



## PRESENTATION TO ANALYSTS

Unaudited Consolidated Results for the  
2<sup>nd</sup> Quarter FY2017 ended 28<sup>th</sup> February 2017

27<sup>th</sup> April 2017

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

**QUESTION & ANSWER**

# KEY HIGHLIGHTS

- Improved Revenue Driven by 2.3% Unit Electricity Demand Growth
- Half-Year Capital Investment of Approximately RM5bn

Table 1:

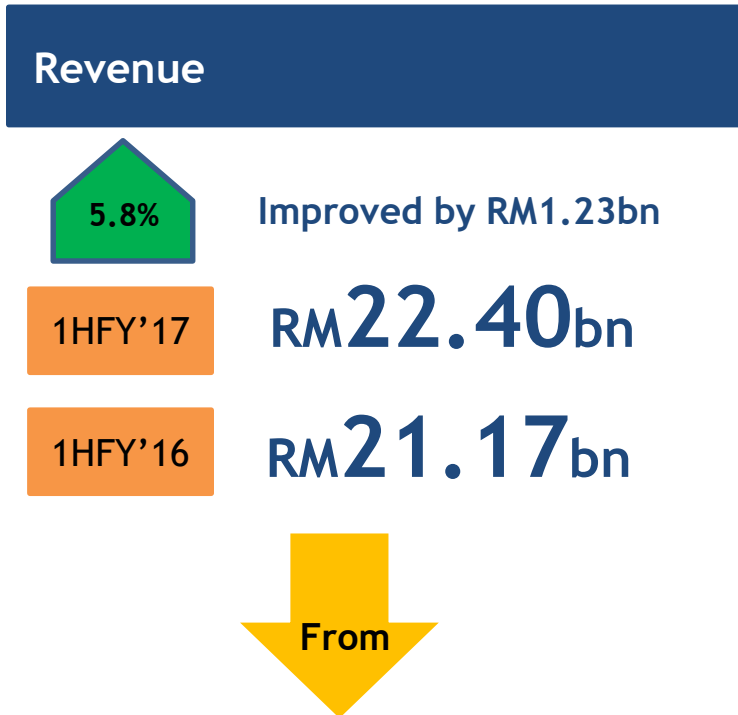
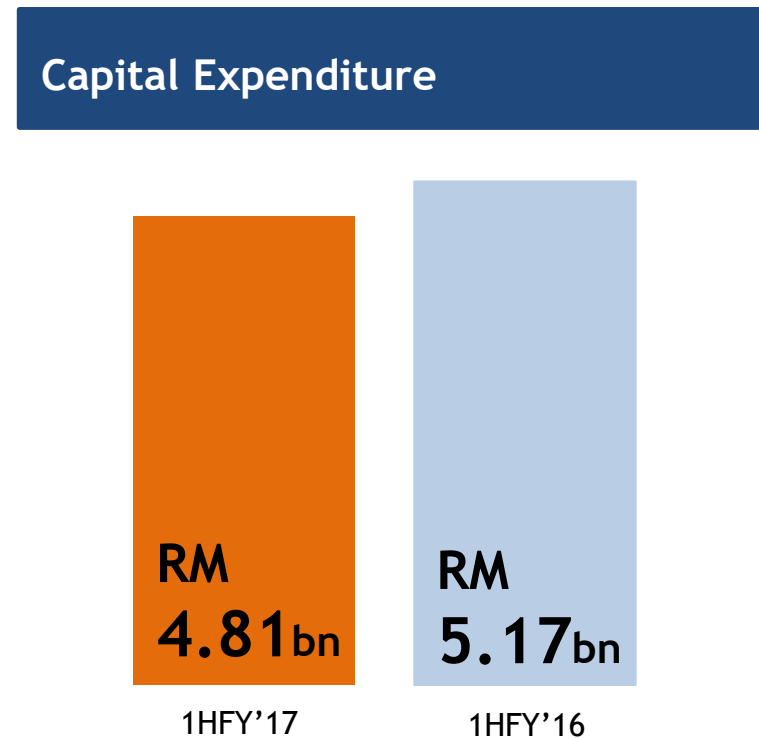


Table 2:

	1HFY'17	1HFY'16
Growth (%)	2.3	3.6

Table 3:



# KEY HIGHLIGHTS

## 5.2% Reduction in Adjusted PAT Mainly from Increased Provision on Electricity Debtors

Table 1:

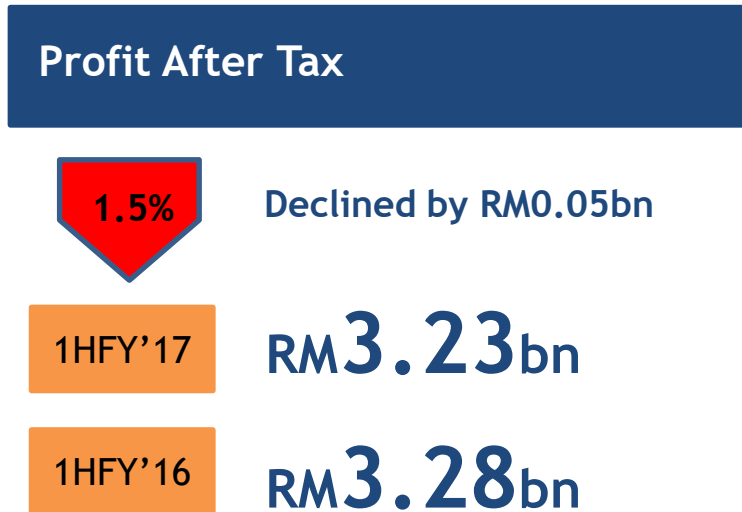


Table 2:

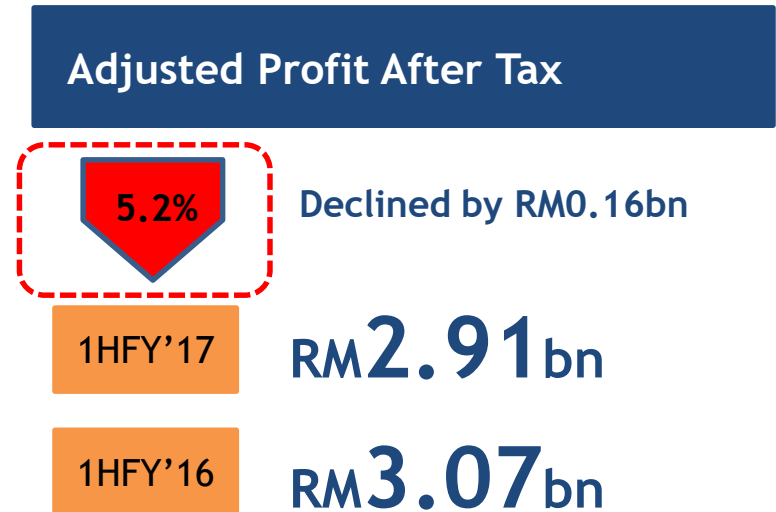


Table 3:

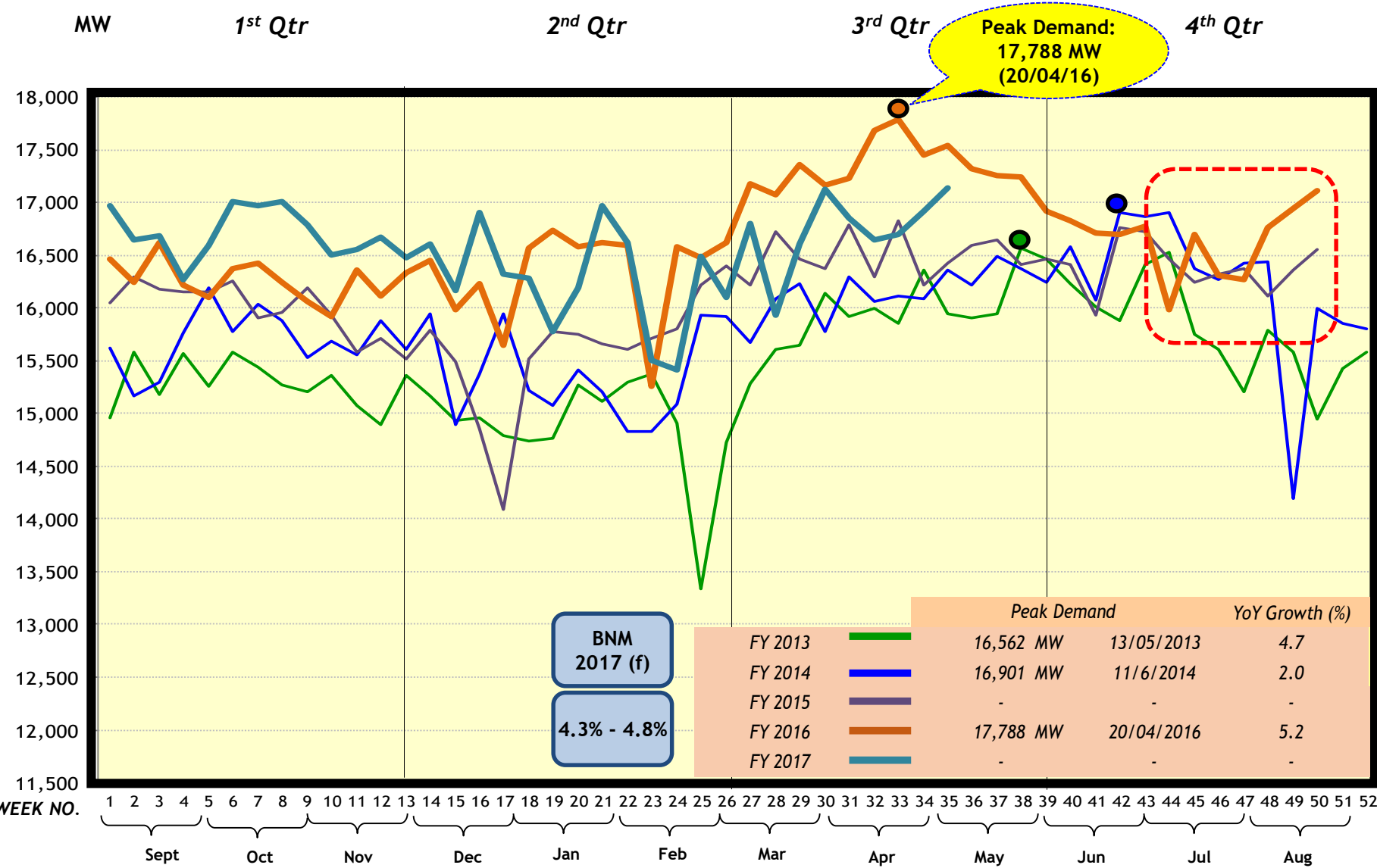
(RM mn)	1HFY'17	1HFY'16
Profit After Tax	3,228.9	3,277.2
Forex Translation Loss	202.5	235.4
Reinvestment Allowance	(518.9)	(440.1)
<b>Adjusted Profit After Tax</b>	<b>2,912.5</b>	<b>3,072.5</b>



# SYSTEM WEEKLY MAXIMUM DEMAND (PENINSULA)

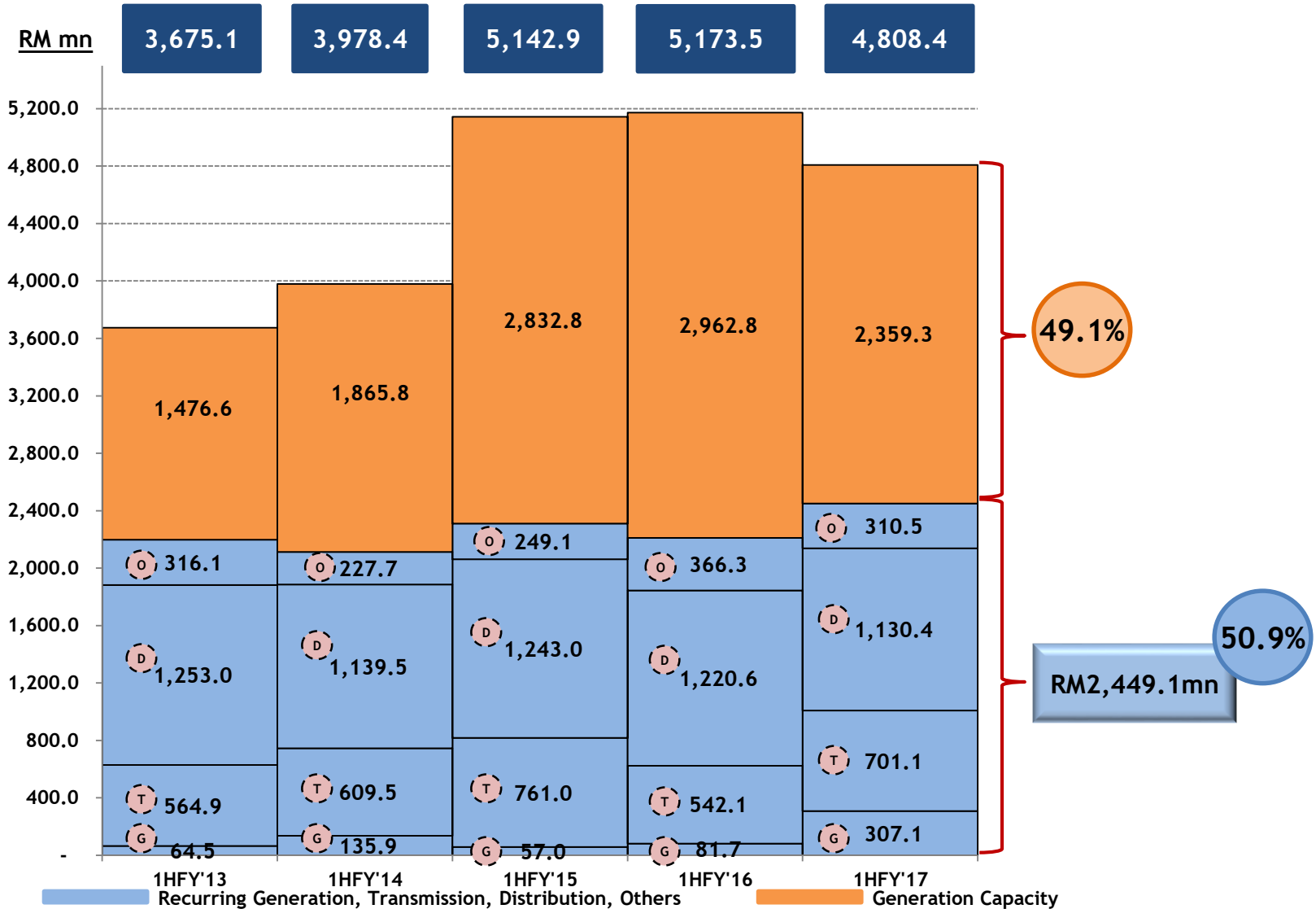


Demand Has Normalised Since El-Nino Phenomenon Ended in July 2016



# CAPITAL EXPENDITURE

Major Projects Represent 49.1% of Total CAPEX



# STATUS OF MAJOR PROJECTS

- 2 Generation Projects With 3GW Capacity in the Pipeline
- 1 Large-Scale Solar Project Awarded by Energy Commission on 2<sup>nd</sup> March 2017

## Jimah East Power

**42.7%** **2,000MW**  
COD:  
U1: 15<sup>th</sup> Jun 2019  
U2: 15<sup>th</sup> Dec 2019



## Janamanjung Unit 5

**99.1%** **1,000MW**  
COD:  
1<sup>st</sup> Oct 2017



## TNB Sepang Solar

**50MW**  
COD:  
1<sup>st</sup> Nov 2018



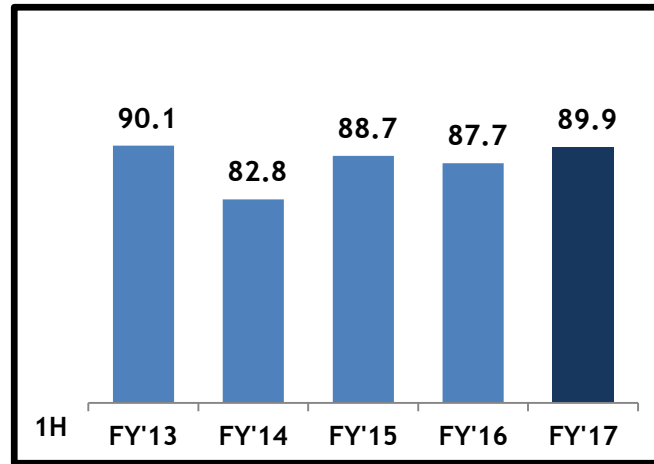
## INITIATIVES

	1HFY'17	FY'16
• Return on Assets (ROA) (%)	5.9	6.4
• Company CPU (sen/kwh)	35.2	34.2
• Revenue from Non-Regulated Business (RM bn)	1.2	2.7
• Equivalent Plant Availability Factor (EAF) (%)	89.9	89.3
• Transmission System Minutes (mins)	0.05	1.47
• Distribution SAIDI (mins)	22.5	49.7

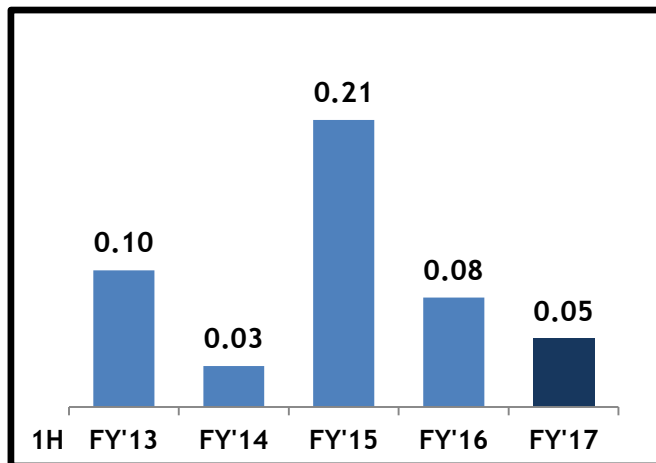


## Continued Exceptional Operational Performances

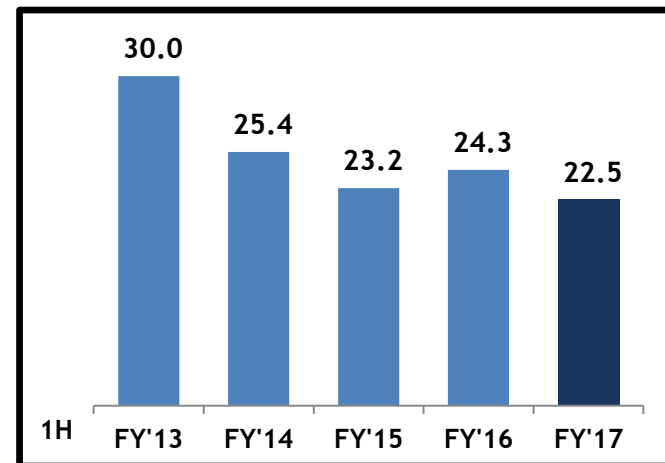
1 EQUIVALENT PLANT AVAILABILITY FACTOR (EAF) (%)



2 SYSTEM MINUTES (mins)



3 SAIDI (mins)

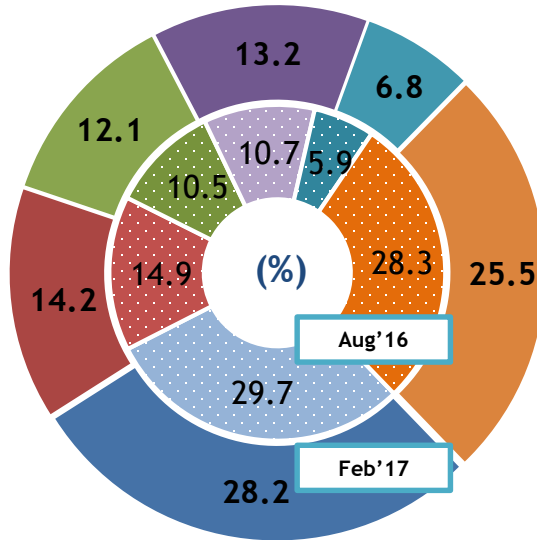


# SHAREHOLDING

Sustained Foreign Ownership at Around 25%

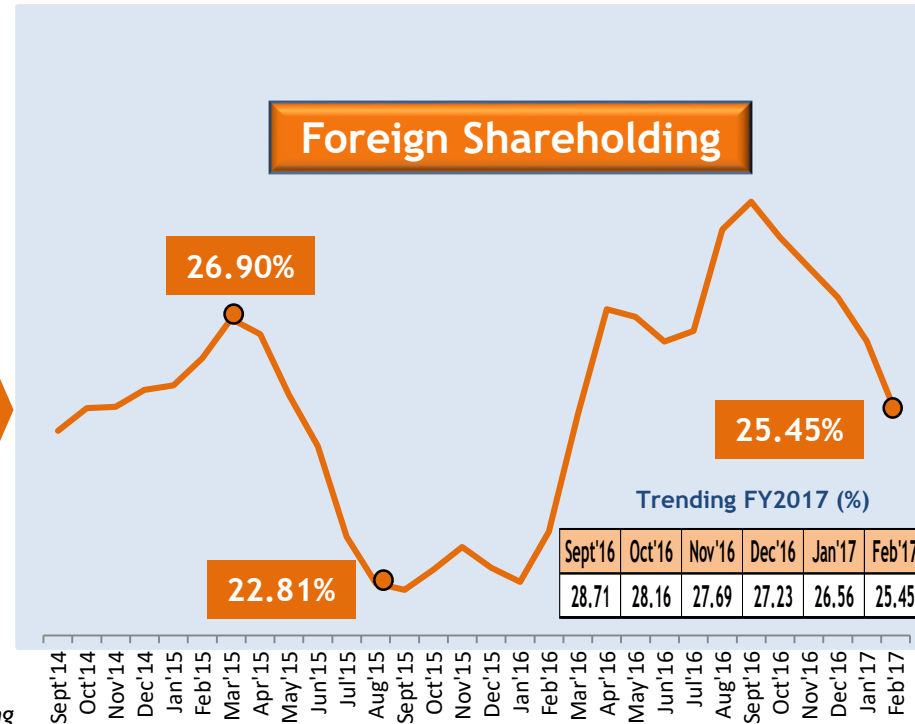
Top 100\* Shareholders as at Feb'17

- Khazanah Nasional Berhad
- Employees Provident Fund Board
- Permodalan Nasional Bhd
- Other Corporations & Govt. Agencies
- Malaysian Public
- Foreign



\* 83% of total shareholding

Foreign Shareholding



## INTERIM DIVIDEND

**Interim Single-Tier Dividend  
of 17.00 sen per ordinary share**

**Distribution of dividend is based on 30% to 50% dividend payout ratio,  
based on the reported Consolidated Net Profit Attributable to Shareholders  
After Minority Interest, excluding Extraordinary, Non-Recurring items**

**The Books Closure and Payment dates will be announced in due course.**

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

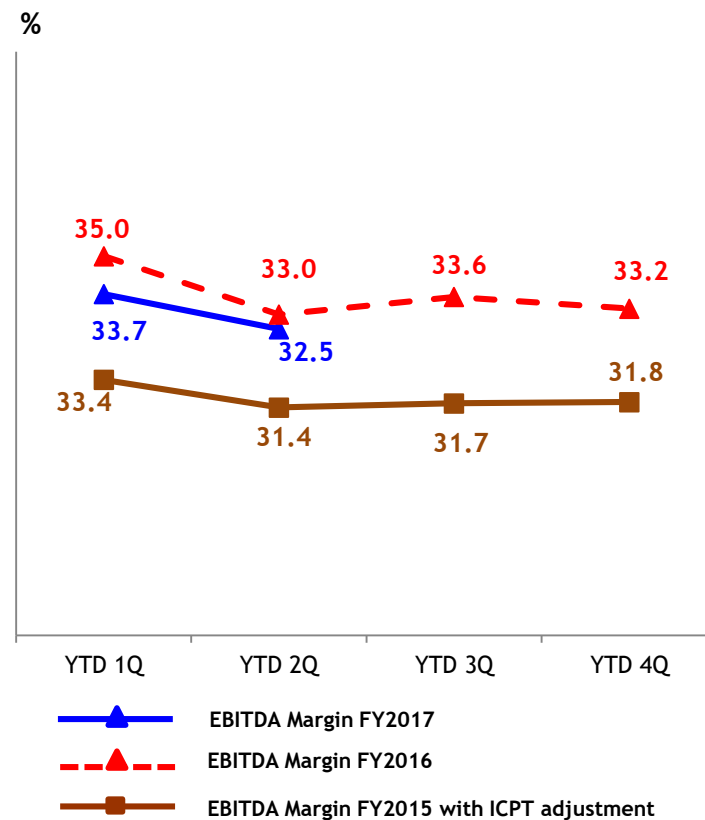
**QUESTION & ANSWER**

# RESULTS DETAILS

0.5ppt Reduction in EBITDA Margin Mainly due to Increased Provision on Electricity Debtors amounting to RM0.4bn

RM mn	1QFY'17	2QFY'17	1HFY'17	1HFY'16
Total Units Sold (GWh)	29,548.4	28,463.2	58,011.6	56,838.3
Revenue	11,241.6	11,162.3	22,403.9	21,166.1
Operating Expenses (before depreciation)	7,632.3	7,833.2	15,465.5	14,508.6
Operating Income	184.1	158.4	342.5	319.9
EBITDA	3,793.4	3,487.5	7,280.9	6,977.4
EBITDA Margin (%)	33.7%	31.2%	32.5%	33.0%
Depreciation and Amortisation	1,453.8	1,508.4	2,962.2	2,737.9
EBIT	2,339.6	1,979.1	4,318.7	4,239.5
EBIT Margin (%)	20.8%	17.7%	19.3%	20.0%
Finance Cost	278.3	390.9	669.2	499.2
Profit Before Tax & Forex Translation	2,226.4	1,670.9	3,897.3	3,898.1
Net Profit Before Forex Translation	1,971.7	1,453.2	3,424.9	3,532.1
Translation Gain/(Loss)	(231.2)	28.7	(202.5)	(235.4)
Net Profit attributable to :				
Equity Holders	1,740.5	1,481.9	3,222.4	3,296.7
Non-controlling Interest	48.0	(41.5)	6.5	(19.5)

## ANALYSIS OF EBITDA MARGIN



# DETAILS OF REVENUE

## 5.8% Increase in Total Revenue Mainly from 2.3% Demand Growth

	1HFY'17		1HFY'16		Growth
UNITS SOLD	GWh		GWh		%
- TNB	54,768.2		53,547.8		2.3
- EGAT (Export)	23.3		1.1		>100.0
- SESB	2,576.7		2,534.6		1.7
- LPL	643.4		754.8		(14.8)
<b>Total Units Sold (GWh)</b>	<b>58,011.6</b>		<b>56,838.3</b>		<b>2.1</b>
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	
Sales of Electricity					
- TNB	21,580.5	39.4	21,070.5	39.3	2.4
- EGAT (Export)	13.8	59.2	0.9	81.8	>100.0
- SESB	885.1	34.4	875.4	34.5	1.1
- LPL	193.4	30.1	282.9	37.5	(31.6)
<b>Sales of Electricity</b>	<b>22,672.8</b>	<b>39.1</b>	<b>22,229.7</b>	<b>39.1</b>	<b>2.0</b>
LPL Operating Lease (MFRS117)	22.3		21.9		1.8
Accrued Revenue	(36.0)		(456.4)		(92.1)
Imbalance Cost Pass-Through	(795.9)		(1,394.9)		(42.9)
<b>Total Sales of Electricity</b>	<b>21,863.2</b>		<b>20,400.3</b>		<b>7.2</b>
Goods & Services	395.2		566.5		(30.2)
Deferred Income	145.5		199.3		(27.0)
<b>Total Revenue</b>	<b>22,403.9</b>		<b>21,166.1</b>		<b>5.8</b>

# ELECTRICITY GROWTH IN PENINSULA

## 2.3% Growth in Electricity Demand

UNITS SALES		FY2016			FY2017		
		1Q	2Q	1H	1Q	2Q	1H
Industrial	Gwh	11,101	10,820	21,921	10,975	10,966	21,941
	Growth (%)	1.2	(1.4)	(0.1)	(1.1)	1.3	0.1
Commercial	Gwh	9,369	9,404	18,773	10,053	9,530	19,583
	Growth (%)	3.9	6.1	5.0	7.3	1.3	4.3
Domestic	Gwh	5,886	5,981	11,867	6,244	5,930	12,174
	Growth (%)	6.3	12.0	9.1	6.1	(0.9)	2.6
Others	Gwh	490	497	987	539	531	1,070
	Growth (%)	(1.2)	0.8	(0.2)	10.0	6.8	8.2
Total	Gwh	26,846	26,702	53,548	27,811	26,957	54,768
	Growth (%)	3.2	4.0	3.6	3.6	1.0	2.3

	1HFY'17	1HFY'16
Growth (%)	2.3	3.6

# OPERATING EXPENSES

## 6.8% Increase in Operating Expenses

RM mn	1HFY'17	1HFY'16	Variance RM mn	Variance %
Capacity Payment	2,214.5	1,994.4	(220.1)	(11.0)
Energy Payment	4,510.9	4,054.5	(456.4)	(11.3)
Total IPPs Purchases/Costs	6,725.4	6,048.9	(676.5)	(11.2)
Fuel Costs	11,222.6 { 4,497.2	10,343.1 { 4,294.2	(879.5) { (203.0)	(4.7)
Repair & Maintenance	917.3	897.4	(19.9)	(2.2)
Staff Costs	1,734.4	1,996.8	262.4	13.1
TNB General Expenses	1,202.5	800.4	(402.1)	(50.2)
Subs. Cost of Sales & Opex □	388.7	470.9	82.2	17.5
Depreciation & Amortisation	2,962.2	2,737.9	(224.3)	(8.2)
<b>Total Operating Expenses</b>	<b>18,427.7</b>	<b>17,246.5</b>	<b>(1,181.2)</b>	<b>(6.8)</b>



# GENERATION MIX (PENINSULA)

## Year-on-Year Analysis

9.3% Increase in Fuel Costs Mainly due to 2.9% Increase in Units Generated and Higher Coal Price

Table 1:

Fuel Costs (RM mn)				
Fuel Type	1HFY'17	1HFY'16	Variance	
			RM mn	%
Gas	4,063.9	3,786.5	277.4	7.3
LNG	158.6	570.3	(411.7)	(72.2)
Coal	3,928.2	3,084.1	844.1	27.4
Dist.	23.3	24.5	(1.2)	(4.9)
Oil	41.2	53.6	(12.4)	(23.1)
<b>Total</b>	<b>8,215.2</b>	<b>7,519.0</b>	<b>696.2</b>	<b>9.3</b>

Units Generated (Gwh)				
Fuel Type	1HFY'17	1HFY'16	Variance	
			Gwh	%
Gas & LNG	25,927.1	26,564.6	(637.5)	(2.4)
Coal	30,958.0	28,438.1	2,519.9	8.9
Dist.	26.3	37.0	(10.7)	(28.9)
Oil	139.0	122.3	16.7	13.7
Hydro	2,090.1	2,335.6	(245.5)	(10.5)
<b>Total</b>	<b>59,140.5</b>	<b>57,497.6</b>	<b>1,642.9</b>	<b>2.9</b>

Table 2:

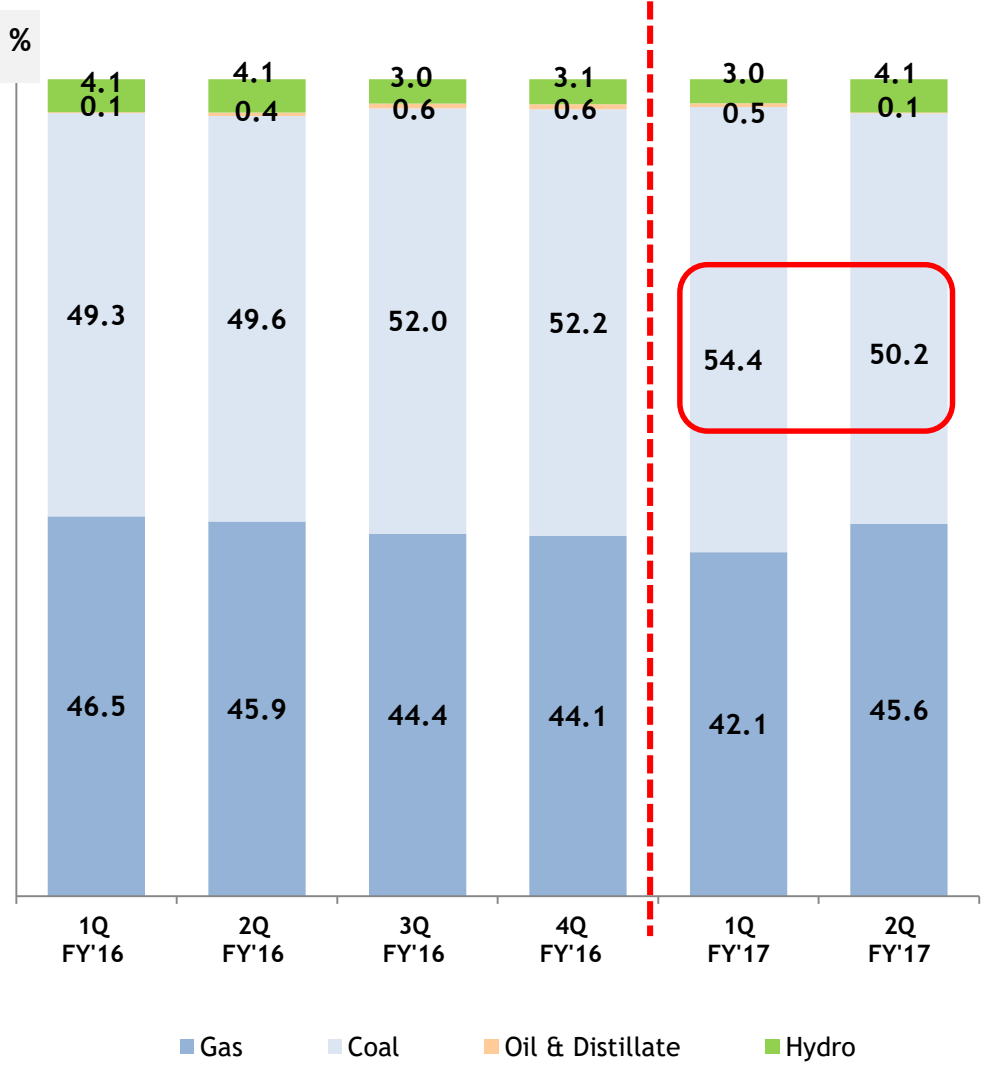
	1HFY'17	1HFY'16	Var (%)
<b>Average Coal Price Consumed (USD/MT)</b>			
FOB	63.8	51.5	23.9%
Freight	6.0	5.7	5.3%
Others	0.4	0.5	-20.0%
<b>CIF</b>	<b>70.2</b>	<b>57.7</b>	<b>21.7%</b>
<b>Average Coal Price Consumed (RM/MT) (CIF)</b>	<b>303.8</b>	<b>246.0</b>	<b>23.5%</b>
<b>Coal Consumption (mn MT)</b>	<b>13.4</b>	<b>11.7</b>	<b>14.5%</b>

Table 3:

	1HFY'17	1HFY'16
<b>Daily Average Gas Volume (mmscfd)</b>	<b>1,080</b>	<b>1,154</b>
<b>Average LNG Price (RM/mmbtu)</b>	<b>25.99</b>	<b>34.46</b>
<b>Average Piped Gas Price (RM/mmbtu)</b>	<b>20.20</b>	<b>17.20</b>

# GENERATION MIX (PENINSULA)

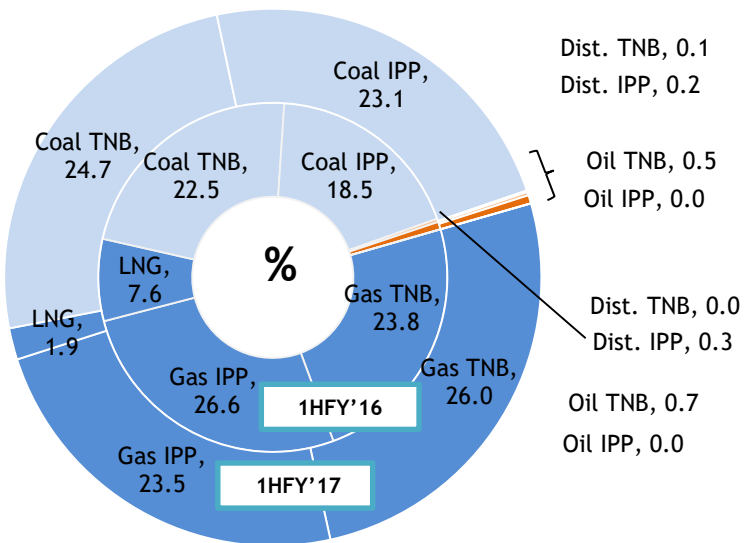
## Quarterly Analysis



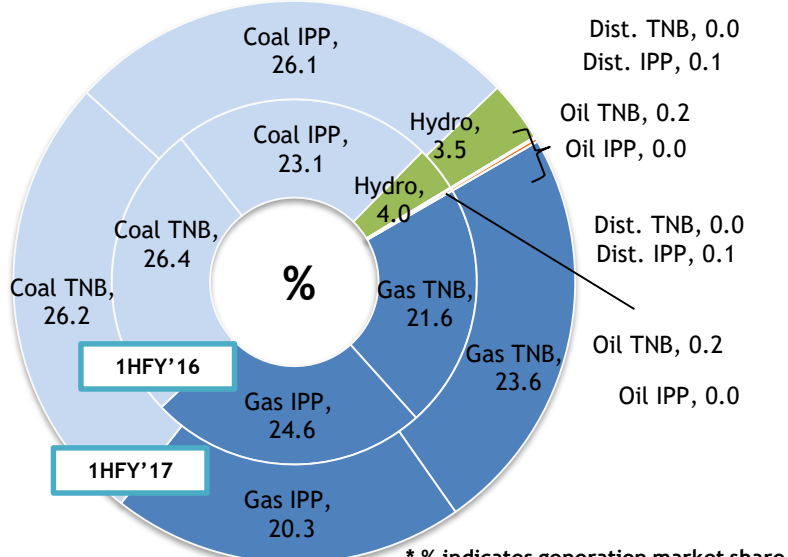
# FUEL COSTS (TNB & IPPs - PENINSULA)



**Fuel Costs**



**Units Generated**

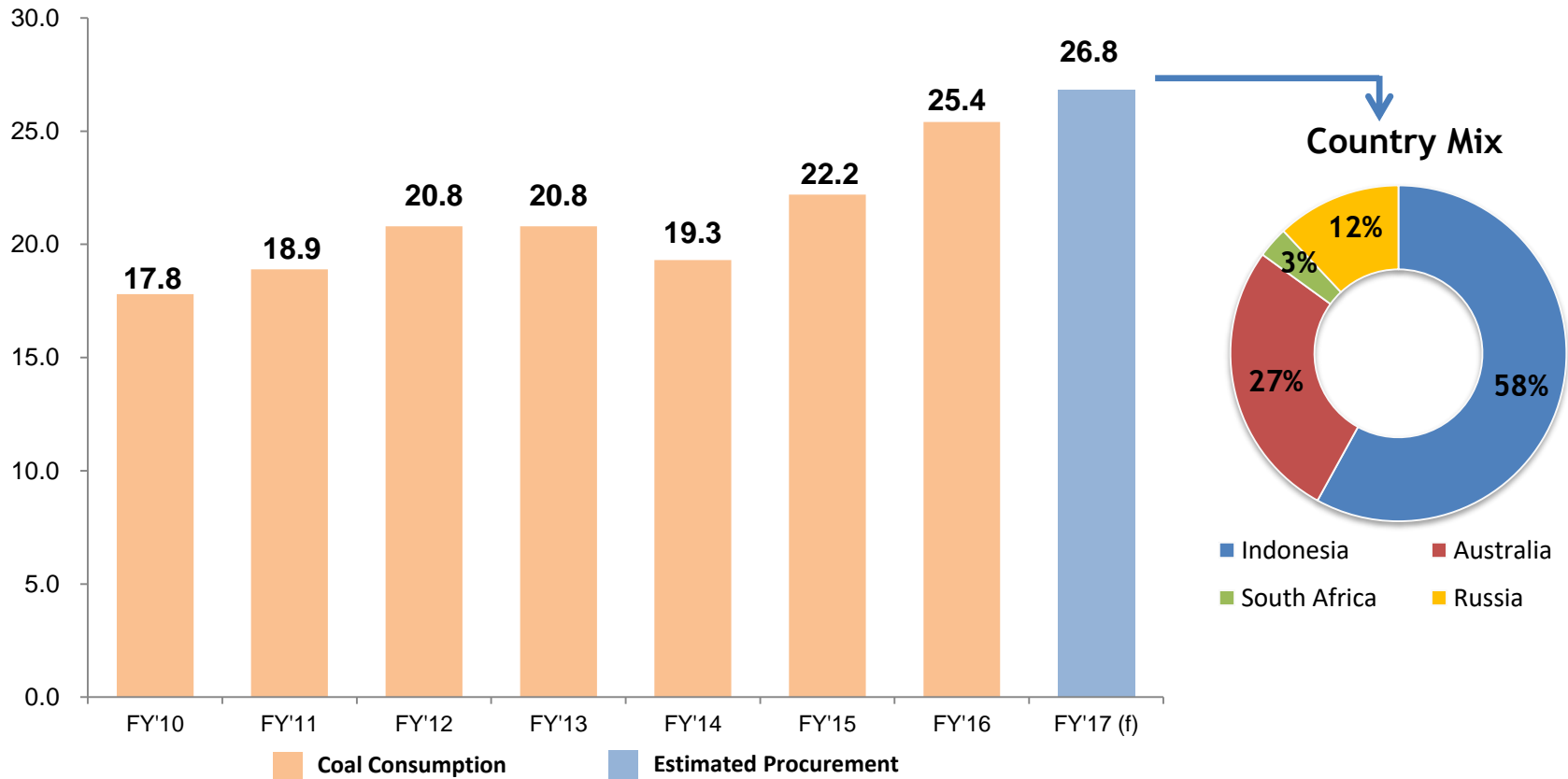


# COAL REQUIREMENT

Average Coal Price for 1HFY'17 was at USD70.2/MT @ RM303.8/MT

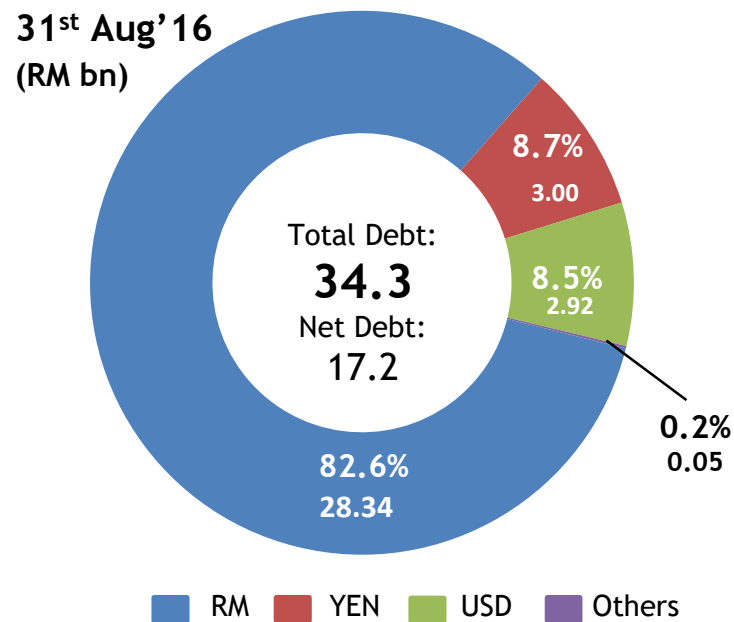
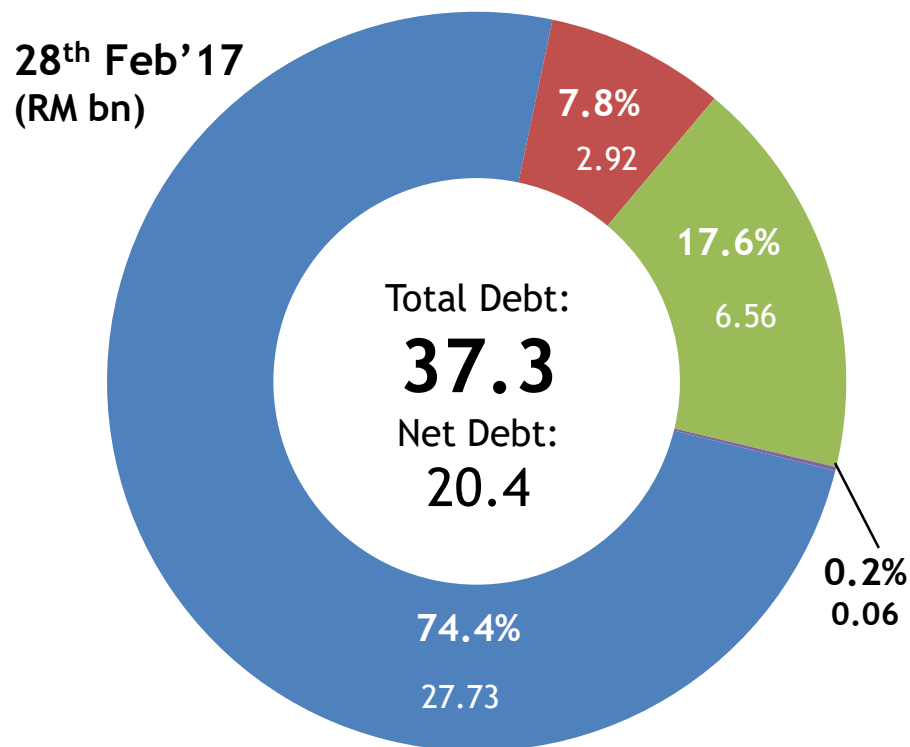
Average Coal Price (CIF)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	1HFY'17
USD/metric tonne	88.2	106.9	103.6	83.6	75.4	66.0	55.7	70.2
RM/metric tonne	293.8	325.9	321.9	259.5	244.6	236.0	231.1	303.8

Tonne (mn)



# DEBT EXPOSURE & GEARING

Improved Gearing due to Multicurrency Sukuk Issuance of USD750.0mn in October 2016



Statistics	28th Feb'17	31st Aug'16
Gearing (%)	40.4	39.5
Net Gearing (%)	22.1	19.7
Fixed : Floating (%)	96.4 : 3.6	96.4 : 3.6
Final Exposure (%)	96.4 : 3.6	96.4 : 3.6
Weighted Average Cost of Debt (%)	4.64	5.06
Final Exposure (%)	4.64	5.06

Closing	28 <sup>th</sup> Feb'17	31 <sup>st</sup> Aug'16
USD/RM	4.44	4.06
100YEN/RM	3.95	3.96
USD/YEN	112.41	102.53

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

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**THANK YOU**

**Unaudited Consolidated Results for the  
2<sup>nd</sup> Quarter FY2017 ended 28<sup>th</sup> February 2017**