

ANALYST BRIEFING 1QFY2025

28 May 2025 | Business Lounge, TNB Platinum

Floating solar pilot project at Kenyir dam

Stable 1QFY2025 performance underscores success of strategic initiatives, paving the way for sustained growth

PAT

Reported

RM1,040.8 mil

+53.5%

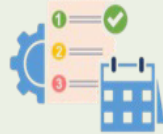
(Y-o-Y) (1QFY2024: RM677.9 mil)

Stable financial performance

Regulatory Period 4 (RP4) Implementation

✓ Effective 1 January 2025

RP4



Total allowed CAPEX
up to **RM42.82 bil**

Peak Demand



20,752MW

Recorded on 27 May 2025
at 2030 hours



436.9GWh

Single-day highest energy
consumption on 27 May 2025

CAPEX Utilisation



34%

of Base CAPEX

Carbon Management



On track to achieve

5%

reduction in
carbon emission intensity (Scope 1)

1QFY2025 demand was fueled by data centres, robust growth continues

1QFY2025 Demand

Overall stable demand



Commercial sector growth

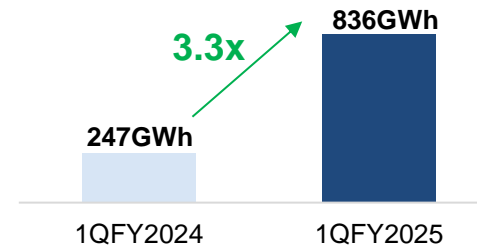
 **5.1%**



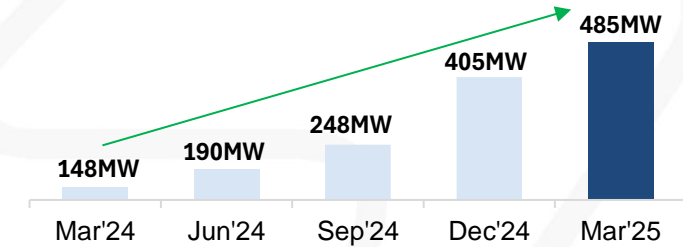
Fueled by Data Centres
Consumption

Data Centres

Energy consumption



Load utilisation



As of March 2025

21
Projects
completed

2,778MW
Capacity

5
New
ESA signed

666MW
Capacity

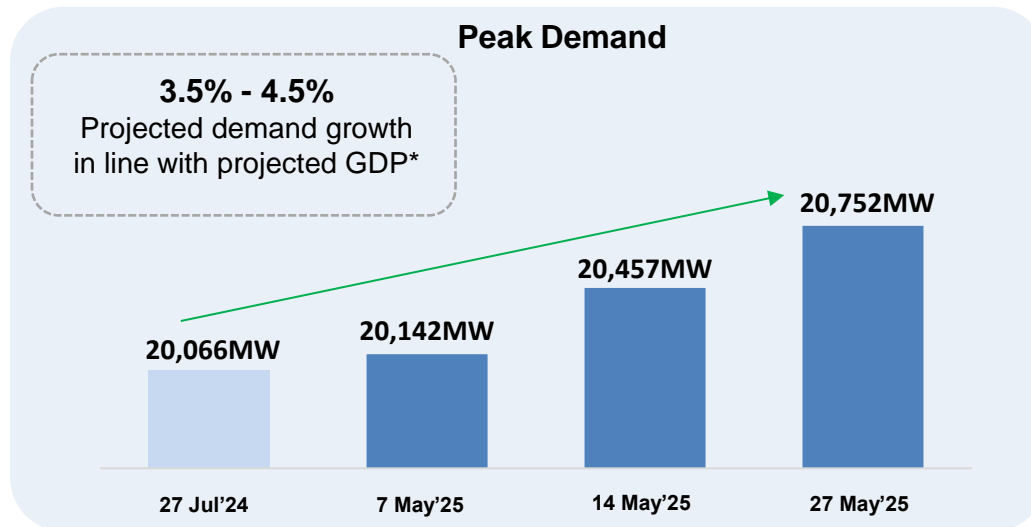
43

Total projects secured
at

~6.4GW
Total capacity

New system peak recorded; national plans for new generation capacity reinforce a positive outlook

Demand Outlook



- We continue to see **resilient demand**, maintaining our outlook.
- TNB remains **neutral under the IBR Revenue Cap mechanism**, providing stable earnings.

*Bank Negara Malaysia: Slightly lower than 4.5% - 5.5%

Planning for Growth

Opportunity for Expansion:

Open Bidding for New Generation Capacity in Year 2025 – 2029



Request for Proposal (RFP) for:

- Category 1: Extension of Gas Power Plants
- Category 2: New Generation Capacity

NEM Rakyat Quota Increased



- Additional 100MW allocated, raising the **total quota to 700MW**.
- This expansion presents a greater **opportunity for GSPARX** to strengthen its participation in the segment.

Mobilising strategic investments to strengthen grid infrastructure, support growth, and deliver long-term value

RP4
RM42.82 bil
Total Allowed CAPEX
(2025 – 2027)

Base CAPEX
RM26.55 bil

Contingent CAPEX
RM16.27 bil

Projected
~70%
utilisation

Investments for:

- **Supply reliability**
- **Energy transition**
- **Demand growth**


FY2025

Base CAPEX

Utilisation
in 1QFY2025
34%

Contingent CAPEX















Committed
in 1QFY2025
~RM128 mil

RM1-2 bil
Expected to be triggered within the year


- Security of supply
- Energy transition
- Demand growth

Contingent CAPEX

Demand growth

Data Centres  Johor, Cyberjaya & Kuala Lumpur	East Coast Rail Link (ECRL) 	Government Projects <table><tr><td> Residential</td><td> School</td></tr><tr><td> Agricultural</td><td> SME</td></tr></table>	 Residential	 School	 Agricultural	 SME
 Residential	 School					
 Agricultural	 SME					

Recovery mechanism expected to be finalised in 2HFY2025

FY2025
Total CAPEX
up to
~RM12 bil

We strengthen our core business through strategic partnerships to accelerate solar and electric vehicle adoption

Strategic Partnerships

Drives NETR ambitions by **enabling inclusive and scalable solar adoption**



TNB – Sime Darby Property (SDP)



Key Highlights

- TNB in collaboration with Sime Darby Property (SDP) has **become the first in Malaysia** to harness solar power under the NETR via **Community Renewable Energy Aggregation Mechanism (CREAM)** announced in March 2025
- To install solar at **City of Elmina** as a pilot project with **1.9MWp***

**Subject to technical study and CREAM policy*

Support Malaysia's EV agenda by **expanding charging infrastructure, integrating RE, and increasing accessibility**



TNB – PERODUA



Key Initiatives

- Install **TNB EV chargers** and **deploy solar panels** at selected PERODUA outlets
- Joint **RE integration studies** across PERODUA ecosystem
- Facilitate adoption of **Malaysia Renewable Energy Certificates (MREC)**



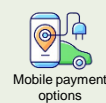
TNB – Casuarina Meru Sdn. Bhd



Key Initiatives

- Install **one 120kW DC fast charger** with dual Combine Charging System
- Install **two 22kW AC chargers** at Hotel Casuarina at Meru

Facilities' features:



We expand our international presence, grow renewable capacity and strengthen our regional business to unlock growth beyond borders

International

Growing International RE Capacity

Solar Greenfield UK

 **102MWp**

- **Location:** Bunkers Hill (67MWp) and Eastfields (35MWp)
- Final stage of grid connection and commenced power export at Eastfields in April 2025
- Bunkers Hill to export power by June 2025

Awarded ~1GW access rights for Dinawan Energy Hub (DEH) in New South Wales (NSW)

 **1,007MW**

- Awarded access rights by EnergyCo in the NSW South West Renewable Energy Zone (REZ)
- The planned capacity includes:



Expanding International Service

TNB REMACO – Al Dhow Engineering

Malaysia - Kuwait energy ties: Awarded a 7-year contract worth RM705 mil



- Awarded maintenance, repair & overhaul (MRO) contract for maintenance works at the Sabiya Power and Water Distillation Plant
- Order book built up of ~RM4.5 bil over the next 5 years
- Reinforces REMACO's position as an international MRO leader, recognising our technical expertise and capabilities
- Supports TNB's global expansion and income diversification



Regional Interconnection

Cross-Border Electricity Trade

ENESEM

1-year pilot phase of 100MW

Current capacity utilised

50MW

Energy export

108,000MWh
for 1QFY2025

LTMS-Power Integration Project

Bilateral energy supply with Keppel Electric

Supply up to

100MW

Energy export

175MWh
for 1QFY2025



New Revenue Stream
from transaction services

We remain focused on our key strategic pillars in fostering business growth while realising our Net Zero ambitions

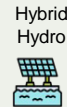


Deliver Clean Generation

Nenggiri Hydro Project (300MW)
45% completion (COD: 2QFY2027)



Sungai Perak Hydro Life Extension Programme (700MW)
Issued notice to proceed for EPCC contracts
18% overall progress
EPCC commencement for Temengor, Bersia & Kenering in 1QFY2025



Hybrid Hydro-Floating Solar (Kenyeri) (150MWp)
62% pre-development progress
Technical evaluation of EPCC tender on-going



Solar Greenfield Development (UK) (102MWp)
Eastfields (35MWp): Final stage of grid connection
Bunkers Hill (66.7MWp): Expected to export power by June 2025



Corporate Green Power Programme (CGPP) (154MWp)
All 3 sites progress are on-track with COD target in 2025



Centralised Solar Park (750MWp)
Active discussions with respective state authorities and potential customers

Large Scale Solar 5 (LSS5) (686MWp)
Working towards Financial Close



Develop Energy Transition Network



Pilot Battery Energy Storage System (BESS) Development at Santong

Project Progress

29%

Commencement of interconnection facility

Project Cost

~RM700mil

COD

December 2026



Enhance System Reliability

Key Projects

Smart Meter Installation Progress:



20%

Installed **72,429 units**

Achieved 24% as of April 2025

FY2025 Target:
360,000 units

Cumulative to date:
4,571,44 units

Distribution Automation Penetration Progress:



17%

696 substations

Achieved 28% as of April 2025

FY2025 Target:
4,026 substations

Cumulative to date:
30,971 substations



Dynamic Energy Solutions



Electric Vehicle (EV)

TNB Charge Points

14
Commissioned



>250
2025 Target

Green Lane Supply Connections

~2MW
Completed connections



~8MW
Connections to be completed in 2025

No. of applications in Pre-consultation

309
@ 135MW



GSPARX

18MWp
Secured Capacity



100MWp
2025 Target

Energy Efficiency

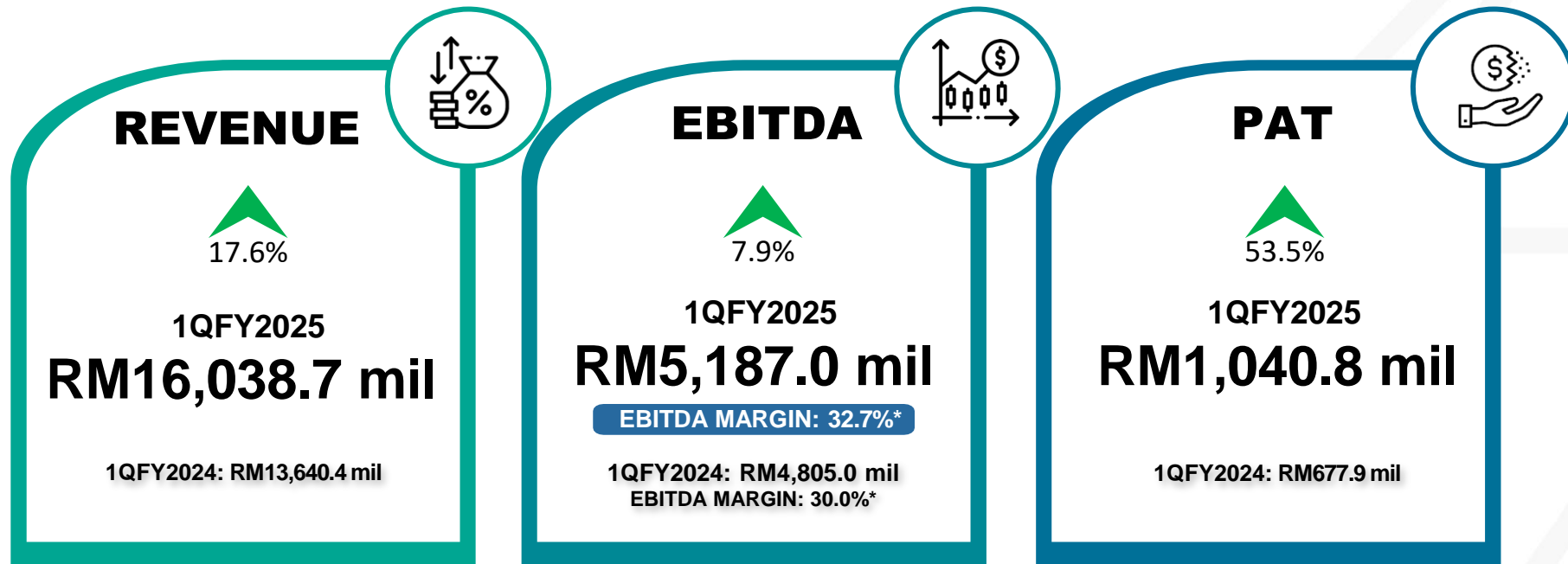


As of March 2025, myTNB Energy Budget feature subscriptions exceeded 1.5 mil users (>100% increase from ~876k users in December 2024)

PERFORMANCE UPDATE



PAT in 1QFY2025 driven by stable overall performance

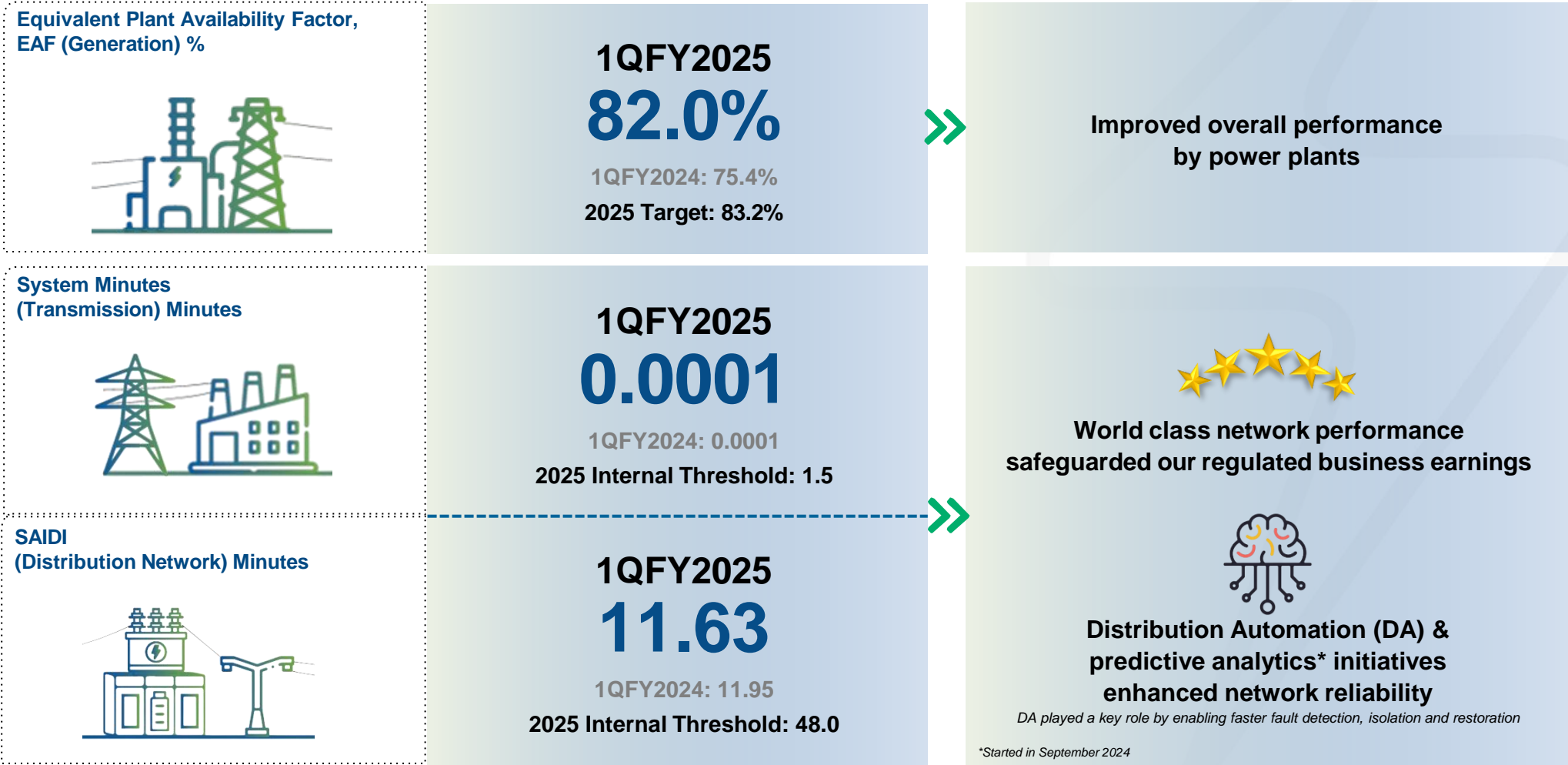


Key factors contributing to the improved overall performance are:

- Overall Group revenue grew by **17.6%** mainly contributed by **electricity sales increase of 17.5%**, due to **other regulatory adjustments** under the **Incentive Based Regulation (IBR) framework**; and
- **Improvement in foreign exchange** due to the strengthening of MYR against USD;
- Despite **higher current tax expense** from profit improvement and cessation of reinvestment allowance (RA).

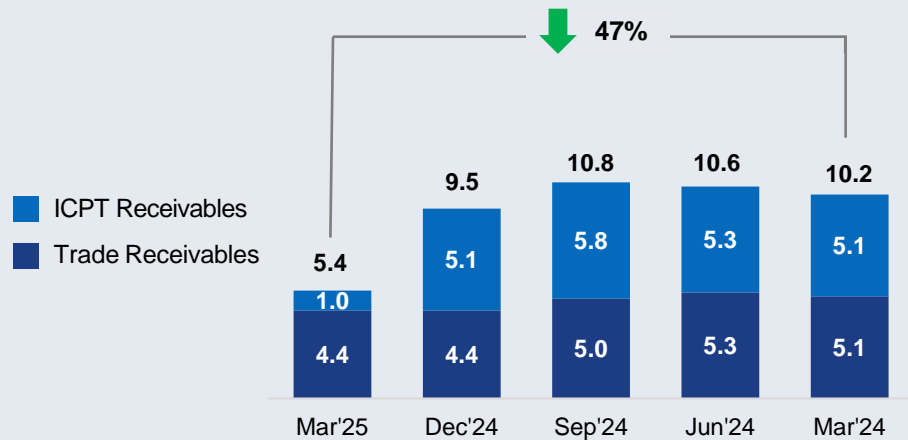
*EBITDA / (Revenue + ICPT)

Group earnings supported by; i. Improved generation performance
ii. World-class network performance



Y-o-Y: Lower receivables driven by improved collection, strengthening our cash flow position

Receivables (RM bil)



- **Coal price has stabilised** at 81.81 USD/MT* in April 2025 (vs 165.06 USD/MT* in April 2024).
- **Outlook:** Stabilising fuel prices and strong collection trend will:
 - ✓ strengthen working capital management; and
 - ✓ provide a healthier cash flow position.

1

ICPT Cost Recovery

FY2024



Fully recovered
RM3.4 bil

(ICPT for period January to December 2024, Government portion)

FY2025



Fully recovered
RM2.2 bil

(ICPT for period January to June 2025, Government portion)

2

Strong collection

a) The **average collection period improved to 27 days** (vs March 2024: 31 days), with focused efforts in recovering long-outstanding debt and strengthening overall collection efficiency.

b) **Stronger collections through digital enhancements**

- Seamless Autopay/Direct Debit via myTNB
- Upgraded features in myTNBiz

Supporting long-term financial resilience and agility

OUTLOOK AND FORWARD GUIDANCE



We strive to deliver our targets towards achieving sustainable business growth



Electricity Demand

Demand growth is projected to be

3.5% - 4.5%

Projected GDP between 4.5% - 5.5% (moderate rate)



Group CAPEX Forecast

Total Group CAPEX:

Up to RM20 bil

Regulated CAPEX: ~RM12 bil

Non-regulated CAPEX: ~RM8 bil



Capital Management

- Active capital allocation with strong financial position to raise funds for growth
- **Proactive working capital management in ensuring deployment and delivery of investment targets**



Carbon Emission Reduction

We aim to achieve:

- 5% annual reduction in carbon emission intensity (Scope 1)
- 35% carbon emission intensity reduction by 2035 and **Net Zero by 2050**

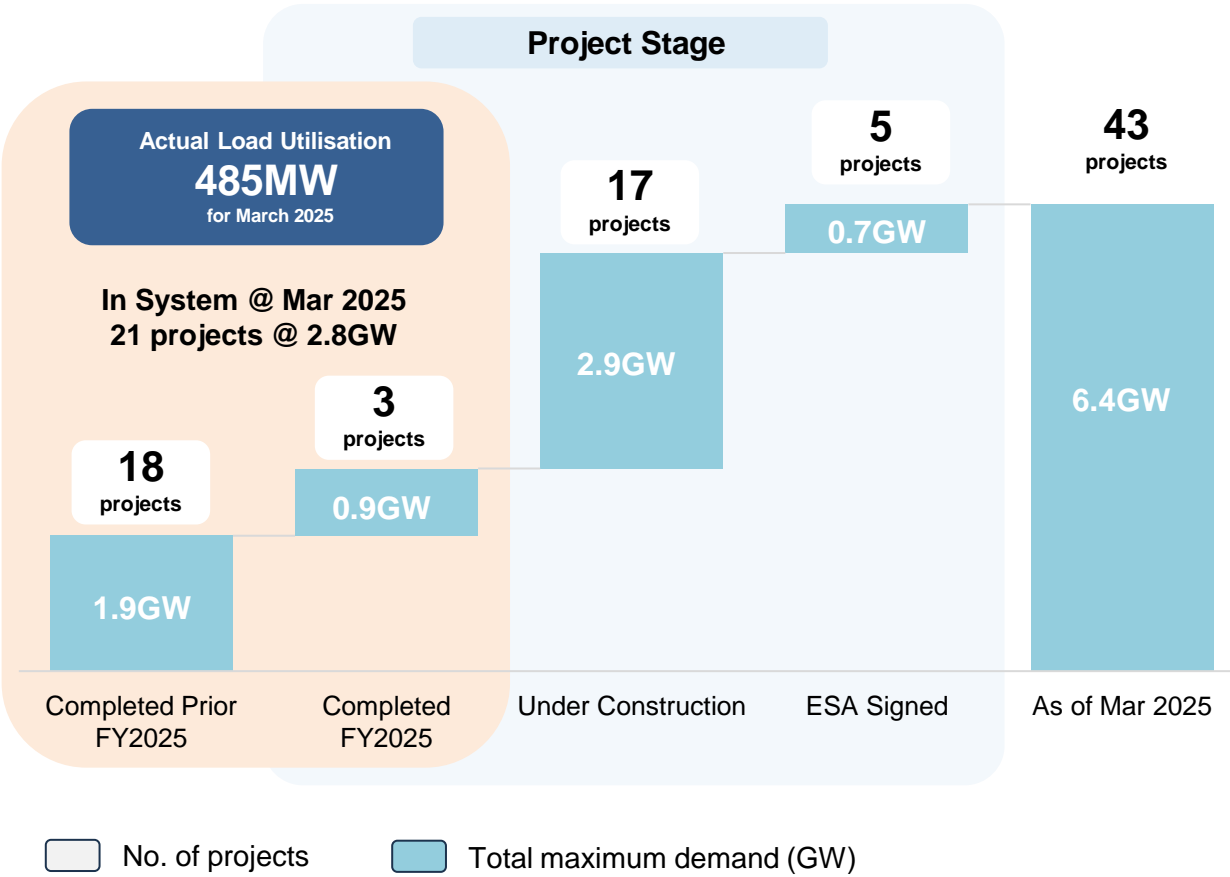


Appendix

- **DETAILS ON STRATEGY DEPLOYMENT 1QFY2025**

TNB remains focused on meeting Malaysia's growing electricity demand, driven by data centre expansion

1QFY2025 Data Centres Achievements



Key Highlights



February 2025: DCEO highlighted TNB's role in enhancing existing infrastructure to meet the power demands of data centres, ensuring stable operations during the Siemens Data Centre Conference 2025



February 2025: The announcement of Airtrunk JHB2 data centre showcased TNB's commitment in streamlining high-voltage electricity supply through Green Lane Pathway and One-Stop-Centre (OSC) for data centre.

GSPARX transforms consumers to prosumers through rooftop solar installations, elevating Malaysia's green energy progress

Key Customers Secured

14.1MWp


Renesas (Pulau Pinang, Kedah & Selangor)

- To install 6.2MWp rooftop solar PV at Renesas buildings in Penang, Kedah and Selangor
- Target to be delivered by 4QFY2025



KPJ Healthcare Hospitals

- To install 4.3MWp rooftop solar PV at multiple KPJ Hospitals across Peninsular Malaysia
- Target to be delivered by 4QFY2025



Perak Transit

- To install 2.3MWp rooftop solar PV at the identified Perak Transit owned buildings and terminal in Perak
- Target to be delivered by 2QFY2026



Etria Manufacturing

- To install 0.8MWp rooftop solar PV at the office and factory building in Bayan Lepas, Pulau Pinang
- Target to be delivered by 4QFY2025



RHB Banks

- To install 0.5MWp rooftop solar PV at multiple RHB Bank branches across Peninsular Malaysia
- Target to be delivered by 4QFY2025

Others: 3.9MWp

Progress



Secured Capacity
18MWp
 1QFY2025

3,388
 Cumulative Projects secured

522MWp
 Cumulative Secured Capacity

**NEM 3.0 NOVA
 Extension**

67%
 Quota Approved
 Data as of 23 May 2025

1,700MW
 Total Quota Allocation (2021- June 2025)
 Additional quota announced in November 2024 (300MW)

Partnership with Sime Darby Property



2.8MWp*
 14 SDP sites

Progress

0.8MWp installed at 10 sites

consist of Sime Darby Sales Galleries, Clubhouses and Malls: At ~60% completion

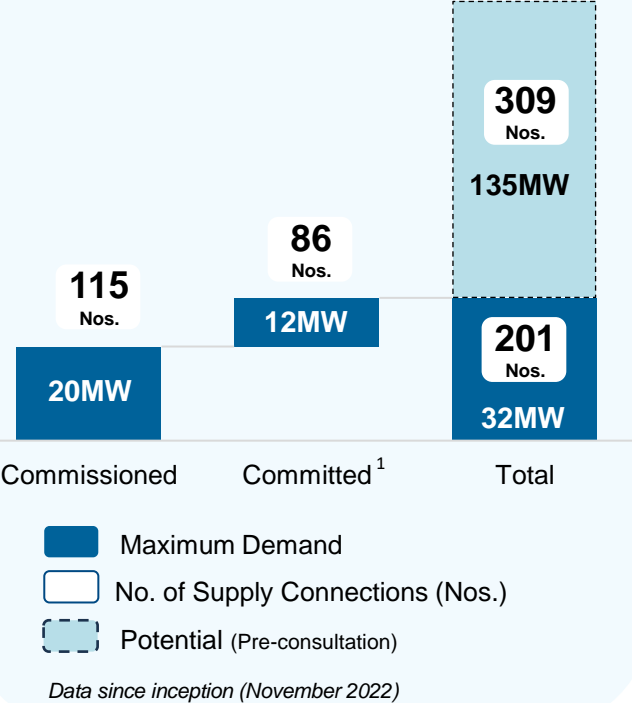
Status update: 2 sites are under finalisation with clients

**Revised in capacity due to Public Distribution License regulation and client's preference*

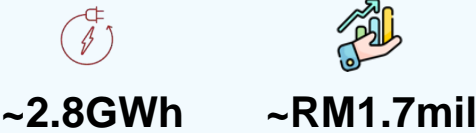
TNB drives Malaysia’s EV growth through a two-prong approach; Supplying electricity to CPOs and installing charge points to support the EV ecosystem

EV Ecosystem

Green Lane Supply Connections



YTD Electricity Sales (CPO)



EV Charge Points
3,611 units
Data as at Mar 2025²



EVs on the road
~45,624 units
Data as at Mar 2025

2025 EV Potential
~86,000 units
by Dec 2025

Key Highlights

TNB Charge Points



14
installed
in 1QFY2025



>250
Additional Charge Points
in FY2025

- In 1QFY2025, 14 Charge Points were energised at AEON Malls and TNB Premises



- In Feb 2025, TNB and Perodua signed an MoU to boost EV adoption via charger deployment, solar integration, and emission reduction, supporting Malaysia’s net-zero goals

¹ Committed including construction and supply application stage

² PLAN Malaysia - Malaysia Electric Vehicle Charge Network

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