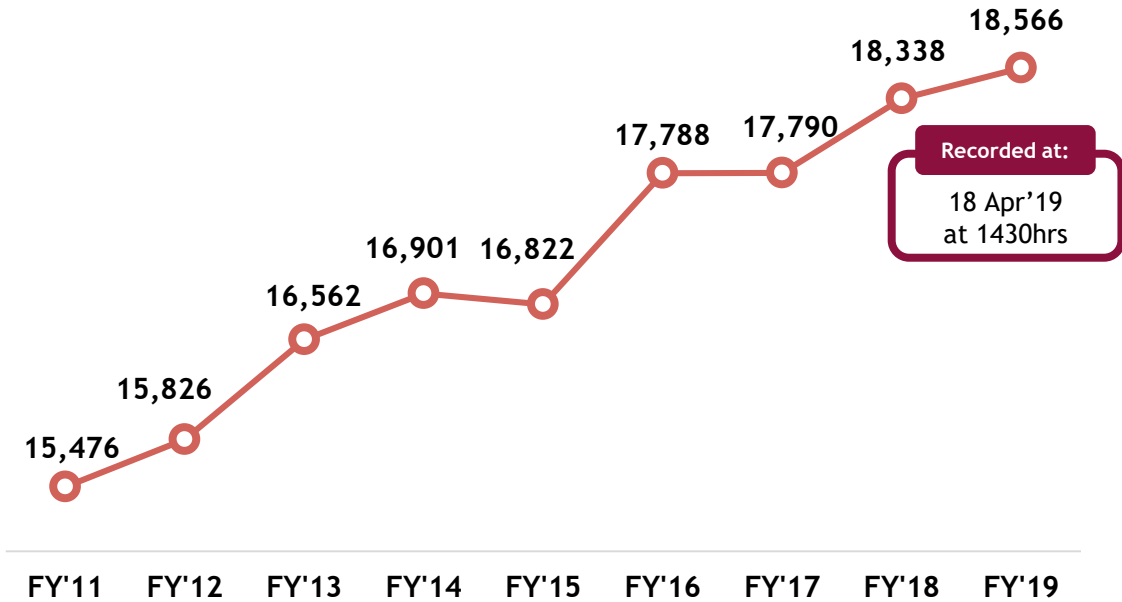


1

Average demand growth for FY2016 & FY2017. This is to eliminate the one-off El-Nino phenomenon during 3QFY'16

TNB (Peninsula) Yearly Peak Demand

MW

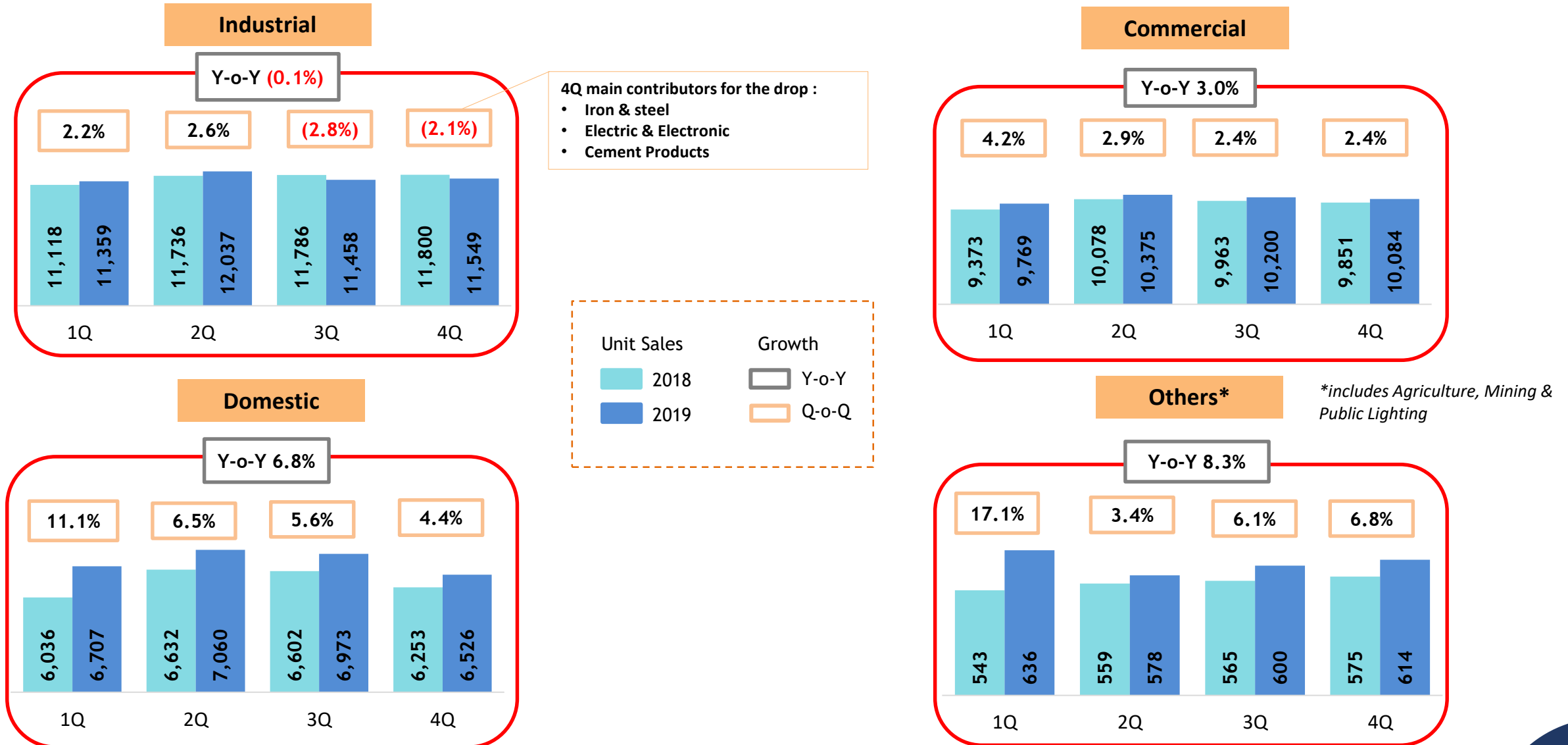


Note:

- Data / Info as at FY19 (December 2019)
- Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)

INTRODUCTION TO TENAGA

Slower Rate of Growth and Declining Trend in Industrial Sector



Note: Data / Info as at FY19 (December 2019)

* Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)

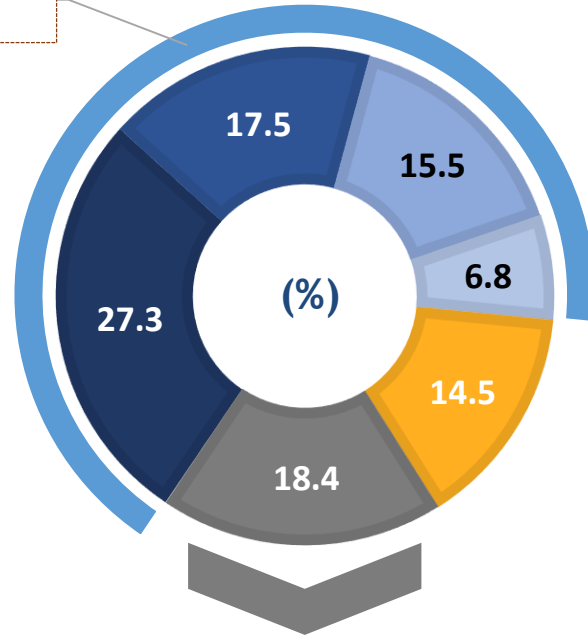
INTRODUCTION TO TENAGA

TNB Shareholding

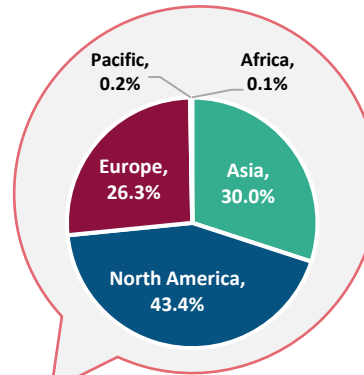
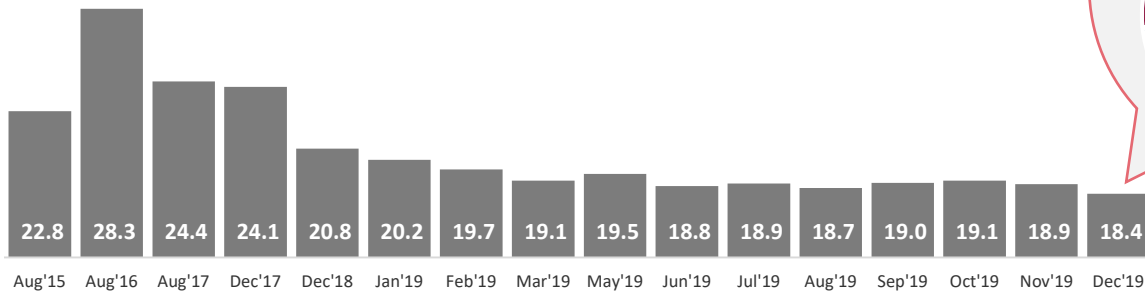
Shareholding as at Dec'19

Total Govt. Agencies
67.1%

- Khazanah Nasional Berhad
- Permodalan Nasional Berhad
- Employees Provident Fund Board
- Other Government Agencies
- Local Corporation & Retail
- Foreign Shareholding

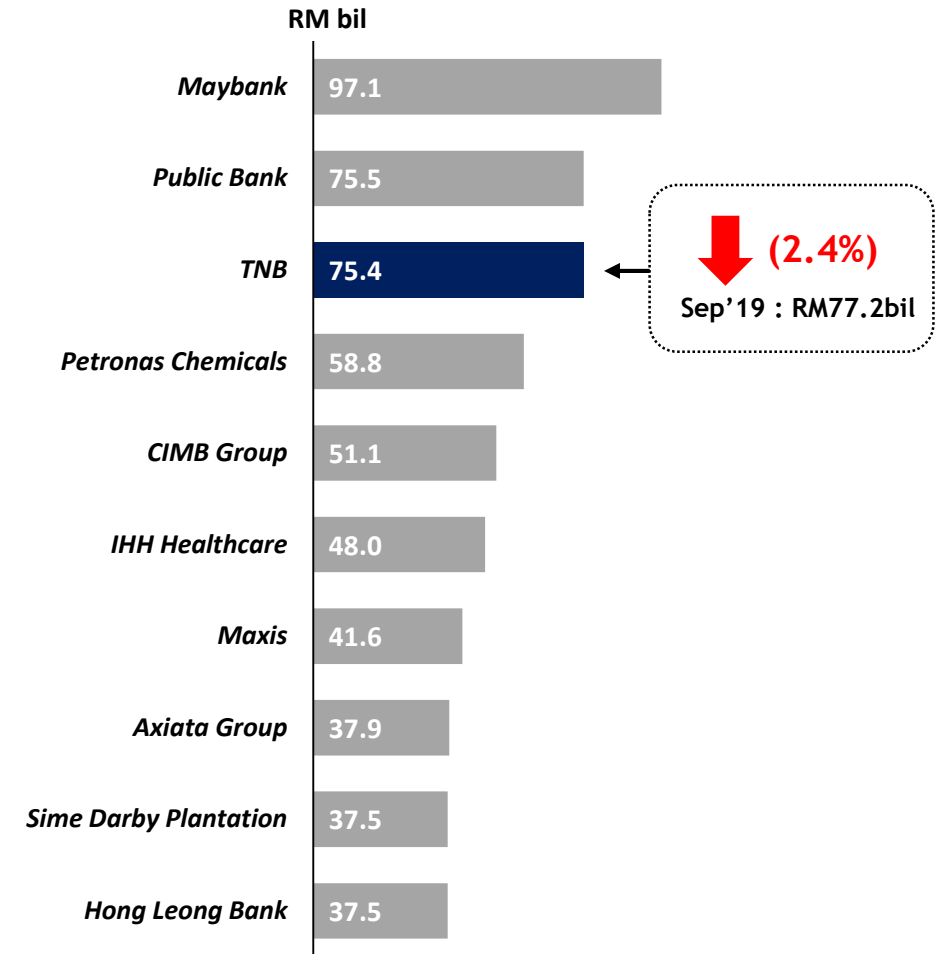


Foreign Shareholding (%)



Institutional: 18.40%
Individual: 0.02%

Top 10 KLCI Stocks by
Market Capitalization as at Dec'19



Note:

TNB Latest Market Cap: RM71.1bil (2nd), as at 27th Feb 2020

INTRODUCTION TO TENAGA

Composition of BOD



CHAIRMAN
TAN SRI AHMAD BADRI BIN MOHD ZAHIR



EXECUTIVE DIRECTOR / CEO
DATUK SERI AMIR HAMZAH BIN AZIZAN

Independent Non-Executive Directors (Total = 6)



NORAINI BINTI CHE DAN

Expertise: Audit & Finance



GEE SIEW YOONG

Expertise: Audit & Finance



ONG AI LIN

Expertise: Audit & Finance



**GOPALA KRISHNAN A/L
K.SUNDARAM**

Expertise: Law



JUNIWATI BINTI RAHMAT HUSSIN

Expertise: Project Management, Corporate
Planning and Human Resource



DATO' CHEOK LAY LENG

Expertise: IT & Technology

Non-Independent Non-Executive Directors (Total =2)



AMRAN HAFIZ BIN AFFUDIN
(Khazanah)



DATO' ROSLINA BINTI ZAINAL

TABLE OF CONTENT

01

INTRODUCTION TO TENAGA

02

REGULATORY

03

BUSINESS STRATEGY & DIRECTION

04

CAPITAL MANAGEMENT

05

FINANCIAL & TECHNICAL HIGHLIGHTS

REGULATORY

INCENTIVE BASED REGULATION (IBR)

A Mechanisms For Tariff Setting With Incentives To Improve Efficiency & Greater Transparency

Regulatory Environment:

1. Clear and Transparent Regulatory Framework

Clear and transparent regulatory framework governed by the Energy Commission provides investors with confidence in TNB's cash flow visibility

2. Consistent and Clear Returns

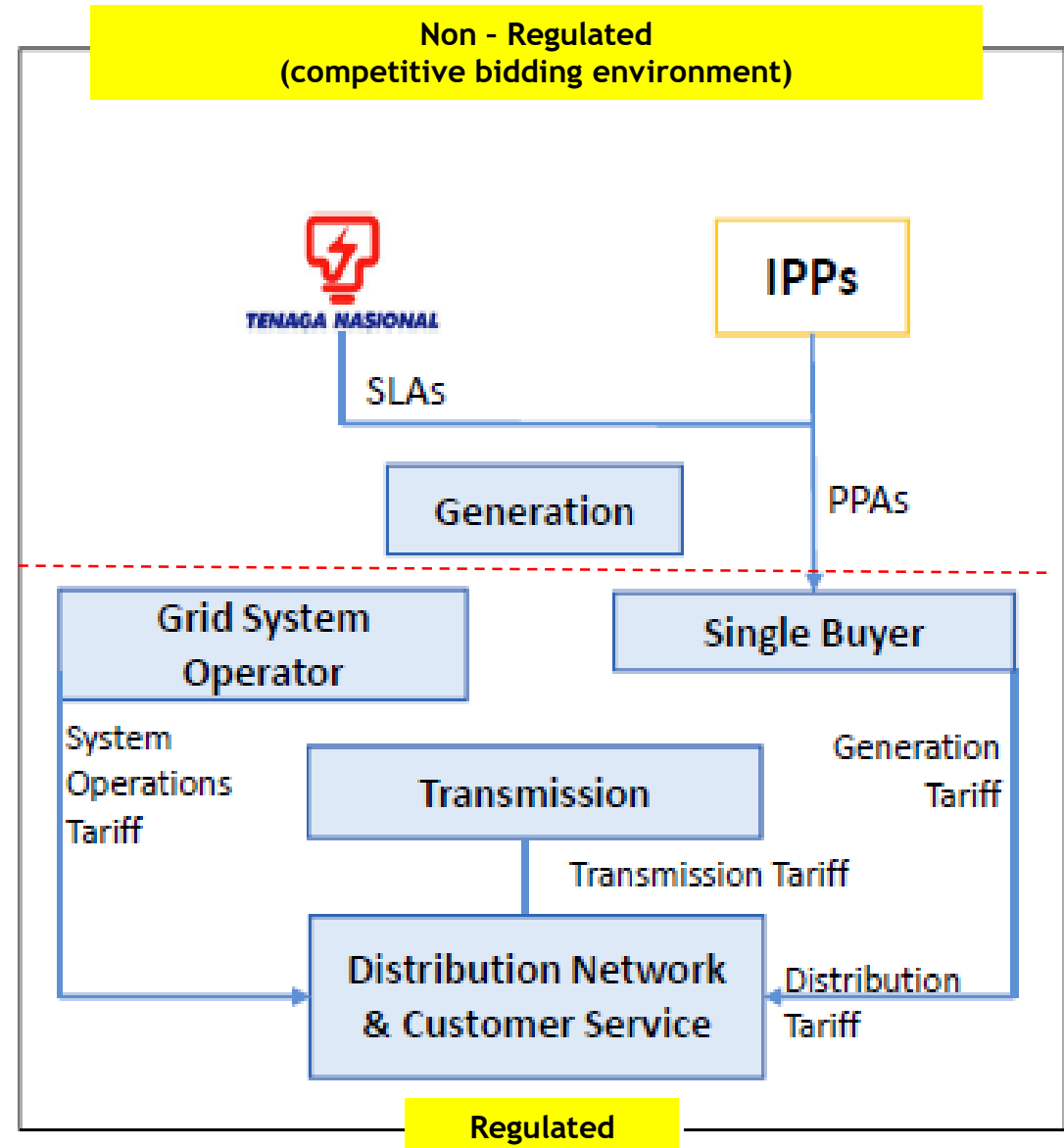
Regulatory WACC of 7.3% provides consistent and clear return to debt and equity holders

3. Shield against Uncontrollable Swings

Imbalance Cost Pass-Through mechanism shields Tenaga against uncontrollable swings in input costs, with a review every 6 months

4. Incentives for Operational Efficiencies

Incentive / Penalty mechanism provides clear incentives for TNB to achieve operational efficiencies



REGULATORY

INCENTIVE BASED REGULATION (IBR)

Imbalance Cost Pass-Through (ICPT) Mechanisms Ensures TNB Remain Neutral

Base Tariff under IBR framework comprises of:

- a) Opex, Depreciation of Regulated Assets & Tax Expenses of Business Entities
 - transmission, grid system operation, Single Buyer operation, distribution network and customer services
- b) Power purchase cost charged by generators to the Single Buyer
- c) Return on regulated assets (rate base) of Business Entities
 - Reviewed every 3 years

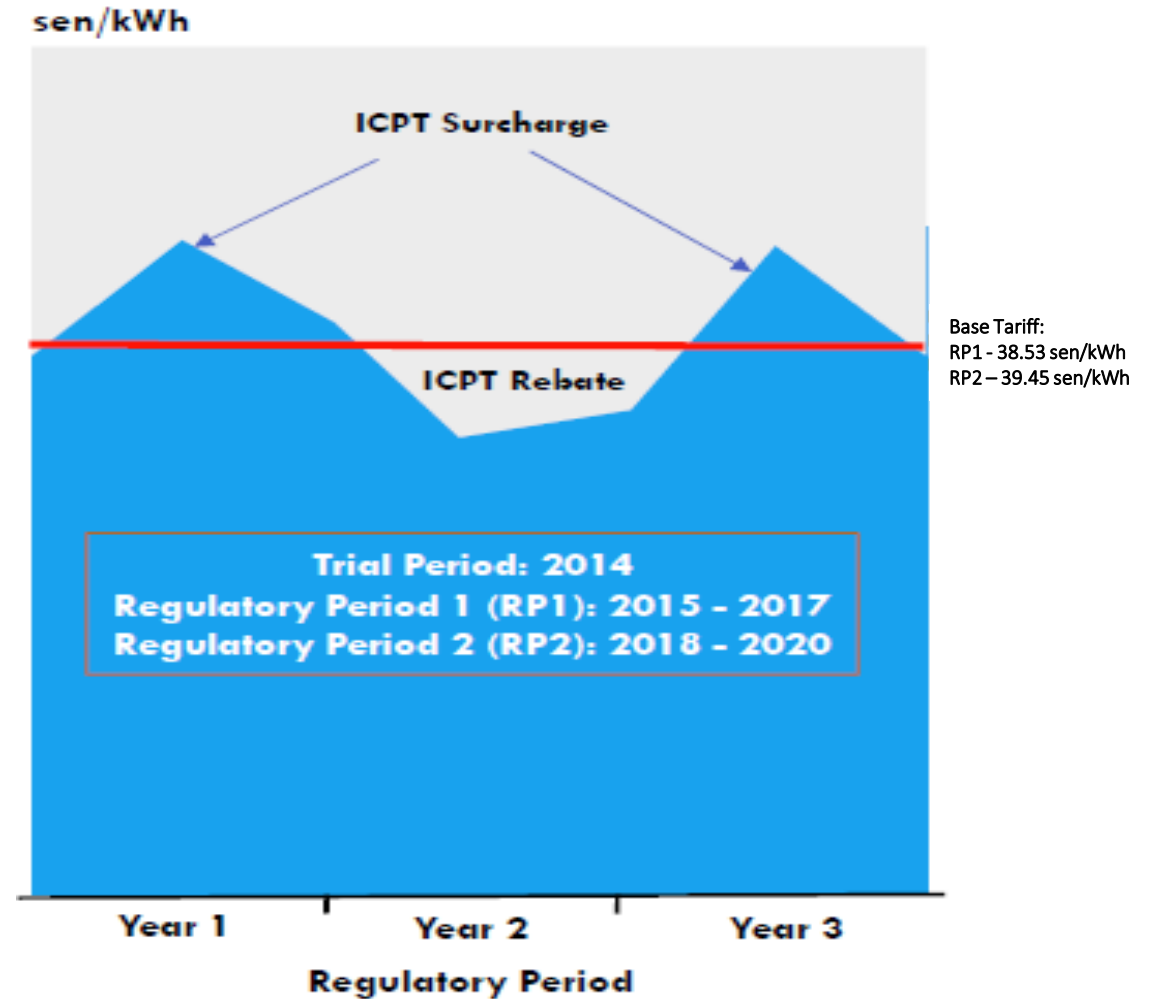
Imbalance Cost Pass-Through (ICPT):

- a) ICPT is 6-monthly pass-through of variations in uncontrollable fuel costs and other generation specific costs (imbalance cost) incurred by utility for the preceding 6-month period
 - Reviewed every 6 months

Principle for ICPT Calculation

Cost components comprise of

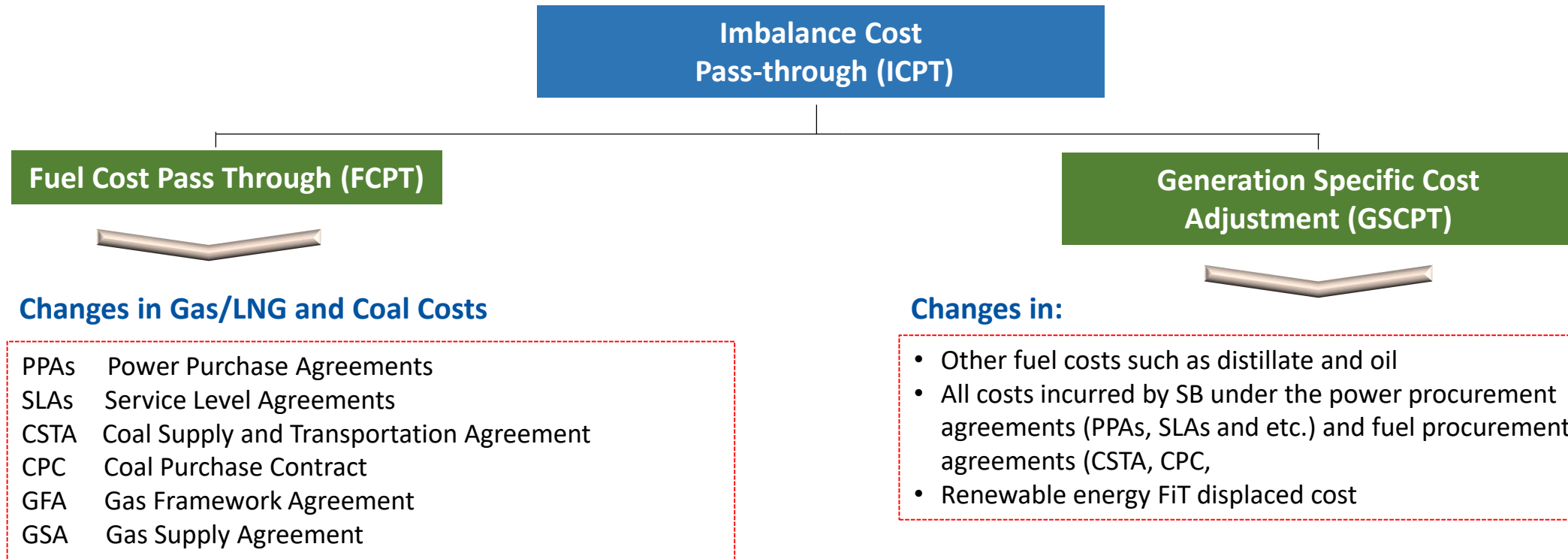
- The ICPT is calculated based on an estimated actual fuel cost and generation specific costs for a particular six (6) months period against the corresponding baseline costs in the Base Tariff.



REGULATORY

INCENTIVE BASED REGULATION (IBR)

Imbalance Cost Pass-Through (ICPT) Comprises Two Components



RP2

ICPT	Surcharge	Period
Jan – Jun'18	1.35sen/kWh	Jul – Dec'18
Jul – Dec'18	2.15sen/kWh	Jan – Jun'19
Jan – Jun'19	2.55sen/kWh	Jul – Dec'19
Jul – Dec'19	2.00sen/kWh	Jan – Jun'20

REGULATORY

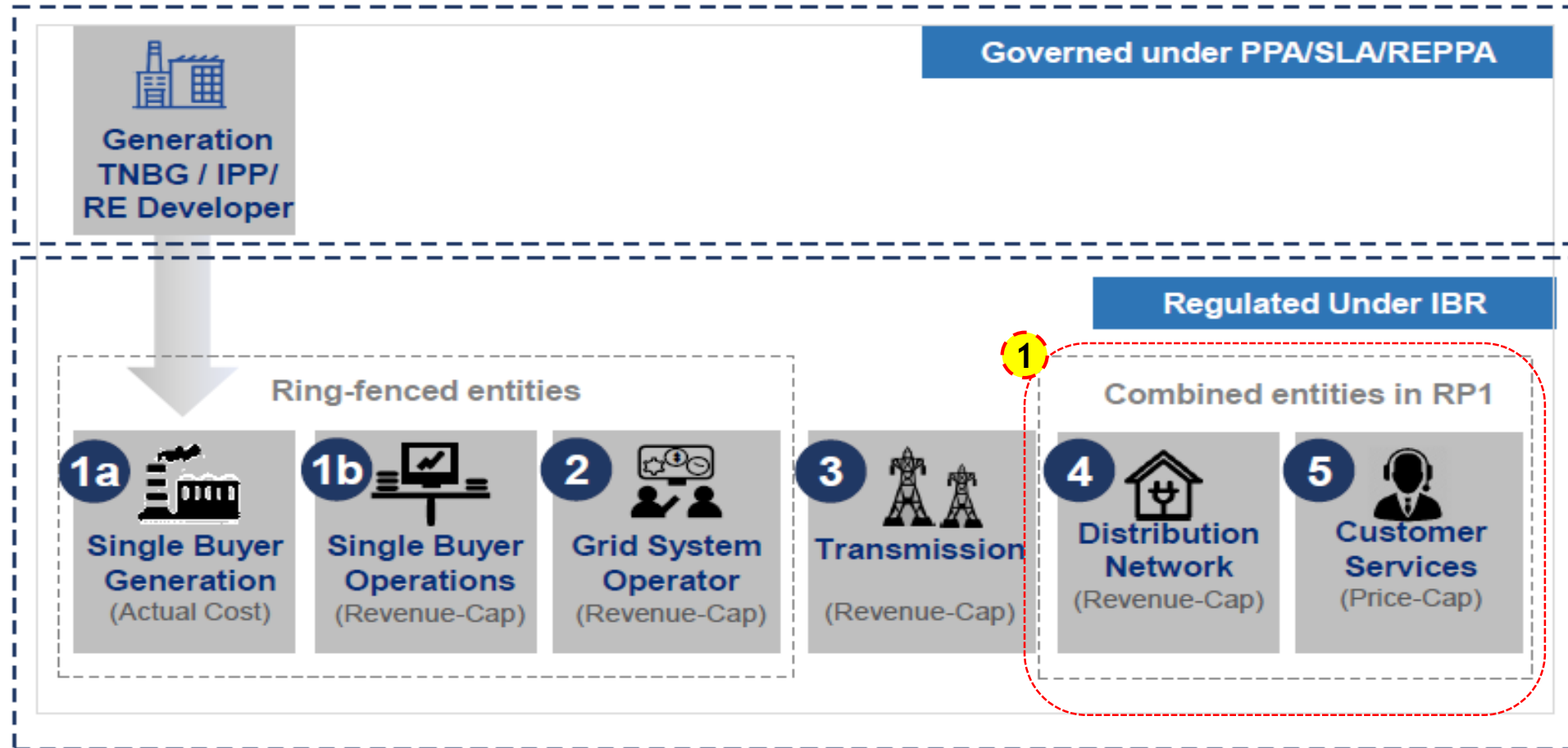
INCENTIVE BASED REGULATION (IBR)

New Features in Electricity Tariff Review for RP2 (2018-2020)

More efficient and reliable electricity supply	Support Government's initiatives and aspirations	New addition in Key Performance Indicators	Separation of Distribution Networks and Customer Services
<ul style="list-style-type: none">• Efficient and reliable electricity supply at the lowest efficient cost;• Enhancement in safety and reliability with smart grid capabilities.	<ul style="list-style-type: none">• Supporting Government's initiatives in green energy and sustainability for example AMI, Distribution Automation, Group Relamping of streetlight, etc.• Continue the gas price subsidy rationalization by gradual removal of gas price subsidy;	<ul style="list-style-type: none">• New performance indicators on each business entity that are in line with Government's policies;• Enhancement on KPI mechanisms and principles (symmetric and asymmetric).	<ul style="list-style-type: none">• Separation of these business entities will enhance the system reliability and consumer experience;• This will increase the productivity and consumer satisfaction.

REGULATORY INCENTIVE BASED REGULATION (IBR)

IBR Entities



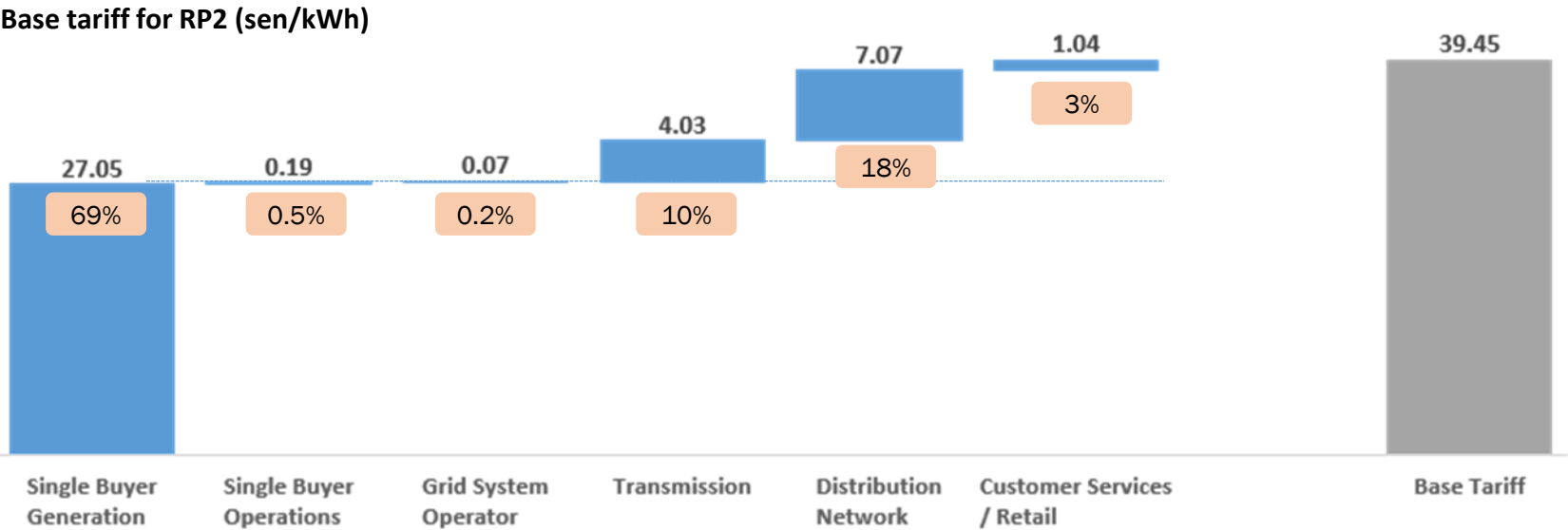
In RP1, these 2 entity are grouped as Price -Cap entity

REGULATORY

INCENTIVE BASED REGULATION (IBR)

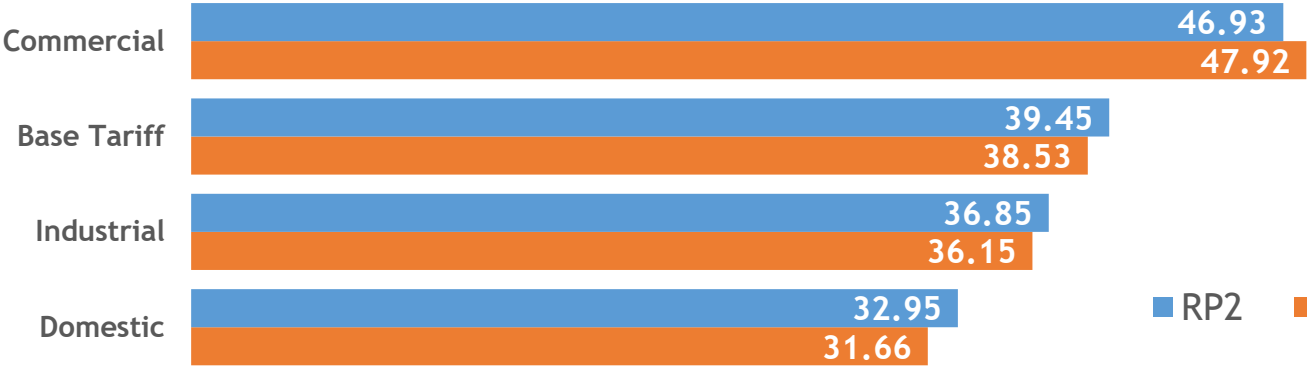
New Base Tariff Under IBR Mechanism RP2

Average Tariff by Entities (sen/kwh)



Entities		RP1 (sen/kWh)	Variance (RP2 v. RP1) (sen/kWh)
Single Buyer	Generation	26.76	+0.29
	Operation	0.19	-
Grid System Operator		0.05	+0.02
Transmission		3.66	+0.37
Distribution Network		6.77	+0.3
Customer Services		1.10	-0.06
Base Tariff		38.53	+0.92

Average Tariff by Sectors (sen/kwh)



Source: Energy Commission (EC)

REGULATORY

INCENTIVE BASED REGULATION (IBR)

RP2 Parameters

WACC

7.3%

RP1: 7.5%

Avg. Regulated Asset Based (RAB)

RM54.8bn

(Avg. RAB in 2020)
RP1: RM43.6bn
(Closing RAB)

TARIFF

39.45 sen/kwh

RP1: 38.53 sen/kwh

CAPEX

RM18.8bn*

(Approved CAPEX)
RP1: RM15.7bn
(Closing CAPEX)

OPEX

RM18.2bn

(Approved OPEX)
RP1: RM16.9bn
(Closing OPEX)

*** Special Projects approved**

1.5 million
smart meters in homes

367,000
LED streetlights

Fibre Optic
network development for energy security & reliability

Fuel Parameters

Coal



USD75/MT

(RM14.47/mmbtu @ RM4.212/USD)

RP1: USD87.5/MT @ RM3.100/USD

LNG



RM35/mmbtu

RP1: RM41.68/mmbtu

Regulated Gas

@1,000mmscfd



RM24.20/mmbtu (Jan'18 - Jun'18)

RM25.70/mmbtu (Jul'18 - Dec'18)

RM27.20/mmbtu (Jan'19 - Jun'19)

RM28.70/mmbtu (Jul'19 - Dec'19)

RP1: RM15.20/mmbtu – RM22.70/mmbtu

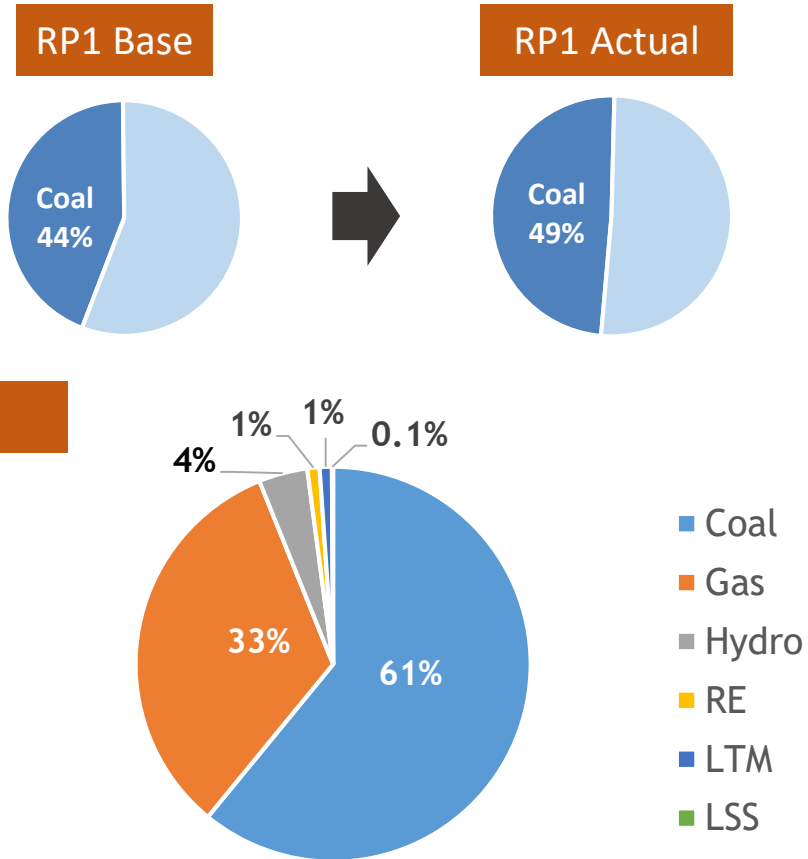
RP2 Forecasted Gas Utilization: 840 mmcsfd

REGULATORY

INCENTIVE BASED REGULATION (IBR)

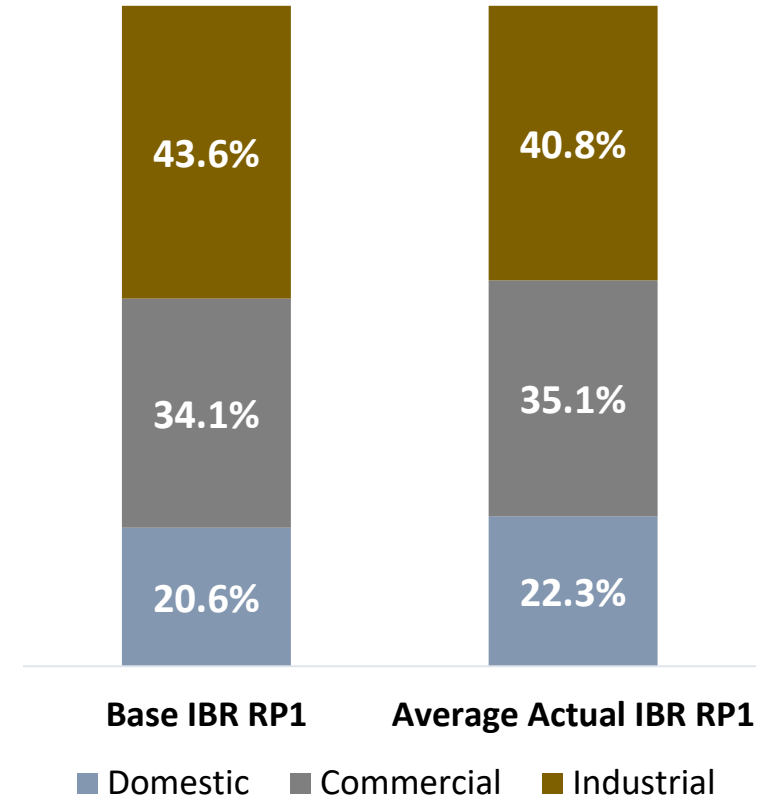
Generation and Customer Mix

Generation Mix RP1 vs RP2



Made possible by improved coal plants performance and additional commissioning of coal plants.

Changes in Customer Mix (%) in RP1 (2015-2017)



RP2 Forecasted Demand Growth: 1.8 – 2.0%

REGULATORY

MESI 2.0

5 Key Initiatives of MESI Reform 2.0



FUEL

Allow generators to source own fuel (coal and gas) to optimise cost

- Encourage IPPs to source cheaper fuels
- Any cost-savings will be shared between end-users and the generators (ratio and exact mechanisms has yet to be finalised)



HYBRID PPA & NEDA+

- a) Move from PPA regime to capacity and energy market
 - Future PPAs will comprise capacity payments while excluding locked-in energy payments
 - Future PPAs will have shorter tenure (as opposed to the 21-25 year tenure practised previously)
- b) Generators with excess capacity or with expired PPAs can utilise the improved New NEDA+ to sell energy via spot contract to SB



THIRD PARTY ACCESS (TPA)

Establish TPA framework and network charges for grid to allow third party using the infrastructures

- To allow trading of green energy
- To pave a way for the future export of electricity under ASEAN Power Grid
- To open up for non-renewable power producers
- Buyer to acquire a minimum of 20MW directly from the RE supplier and TNB will be paid a certain network charge for renting out its grid



RETAIL

Facilitate choice in retail



SINGLE BUYER (SB) & GRID SYSTEM OPERATOR (GSO)

Increase transparency and reduce conflict of interest in SB and GSO

REGULATORY

MESI 2.0

MESI Reform 2.0 Key Initiatives Timelines

KEY INITIATIVES		TIMELINES																			
		2019				2020				2021				2022				2023			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
FUEL	MyPower to come up with draft on rules, incentive mechanisms, and amendments to regulatory control																				
	Energy Commission (EC) expected to approved and published these rules																				
	Pilot project																				
	Full roll-out																				
HYBRID PPA & NEDA+	MyPower to come up with the energy and capacity markets' design and rules																				
	EC to approve the design and rules																				
	EC will hold the first auction for the capacity market (hybrid PPA)																				
	The entry of the capacity market which will mark the beginning of the hybrid market till 2045, when the last batch of the current PPA ends - 2029																				
HYBRID PPA & NEDA+	EC will roll out an improved NEDA+ to incentivise more power producers with excess capacity or expired PPAs																				
TPA	EC and TNB to determine interim network charges based on RP2 to allow green energy power producers to ride on the grid																				
	Once interim network charges are decided, third party 100MW green contract will be piloted to last till the end of the 3 year RP3																				
	MyPower and EC to develop the rules / guidelines for the TPA with regards to market participation.																				
	EC is expected to approve and submit RP3 to the government for endorsement, including network charges																				
	EC to seek legal opinion on existing legislation TPA and other reform initiatives by end-2019. The new legislation (if necessary depending on legal opinion) will be tabled by end of 2022																				
RETAIL	EC and TNB will announce grid's green rider initiative																				
	MyPower will detail and complete a retail regulatory framework to be approved by EC by 4Q202																				
	1) Itemised billing based on RP3 will be rolled-out together with new tariff design and approved network charges																				
	2) Electricity time of use (which details different prices for the use of electricity at different times of the day) will be piloted																				
	Pilot of opening up of retail to take place after the roll out of retail regulatory framework																				
SB & GSO	The industry is expected to get ready for gradual price-based retail																				
	EC will make first disclosure of the government's Power Planning Plan																				
	MyPower will present a report on enhanced governance of SB and GSO																				
SB & GSO	The enhanced ring-fenced governance to start in 1Q2021																				



Status:  On-going  Completed

TABLE OF CONTENT

01

INTRODUCTION TO TENAGA

02

REGULATORY

03

BUSINESS STRATEGY & DIRECTION

04

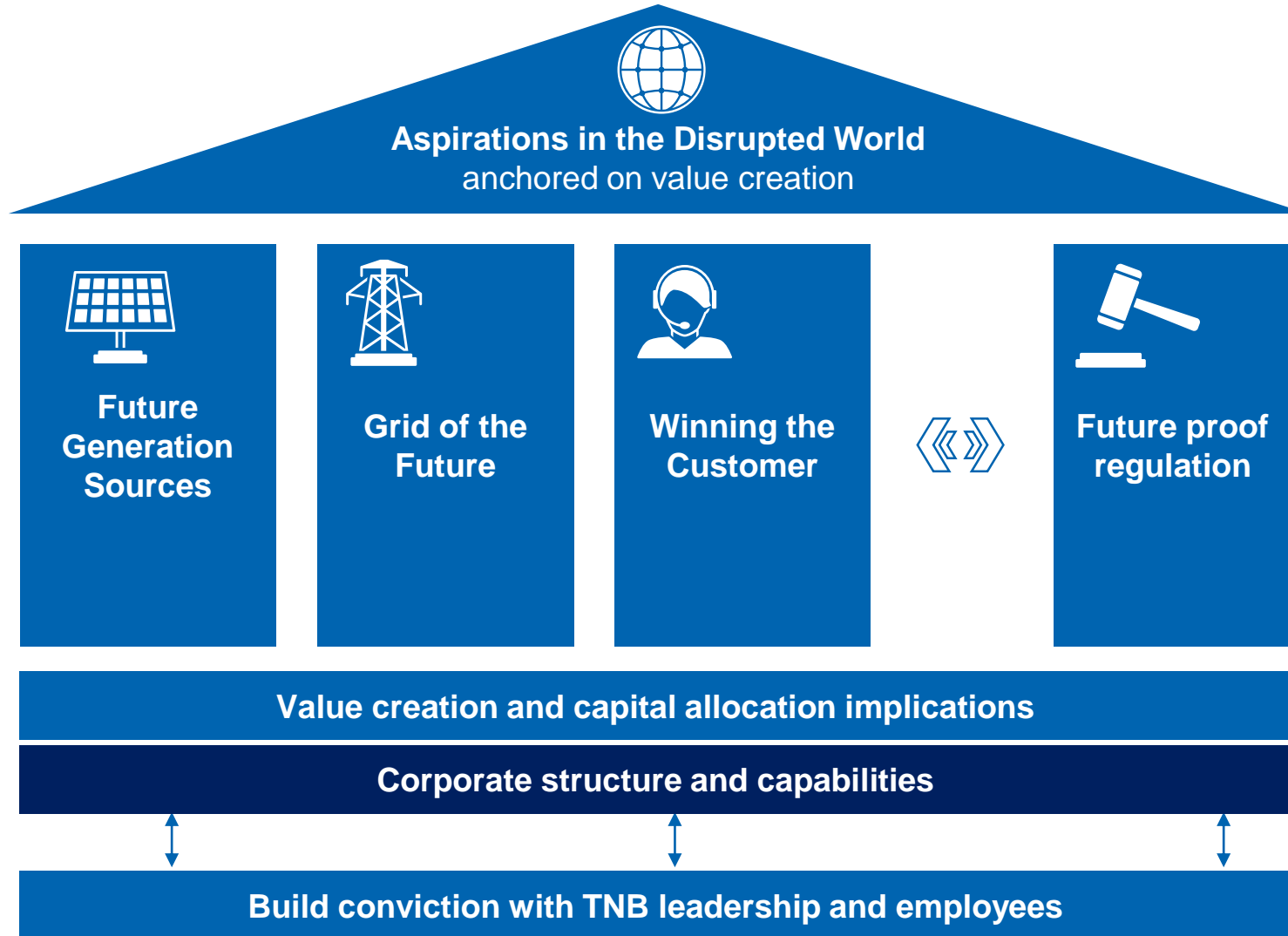
CAPITAL MANAGEMENT

05

FINANCIAL & TECHNICAL HIGHLIGHTS

BUSINESS STRATEGY & DIRECTION

Reimagining TNB is TNB's strategic aspiration – a key enabler is the corporate structure



BUSINESS STRATEGY & DIRECTION

International Acquisition - Four International Acquisitions to Support Aspiration



30%

Equity interest of GAMA Enerji A.S.

Assets include a 853MW natural gas-fired plant and 117.5MW wind plants



30%

Equity interest of GMR Energy Limited.

Assets include 2,064MW coal, gas and solar plants.

Vortex Solar UK

50%

Equity interest of Vortex Solar Investments S.a.r.l.

Assets include 24 operational solar PV Farm across England and Wales with net installed capacity of about 365MW

Tenaga Wind Ventures

100%

Equity interest of GVO Wind Limited & Blumerang Capital Limited

Assets include 53 operational onshore medium wind turbines with a total combined capacity of 26.1MW

BUSINESS STRATEGY & DIRECTION

Generation Projects



Gas

Southern Power Generation

1,440 MW

COD:

1st July 2020

Physical Progress: 98%

(Planned: 99%)

Note: Data for SPG as at September 2019



Solar

TNB Bukit Selambau

30 MW

COD: 31st Dec 2020

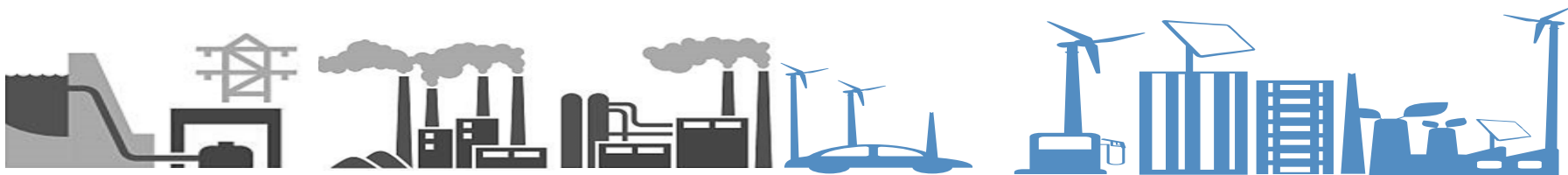
Physical Progress: 87%

(Planned: 92%)

Note:

i. PPA Tenure - 21 years

ii. Data as at December 2019



BUSINESS STRATEGY & DIRECTION

Sustainability - Renewable Energy (RE) & Green Policy

Government Green Development Plan

11th Malaysia Plan 2016 - 2020

Reduction up to 45% in GHGs emission intensity of GDP compared to 2005 level by 2030

RE installed capacity of 8,885MW by 2020

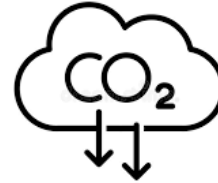
* The increase in the total installed capacity of RE is based on the adoption of the ASEAN definition of RE by Malaysia in 2016 which takes into account all types of hydro energy in the calculation without limiting their capacities.

Ministry of Energy and Natural Resources RE Target by 2025

7,838MW @ 20% of Total Installed Capacity

- 1) Operational 1,483MW
- 2) Committed 2,597MW
- 3) New Requirement 3,758MW

Source: Peninsular Malaysia Generation development plan 2019 (2020-2030)



TNB Sustainability Efforts

0.55 tCO₂e/MWh As at FY2016



0.54 tCO₂e/MWh As at FY2017

Total: **2,937MW**

As at December 2019:

International - 291MW

Domestic - 2,646MW (include major hydro > 100MW)

1,700MW of RE by 2025

Total: **401MW**

As at December 2019:

- International - 291MW
- Domestic - 110MW (exclude major hydro > 100MW)

BUSINESS STRATEGY & DIRECTION

Sustainability - TNB's Renewable Energy (RE) Assets

Domestic (Peninsular Malaysia)

Others

- Mini Hydro (10MW)
- GSPARX Rooftop Solar (37MW) **(Total secured)**

Kedah

- Large Scale Solar**
 - TNB Bukit Selambau (30MW) **(in development)**

Perak

- Large Hydro**
 - SJ Temengor (348MW)
 - SJ Bersia (72MW)
 - SJ Kenering (120MW)
 - SJ Chenderoh (41MW)
 - SJ Sg. Piah (67MW)

Selangor

- Large Scale Solar**
 - TNB Sepang Solar (50MW)
- Solar PV**
 - Floating solar in Sg Labu WTP (108kWp)

Kelantan

- Large Hydro**
 - SJ Pergau (600MW)

Terengganu

- Large Hydro**
 - SJ Kenyir (400MW)
 - SJ Hulu Terengganu (265MW)

Pahang

- Large Hydro**
 - SJ WOH (150MW)
 - SJ JOR (100MW)
 - SJ Ulu Jelai (372MW)
- Biomass**
 - JV with Felda (10MW)

Johor

- Biogas**
 - JV with Sime Darby (3.2 MW)

International

United Kingdom

- Solar**
 - TNB Vortex Solar (182.5MW)
- Wind**
 - TNB Wind Ventures (26.1MW)

Turkey

- Wind**
 - GAMA Wind (34.8MW)
- Hydro**
 - GAMA Hydro (39.4MW)

India

- Solar**
 - GMR Solar (7.8MW)

BUSINESS STRATEGY & DIRECTION

Sustainability – TNB's Environment Initiatives



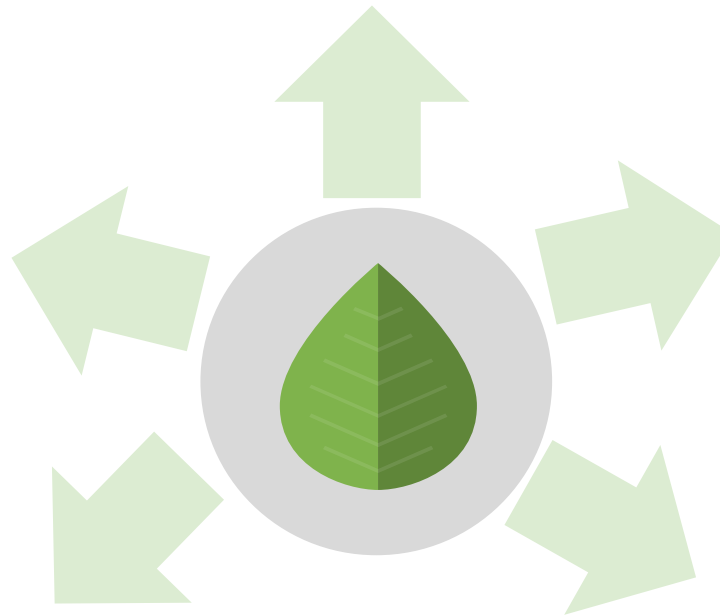
Increase in total GHG emissions mitigation from **2,359,770** to **5,030,079** tCO₂e through the used of hydro, renewable energy and efficient technology power plant. *(Data as at FY2017)*



The latest coal generation plants using **ultra-supercritical technology** consume less **fuel per MWh electricity** produced in comparison to conventional coal power plant further contributing to **lower carbon emissions**.



50MW Large Scale Solar (LSS), **cut emissions** by approx. **64,000** tCO₂e/year, additional 30MW LSS to **further reduce emissions** after COD in Dec 2020



To develop Green House **Gas Emission Management System (GEMS)**, an online system to record and analyse raw emission data from TNB assets



Development on microalgae initiative to reduce carbon dioxide (CO₂)

BUSINESS STRATEGY & DIRECTION

Sustainability – TNB's Green Development

UNITEN's Smart UniverCity

- ✓ To create a sustainable ecosystem which provide competitive advantage for TNB in moving into smart city environment.
- ✓ The project focuses on customer experience, renewable energy, energy efficiency and artificial intelligence.



TNB Centre of Excellence (CoE) for Solar Energy at the Large Scale Solar (LSS) site in Sepang

- ✓ The CoE will become a training centre for solar energy development and technology, catering for TNB employees and external participants from public and private sectors



Introduction of Electric Buses for UNITEN

- ✓ The project aims to develop a feasible business model for the operation of electric buses within the campus, such as vehicle leasing between the Fleet Management and UNITEN.



Expansion of Electric Vehicle Charging Network

- ✓ To expand the existing charging station infra (around 250 stations) under the ChargeEV programme (managed by MGTC).



Maverick - Showcase of Net Zero Energy Home

- ✓ Showcasing Net Zero Energy Home Living in residential areas in Cyberjaya, the project provides a physical experience for customers to visualise how to self generate their own electricity.



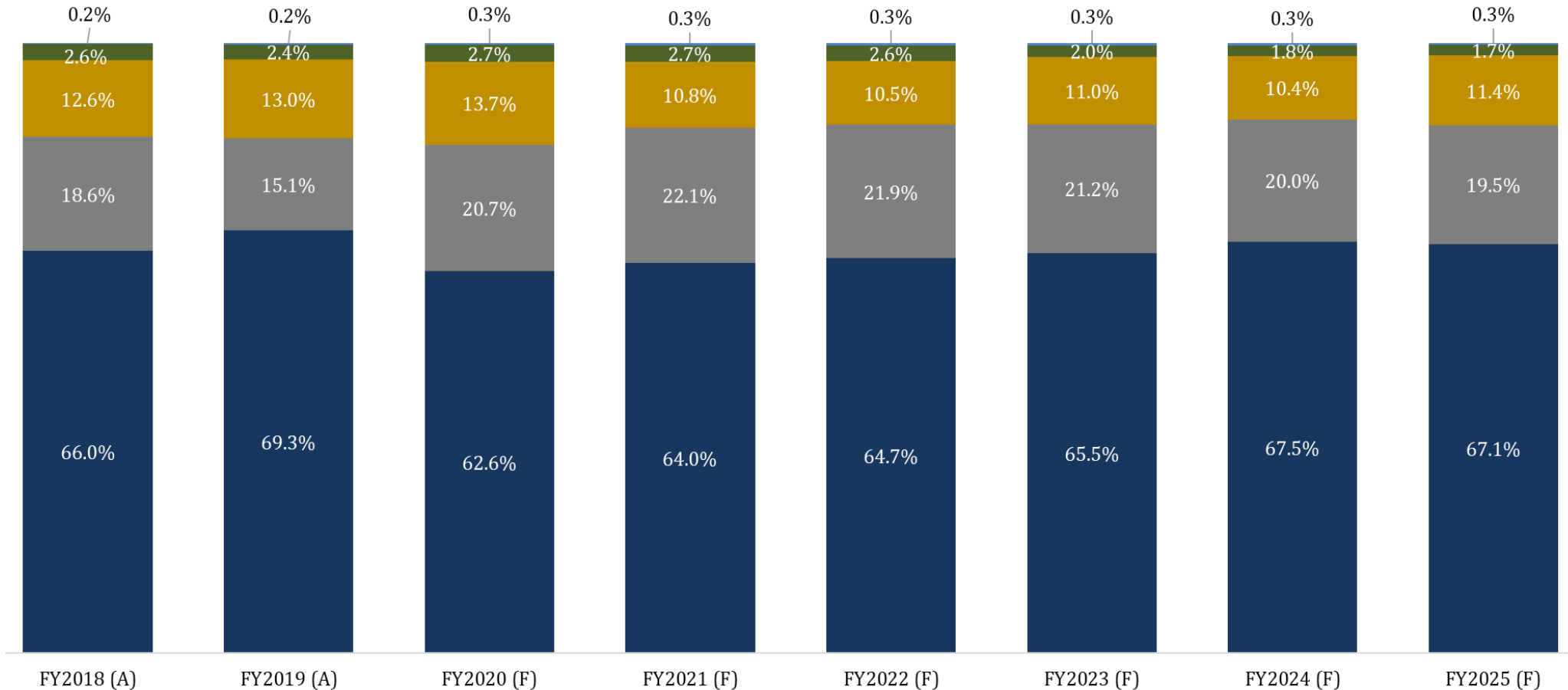
Smart Street Light Showcase Project at UNITEN Putrajaya Campus

- ✓ A street lighting system integrated with communication facilities that allow it to perform various functions such as brightness control, surveillance and digital street signs.



BUSINESS STRATEGY & DIRECTION

Sustainability – Breakdown of TNB's Generation Revenue



The Group will continuously strive to ensure that the revenue from the coal generation plants **does not not exceed 25%**

■ Other Revenue (Regulated Entities, Subsidiaries & Other Group Revenue)
■ Coal
■ Gas
■ Hydro
■ Solar & Wind

Revenue from TNB Generation Plants by fuel type (Domestic & International)

FY2021 forecast numbers have included the full potential of the last coal plant for TNB and Malaysia (Jimah East Power). FY2022 onwards, coal contribution to the Group's Revenue will potentially diminish as new and more efficient gas plants are commissioned in Malaysia.

BUSINESS STRATEGY & DIRECTION

Sustainability – TNB's Social & Governance Initiatives



Social



Allocated **RM10 million** for 1,000 students from low-income families in the fields of Science, Technology, Engineering and Mathematics (STEM) through Dermasiswa My Brighter Future (MyBF) Programme



816 students (596 local & 220 abroad universities) awarded Yayasan Tenaga Nasional (YTN) scholarship



UNITEN produced **3,145** graduates with **93.7%** employability rate within 6 months



880 trainees under Government's PROTÉGÉ initiative, compared to 500 trainees in FY2017



54 students receive **RM1,500/year** (2018-2020) & are fully-sponsored to attend value-added self-development programmes



TNB's contribution of **RM6 million** included sponsorships to the Malaysian Hockey Confederation



Governance Pillars



Accountability



Leadership & Effectiveness



Relations With Shareholders



Statement on Risk Management & Internal Controls



Obtained **ISO 37001:2016** Anti Bribery Management System certification

TABLE OF CONTENT

01

INTRODUCTION TO TENAGA

02

REGULATORY

03

BUSINESS STRATEGY & DIRECTION

04

CAPITAL MANAGEMENT

05

FINANCIAL & TECHNICAL HIGHLIGHTS

CAPITAL MANAGEMENT

Rewarding Shareholders with a Special Dividend of 50.0 sen per Share in Addition to a Final Dividend of 20.0 sen per Share

DIVIDEND POLICY

Distribution of dividend is based on **30% to 60%** dividend payout ratio, based on the reported Consolidated Net Profit Attributable to Shareholders After Minority Interest, excluding Extraordinary, Non-Recurring items

Dividend Yield (%)*

Dividend Payout (RM' bil)

Dividend Payout based on Adjusted PATAMI (%)**

Dividend Per Share (sen)

7.54

3.92

5.69

56.0

3.03

55.8

100.0

50.0

23.0

30.3

FY'18

FY'19

■ Interim

■ Final

■ Special

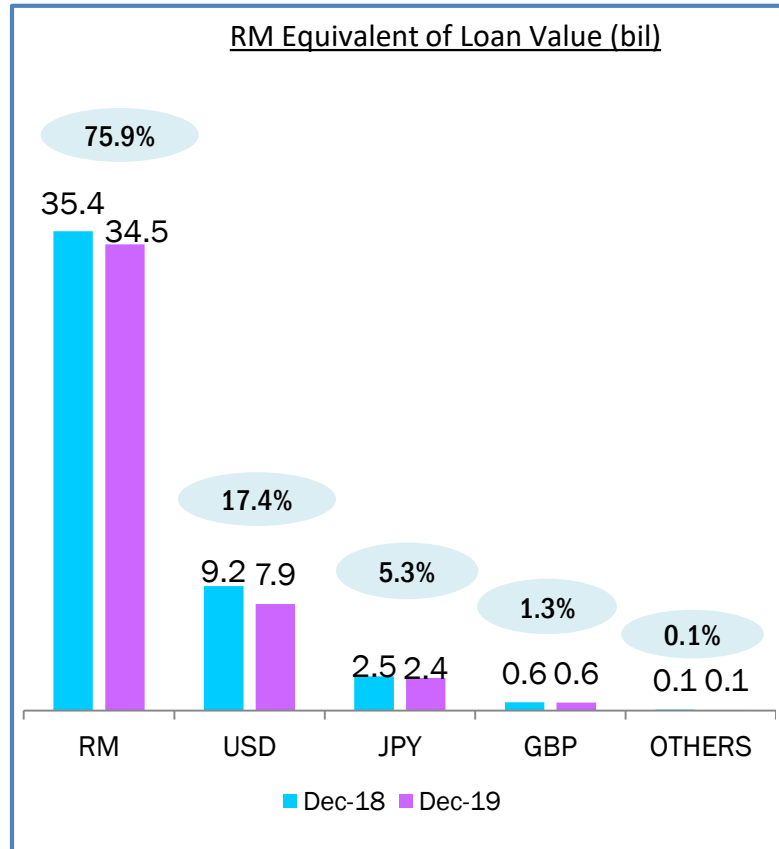
* Based on share price as at 31st Dec

** Exclude special dividend

	FY'18	FY'19
Group Profit After Tax (RM mil)	3,745.0	4,445.0
Non-controlling Interests (RM mil)	(21.3)	84.2
Group PATAMI (Attributable to Owners of the Company) (RM mil)	3,723.7	4,529.2
Total Adjustments (RM mil)	1,697.3	549.2
1) Impairments	1,072.3	334.0
2) Forex Translation Loss / (Gain)	393.1	(200.6)
3) MFRS 16	-	372.0
4) Net Salary adjustment & SESB Tariff and Fuel Subsidy	231.9	-
5) Reversal of Unvested Share Option	-	(221.5)
6) FY2018 ECS & Refund of Income Related to Regulated Income	-	265.3
Adjusted Group PATAMI (RM mil)	5,421.0	5,078.4
Distributable of Adjusted Group PATAMI for Dividend (RM mil)	3,026.5	2,843.4
Dividend Payout Ratio	55.8%	56.0%
Total Dividend per share (sen)	53.3	50.0
Paid Interim dividend per share (sen)	30.3	30.0
Final dividend per share (sen)	23.0	20.0
Distributable for Special Dividend (RM mil)	-	2,843.4
Special dividend per share (sen)	-	50.0
Total Dividend for the Financial Year		
Distributable amount (RM mil)	3,026.5	5,686.8
Dividend per share (sen)	53.3	100.0

CAPITAL MANAGEMENT

Gearing Level Registered at 43.4%



Note:
Debt consists of Principal + Accrued Interest

1 Lower mainly due to repayment of Mizuho Loan (USD300mil) and other loans amounting to RM1,942.5mil

2 Increase mainly due to repayment of Mizuho Loan with lower interest rate

Statistics	31 st Dec'19	31 st Dec'18
1 Total Debt (RM' Bil)	45.4	47.8
Net Debt (RM' Bil)*	31.2	29.6
Gearing (%)	43.4	44.8
Net Gearing (%)	29.8	27.7
Fixed : Floating	98:2	95:5
Final Exposure	98:2	95:5
2 Effective Average Cost of Borrowing (based on exposure)**	5.06	4.99

* Net Debt excludes deposits, bank and cash balances & investment in UTF

** Inclusive of interest rate swap

Cash Position (RM bn)	31 st Dec'19	31 st Dec'18	Closing FOREX	31 st Dec'19	31 st Dec'18
Company	10.0	11.0	USD/RM	4.09	4.14
Group	14.3	18.2	100YEN/RM	3.77	3.75
			GBP/RM	5.15	5.27
			USD/YEN	105.40	110.28

TABLE OF CONTENT

01

INTRODUCTION TO TENAGA

02

REGULATORY

03

BUSINESS STRATEGY & DIRECTION

04

CAPITAL MANAGEMENT

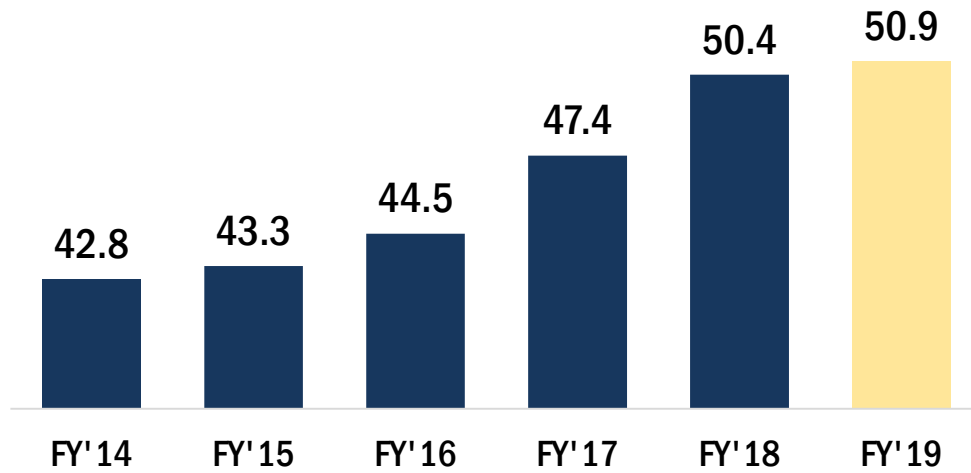
05

FINANCIAL & TECHNICAL HIGHLIGHTS

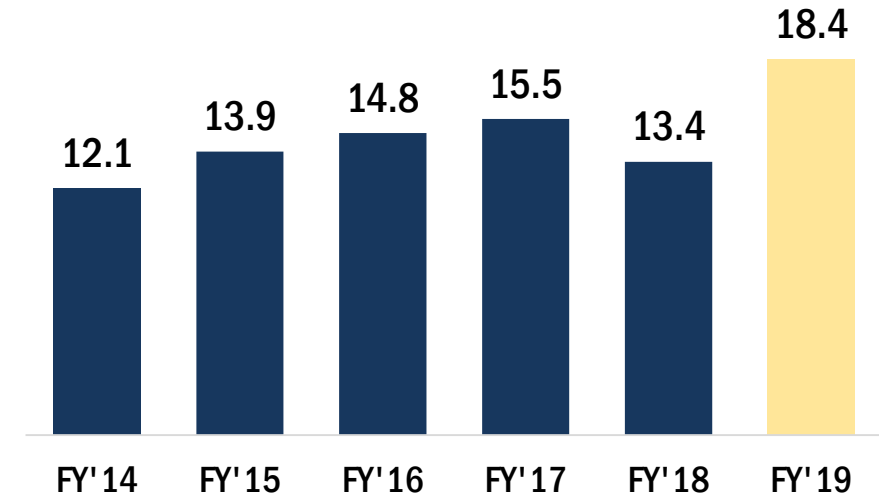
FINANCIAL & TECHNICAL HIGHLIGHTS

Reasonable FY'19 Results amid Challenges in Generation Business

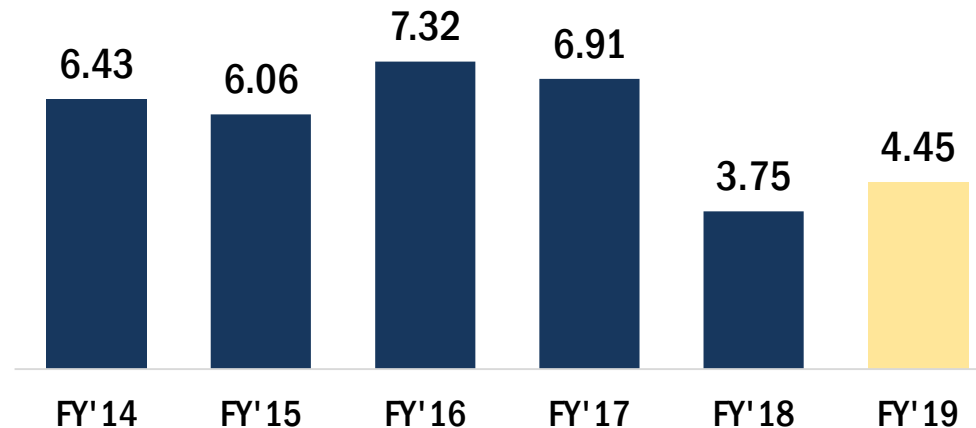
REVENUE (RM bil)



EBITDA (RM bil)



PAT (RM bil)

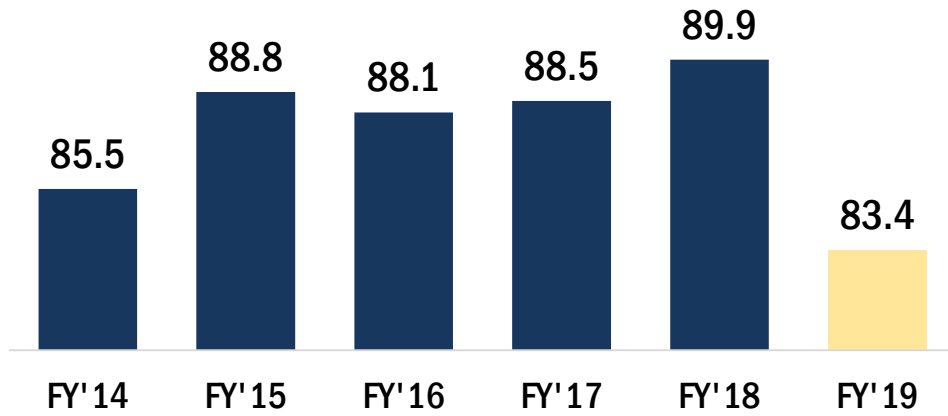


Note: FY2019 is after MFRS16 implementation

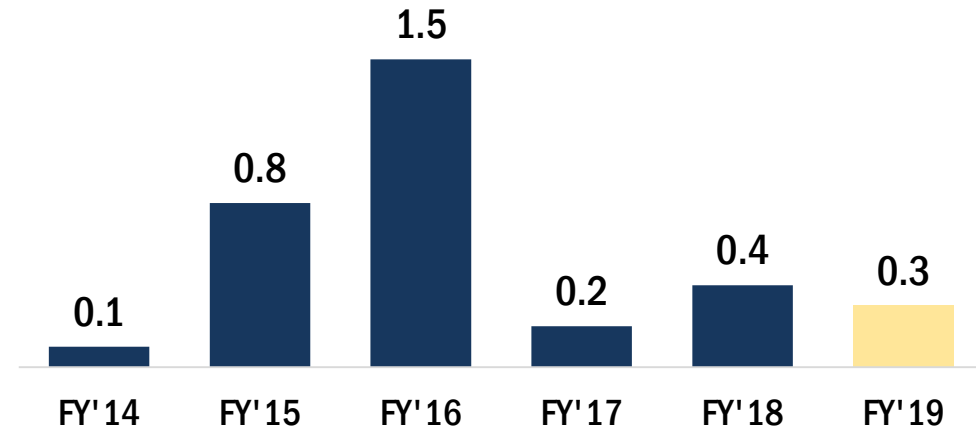
FINANCIAL & TECHNICAL HIGHLIGHTS

Improved Technical Performance for Grid Business

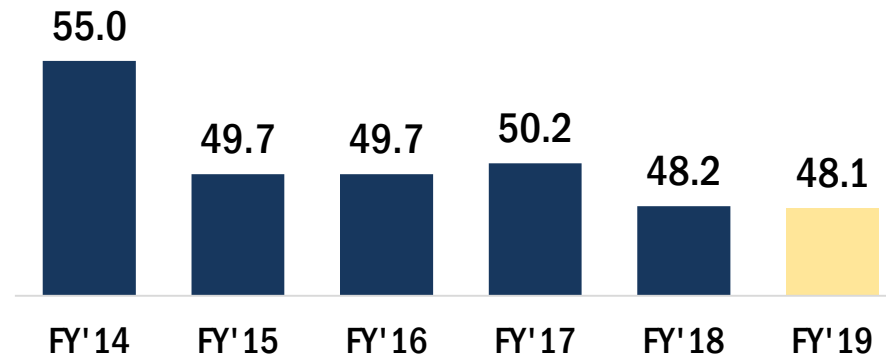
EAF (%)



Transmission System Minute (mins)



Distribution SAIDI (mins)



DISCLAIMER

All information contained herein is meant strictly for the use of this presentation only and should not be used or relied on by any party for any other purpose and without the prior written approval of TNB. The information contained herein is the property of TNB and it is privileged and confidential in nature. TNB has the sole copyright to such information and you are prohibited from disseminating, distributing, copying, re-producing, using and/or disclosing this information.


THANK YOU


For further enquiries, kindly contact us at:



Investor Relations Office:

CoE Investor Relations
Group Finance Division
Tenaga Nasional Berhad
4th Floor, TNB Headquarters
No.129, Jalan Bangsar,
59200 Kuala Lumpur, MALAYSIA

 +603 2108 2128


 +603 2108 2034

 tenaga_ird@tnb.com.my

 www.tnb.com.my


Investor Relations Team:

1) Ms. Anis Ramli

 +603 2108 2126


 AnisRa@tnb.com.my

3) Mr. Ahmad Nizham Khan

 +603 2108 2129

 nizham.jamil@tnb.com.my

4) Mr. Sathishwaran Naidu

 +603 2108 2133

 sathishwaran@tnb.com.my