

Unaudited Consolidated Result for the
2nd Quarter FY2019 Ended 30th June 2019



Presentation to Analyst

30th August 2019





01 KEY HIGHLIGHTS



FINANCIAL DETAILS

02

03 APPENDIX



Steady Financial Results Continued into 1HFY'19

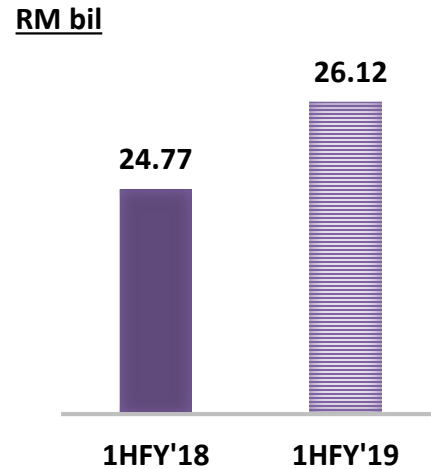


KEY HIGHLIGHTS

OVERVIEW

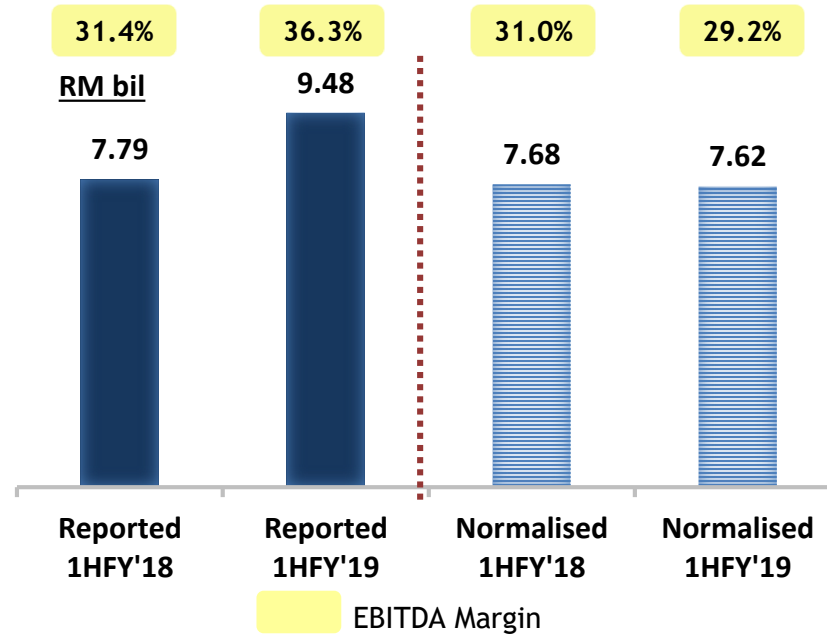
REVENUE

RM 26.12bil



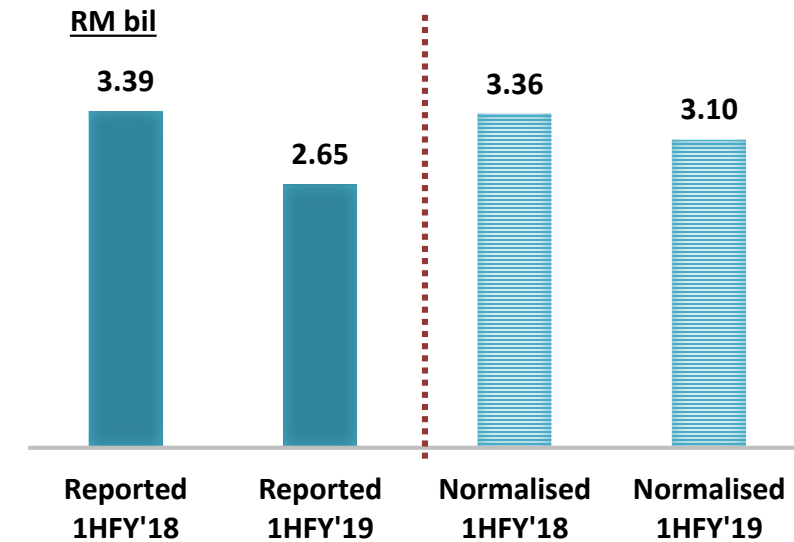
EBITDA

RM 9.48bil



PAT

RM 2.65bil



Higher revenue due to :

- i. Increase in TNB Sales of Electricity on the back of 4.4% Demand Growth

Reported EBITDA for 1HFY'19 includes:

- i. MFRS 16 adjustment (Capacity Payment) of RM2,192.9mil
- ii. Impairment of GMR of RM198.3mil in 1QFY'19
- iii. Impairment of financial guarantee for GAMA of RM135.7mil in 1QFY'19

(please refer Appendix 3 for details of Normalised EBITDA)

Reported PAT in 1HFY'19 includes:

- i. Other Regulatory Adjustments of RM809.5mil
- ii. Negative net MFRS 16 impact of RM112.2mil

(please refer next slide for details of Normalised PAT)

Earnings Remain Strong Supported by Higher Demand Growth



KEY HIGHLIGHTS

Normalised PAT

1H FY'18

Normalised PAT RM3.36bil

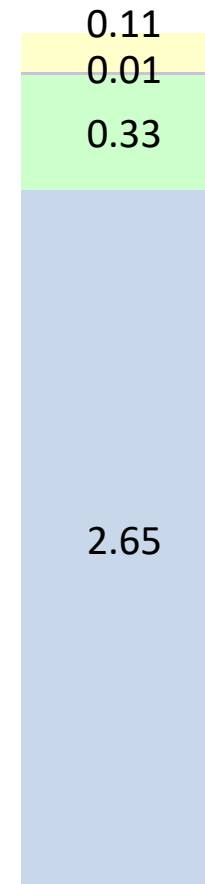


Components	RM bil
Normalised PAT	3.36
Other Regulatory Adjustment	-0.32
Forex translation loss	+0.08
Impairment	+0.21
Reported PAT 1H FY'18	3.39

- 1 FY'18 Other Regulatory Adjustments of RM0.64bil (reflected in full in 4QFY'18) is equally divided quarterly
- 2 Impairment made for GAMA of RM206.5mil

1H FY'19

Normalised PAT RM3.10bil



Components	RM bil
Normalised PAT	3.10
Net impact of MFRS 16	+0.11
Forex translation loss	+0.01
Impairments	+0.33
Reported PAT 1H FY'19	2.65

- 1 Lower mainly due to higher finance cost due to issuance of new funding (IMTN & MCMTN) in 2H FY'18
- 2 Please refer to MFRS16 slide

Sustaining High Dividend Payout, 30sen/share for 1HFY'19 Interim Dividend



KEY HIGHLIGHTS

DIVIDEND

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 Payout
(RM' bil)**

1.72

1.71

**Dividend Payout (%)
(based on PATAMI)**

50.0

54.5

**Dividend Per Share
(sen)**

30.3

30.0

1HFY'18

1HFY'19

	1HFY'18 Interim Dividend	1HFY'19 Interim Dividend
Group Profit After Tax	3,385.2	2,651.3
Non-controlling Interests	(28.2)	21.7
Group PATAMI (Attributable to Owners of the Company (RM mil)	3,357.0	2,673.0
Total Adjustments	80.6	454.9
1) Impairments	-	334.0
2) Forex Translation Loss	80.6	8.7
3) MFRS 16	-	112.2
Adjusted / Normalised Group PATAMI (RM mil)	3,437.6	3,127.9
Distributable of Adjusted / Normalised Group PATAMI for Dividend (RM mil)	1,718.8	1,706.1
Dividend Payout Ratio (%)	50.0	54.5
Dividend per share (sen)	30.27	30.00

Well Managed CAPEX and Major Projects are on Track



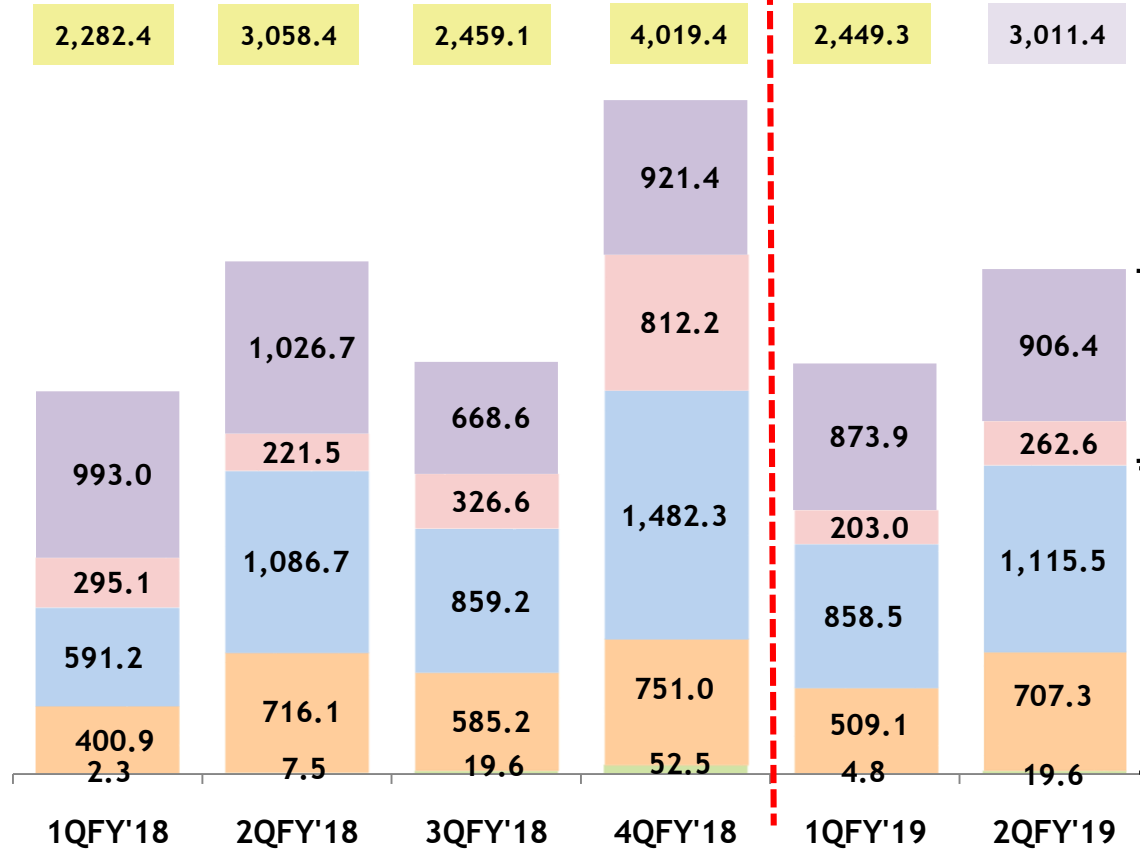
KEY HIGHLIGHTS

CAPEX

RM mil

YTD FY'18 : RM11,819.3

YTD FY'19 : RM5,460.7



YTD New Generation Capacity & Others

41.1%

RM2,245.9mil

YTD Recurring CAPEX

58.9%

RM3,214.8mil

Major Generation Projects

Jimah East Power (Coal)

2,000MW

COD:

U1: 22nd Aug'19 (completed)

U2: 15th Dec'19

99%*

Plan : 99%

Southern Power Generation (Gas)

1,440MW

COD : 1st Jul 2020

88%*

Plan : 88%

TNB Bukit Selambau (Solar)

30MW

COD : 31st Dec 2020

41%*

Plan : 35%

*Physical progress as at June 2019



01 KEY HIGHLIGHTS 

\$ FINANCIAL DETAILS 02

03 APPENDIX 

Increase in Revenue Due to Higher Sales of Electricity



FINANCIAL DETAILS

REVENUE

UNITS SOLD	1QFY'19		2QFY'19		1HFY'19		1HFY'18		Variance (1HFY'19 vs 1HFY'18)	
	GWh		GWh		GWh		GWh		GWh	%
- TNB	28,471.1		30,050.0		58,521.1		56,074.5		2,446.6	4.4
- EGAT (Export)	-		-		-		3.8		(3.8)	(100.0)
- SESB	1,354.5		1,449.4		2,803.9		2,633.7		170.2	6.5
- LPL	148.1		368.6		516.7		140.1		376.6	>100.0
- UK WIND (TNBI)	24.1		16.2		40.3		23.7		16.6	70.0
Total Units Sold (GWh)	29,997.8		31,884.2		61,882.0		58,875.8		3,006.2	5.1
REVENUE	RM mil	Sen/ KWh	RM mil	Sen/ KWh	RM mil	Sen/ KWh	RM mil	Sen/ KWh	(RM mil)	Sen/KWh
Sales of Electricity										
- TNB *	11,331.3	39.8	11,990.2	39.9	23,321.5	39.9	22,243.5	39.7	1,078.00	4.8
- EGAT (Export)	0.1	-	-	-	0.1	-	1.7	44.7	(1.60)	(94.1)
- SESB	461.8	34.1	498.6	34.4	960.4	34.3	901.5	34.2	58.90	6.5
- LPL	88.3	59.6	157.6	42.8	245.9	47.6	95.7	68.3	150.20	>100.0
- UK WIND (TNBI)	31.3	129.9	20.9	129.0	52.2	129.5	30.5	128.7	21.70	71.1
Sales of Electricity	11,912.8	39.7	12,667.3	39.7	24,580.1	39.7	23,272.9	39.5	1,307.2	5.6
LPL Operating Lease (MFRS16)	9.3		(9.3)		-		18.6		(18.6)	(100.0)
Unbilled Revenue	117.0		(221.2)		(104.2)		(47.0)		(57.2)	>100.0
Imbalance Cost Pass-Through	1,369.1		425.8		1,794.9		879.3		915.6	>100.0
Other Regulatory Adjustment	(523.9)		(285.6)		(809.5)		-		(809.5)	
SESB Tariff Support Subsidy	125.3		91.5		216.8		231.0		(14.2)	(6.1)
Total Sales of Electricity	13,009.6		12,668.5		25,678.1		24,354.8		1,323.3	5.4
Goods & Services	170.5		145.8		301.0		261.8		39.2	15.0
Construction contracts	1.6		-		16.9		20.8		(3.9)	
Customers' Contribution	63.1		61.7		124.8		134.5		(9.7)	(7.2)
Total Revenue	13,244.8		12,876.0		26,120.8		24,771.9		1,348.9	5.4

- Higher Sales of Electricity due to higher electricity demand in all sectors
- Improved performance due to availability of gas supply
- Q-o-Q lower due to seasonal revenue cycle (summer months)
 - Y-o-Y higher due to as the unit sold reported in 1HFY'18 only for 4 months as the acquisition was in Mar'18
- Q-o-Q lower due to lower Coal & LNG price (Refer Appendix Q-o-Q Fuel Cost Table C)
 - Y-o-Y higher due to higher unit generated and consumption from gas (Refer Table C on Y-o-Y Fuel Cost slide)
- Refer Appendix : Regulatory Adjustments Part 1 & 2

TNB Sepang Solar units sold as at Jun'19 : 56.6 GWh

* Without ICPT

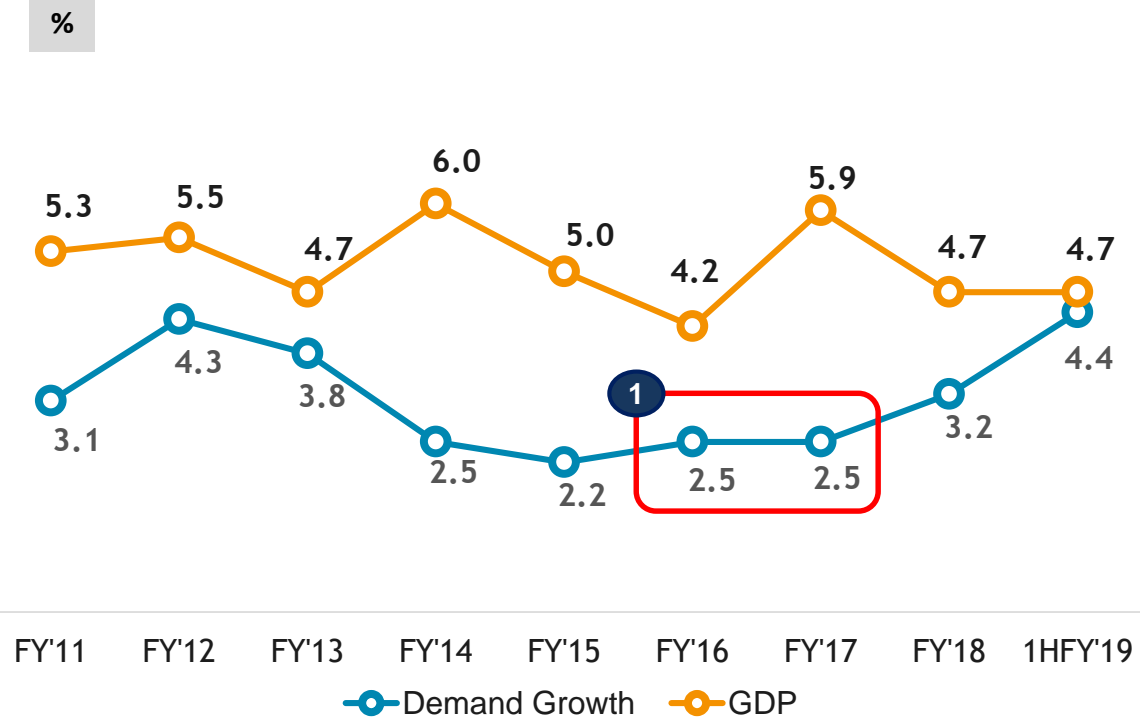
Strong Demand Growth Supported by New Peak Demand in 2QFY'19



FINANCIAL DETAILS

DEMAND GROWTH

GDP & TNB (Peninsula) Demand Growth by Financial Year

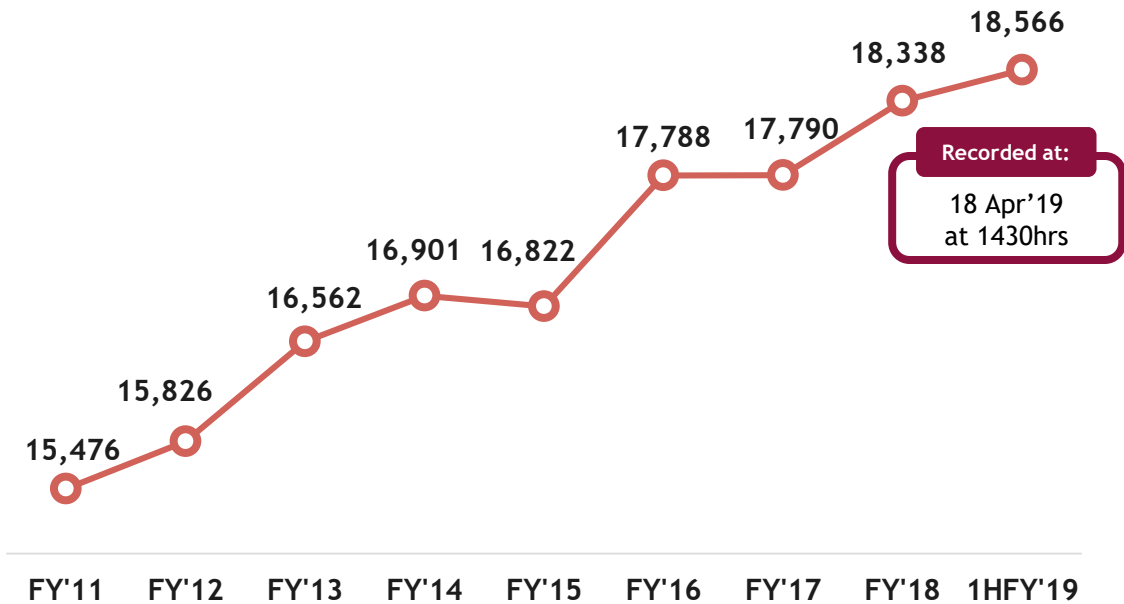


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Average demand growth for FY2016 & FY2017. This is to eliminate the one-off El-Nino phenomenon during 3QFY'16

TNB (Peninsula) Yearly Peak Demand

MW

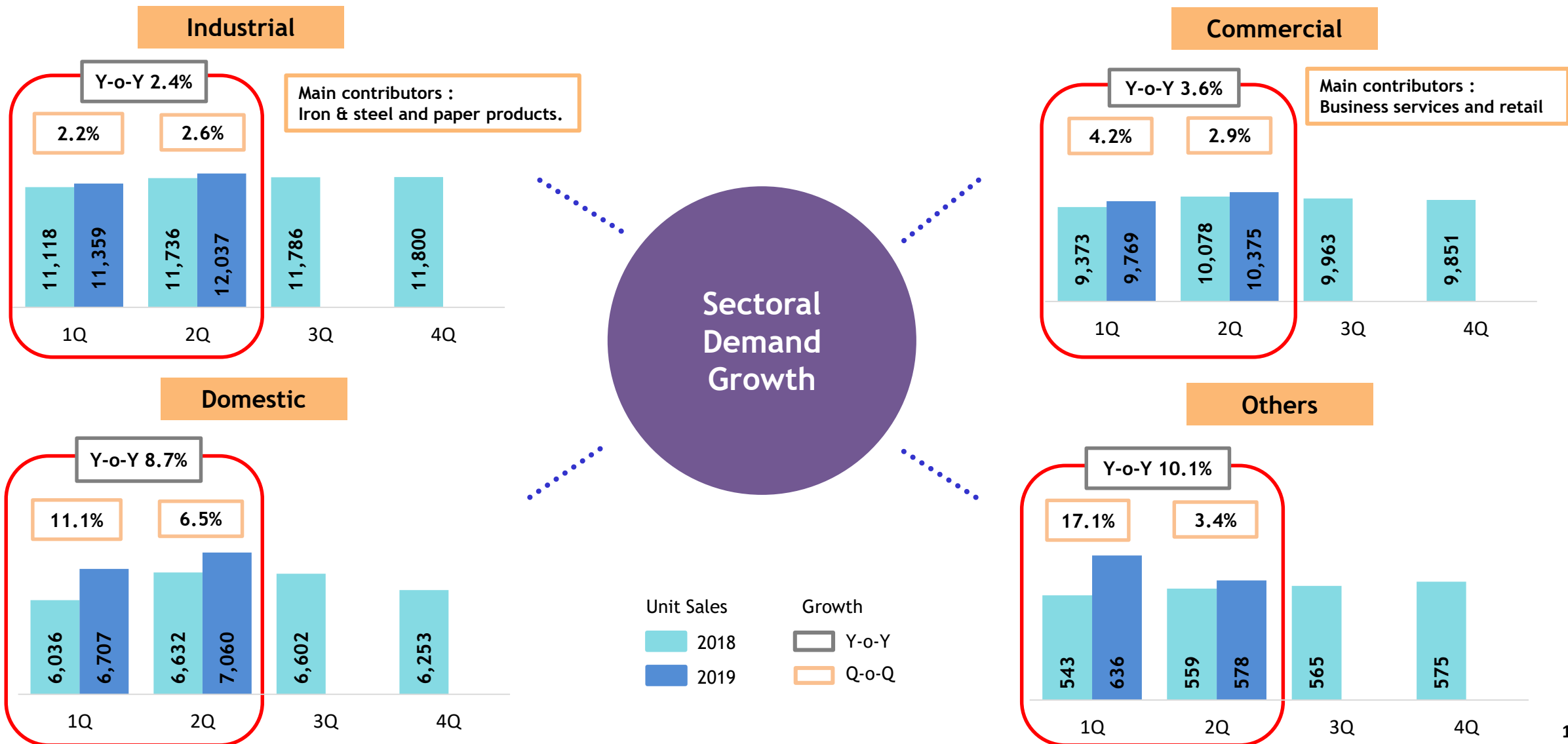


Positive Growth for All Sectors (GWh)



FINANCIAL DETAILS

SECTORAL GROWTH



Operating Expenses within Expectation



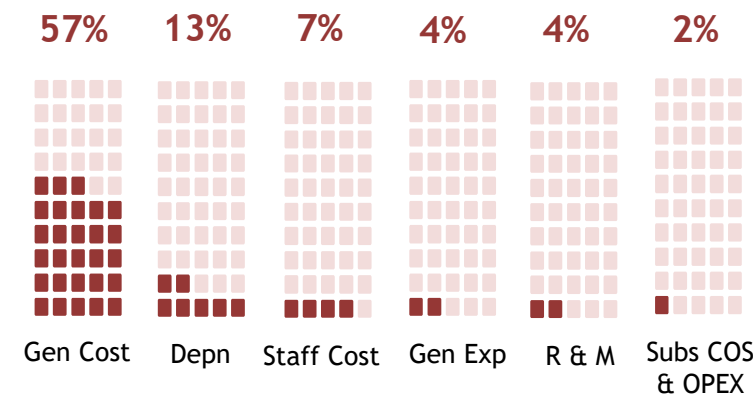
FINANCIAL DETAILS

OPEX without MFRS 16

	1QFY'19 (RM mil) Restated	2QFY'19 (RM mil)	1HFY'19 (RM mil)	1HFY'18 (RM mil)	Variance (1HFY'19 vs 1HFY'18)	
					RM mil	%
Non-TNB IPPs Costs	4,835.5	4,496.5	9,332.0	7,554.2	1,777.8	23.5
Capacity Payment	1,313.9	1,329.9	2,643.8	2,045.9	597.9	29.2
Energy Payment	3,521.6	3,166.6	6,688.2	5,508.3	1,179.9	21.4
TNB Fuel Costs	2,511.3	3,092.4	5,603.7	5,218.5	385.2	7.4
Fuel Costs	3,164.7	3,232.1	6,396.8	5,512.9	883.9	16.0
Fuel Price Adjustment	(592.0)	(64.8)	(656.8)	(190.6)	(466.2)	>100.0
Fuel Subsidy - SESB	(61.4)	(74.9)	(136.3)	(103.8)	(32.5)	31.3
Total Cost of Generation	7,346.8	7,588.9	14,935.7	12,772.7	2,163.0	16.9
Staff Costs	729.2	1,014.0	1,743.2	1,814.8	(71.6)	(3.9)
Repair & Maintenance	460.7	489.4	950.1	899.4	50.7	5.6
TNB General Expenses	494.7	512.3	1,007.0	909.0	98.0	10.8
Subs. Cost of Sales & Opex □	446.3	180.8	627.1	860.1	(233.0)	(27.1)
Total Non-Generation Costs	2,130.9	2,196.5	4,327.4	4,483.3	(155.9)	(3.5)
Total Operating Expenses	9,477.7	9,785.4	19,263.1	17,256.0	2,007.1	11.6
Depreciation & Amortisation	1,632.8	1,670.5	3,303.3	3,084.9	218.4	7.1

1 Restatement of 1QFY'19 previously reported as :
i. Capacity payment RM1,149.5mil

OPEX (without MFRS 16) against Revenue



Higher Unit Generated in line with Demand Growth



FINANCIAL DETAILS

Y-o-Y FUEL COST

Table A

TNB & IPP Fuel Costs for Peninsula (RM mil)				
Fuel Type	1HFY'19	1HFY'18	Variance	
			RM mil	%
Coal	5,627.2	5,360.0	267.2	5.0
Gas	5,415.9	4,524.7	891.2	19.7
LNG	183.7	36.6	147.1	>100
Dist.	15.9	35.0	(19.1)	(54.6)
Oil	12.3	14.2	(1.9)	(13.4)
Solar	80.1	0.0	80.1	>100
Total*	11,335.1	9,970.5	1,364.6	13.7

* Comprise TNB Fuel Costs & fuel payment to IPPs (part of Energy Payment)

Table B

TNB & IPP Unit Generated for Peninsula (Gwh)				
Fuel Type	1HFY'19	1HFY'18	Variance	
			Gwh	%
Coal	34,898.0	34,703.1	194.9	0.6
Gas & LNG	26,466.4	24,796.7	1,669.7	6.7
Dist.	20.7	26.3	(5.6)	(21.3)
Oil	25.9	36.6	(10.7)	(29.2)
Hydro	1,648.8	2,590.8	(942.0)	(36.4)
Solar	303.1	-	303.1	>100
Total	63,362.9	62,153.5	1,209.4	1.9

Table C

	1HFY'19	1HFY'18
Daily Average Gas Volume (mmscfd)	1,016	936
Average LNG Price (RM/mmbtu)	36.16	30.51
Average Piped Gas Price (RM/mmbtu)	27.20	24.20
Average Coal Price Delivered (USD/MT)(CIF)	86.6	91.6
Average Coal Price Delivered (RM/MT)(CIF)	356.8	367.0
Coal Consumption (mil MT)	14.9	15.1
Generation cost per unit (sen/kWh)	17.9	16.0

Table D

Average Coal Price Delivered (USD/MT)				
	1HFY'19	1HFY'18	Variance	
			USD	%
FOB	78.7	84.0	(5.3)	(6.3)
Freight	7.4	7.0	0.4	5.7
Others	0.5	0.6	(0.1)	(16.7)
CIF	86.6	91.6	(5.0)	(5.5)

Continuous Effective ICPT Implementation



FINANCIAL DETAILS

ICPT

	1QFY'18 (RM mil)	2QFY'18 (RM mil)	1HFY'18 (RM mil)	1QFY'19 (RM mil)	2QFY'19 (RM mil)	1HFY'19 (RM mil)
Reported Total Cost of Generation (with MFRS16)	6,146.9	6,625.8	12,772.7	6,092.3	6,302.6	12,394.9
Adjustment not related to IBR:	293.7	58.5	352.2	1,671.6	1,107.7	2,779.3
Fuel Price Adjustment ¹	212.6	(22.0)	190.6	592.0	64.8	656.8
MFRS117/16 (Capacity payment) ²	262.8	315.3	578.1	1,254.5	1,286.3	2,540.8
SESB Net Generation Cost	(181.5)	(159.5)	(341.0)	(122.8)	(118.8)	(241.6)
LPL Fuel Cost	(0.2)	(75.3)	(75.5)	(52.1)	(124.6)	(176.7)
TNB Capacity and VOR: SLA & SPV	1,458.5	1,406.2	2,864.7	1,306.1	1,143.5	2,449.6
Total Generation Costs (Related to IBR)	7,899.1	8,090.5	15,989.6	9,070.0	8,553.8	17,623.8
	1QFY'18 (RM mil)	2QFY'18 (RM mil)	1HFY'18 (RM mil)	1QFY'19 (RM mil)	2QFY'19 (RM mil)	1HFY'19 (RM mil)
Single Buyer Actual Generation Costs: (A)	7,899.1	8,090.5	15,989.6	9,070.0	8,553.8	17,623.8
Actual Sales (Gwh)	27,069.5	29,001.1	56,070.6	28,471.1	30,050.0	58,521.1
Single Buyer Tariff (RM/kwh)	0.2705	0.2705	0.2705	0.2705	0.2705	0.2705
Actual Gen Cost Recovered (RM mn) (B)	7,322.3	7,844.8	15,167.1	7,701.4	8,127.4	15,828.9
ICPT Surcharge (C) (C = A – B)	576.8	245.7	822.5	1,368.6	426.3	1,794.9
(+) Prior Year Accounting Adjustment	57.3	(0.5)	56.8	0.5	(0.5)	(0.0)
ICPT	634.1	245.2	879.3	1,369.1	425.8	1,794.9

¹ Coal price & Applicable Coal Price (ACP) comparison

	1QFY19	2QFY19
Average Coal Price Delivered (RM/MT)	375.3	340.5
Average Coal Price Delivered (RM/mmBtu) *	17.16	15.56
ACP (RM/mmBtu) **	20.99	16.55

* Based on internal conversion

**Source : Energy Commission Website

In 2QFY'19, the base ACP (RM16.55/mmBtu) used for billing the generators is slightly higher than the coal price paid to supplier (RM15.56/mmBtu). Hence, TNB Fuel over-recovered the differential amount from the generators. Any movement in FPA will be reconciled in the following quarters.

² Higher due to MFRS 16 implementation effective 1st January 2019

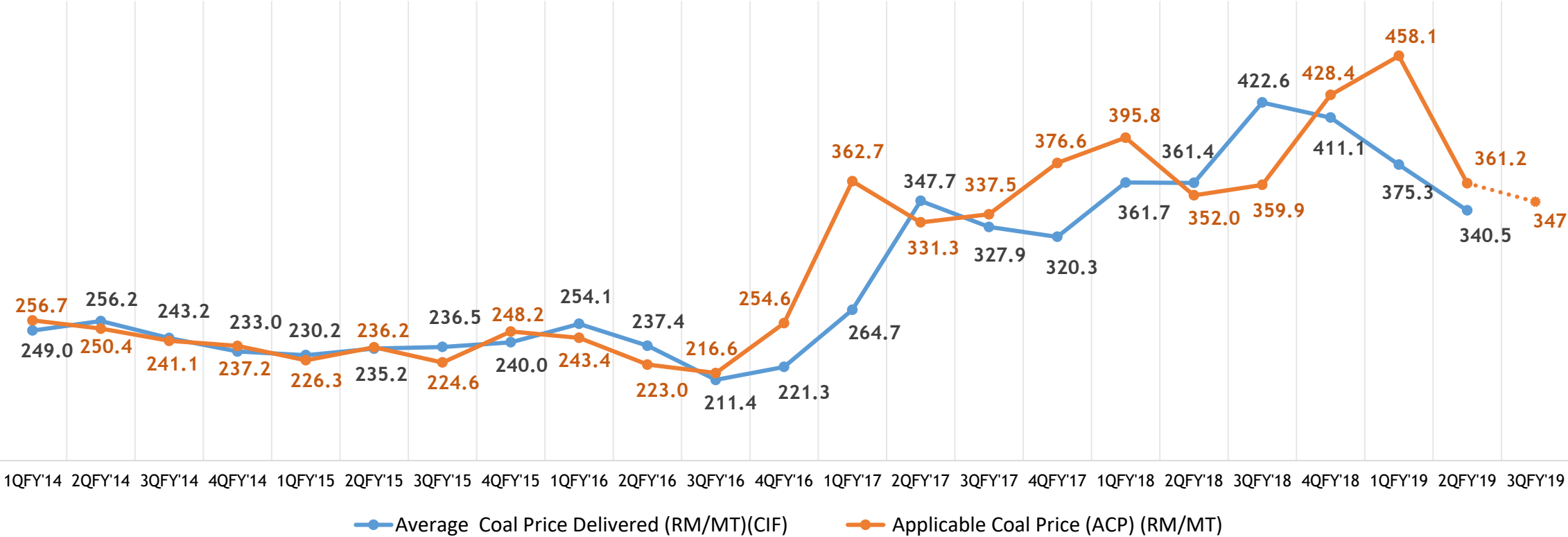
Downward Trending of Coal Price will Relieve Pressure on Future ICPT



FINANCIAL DETAILS

ICPT

Coal Price Trending

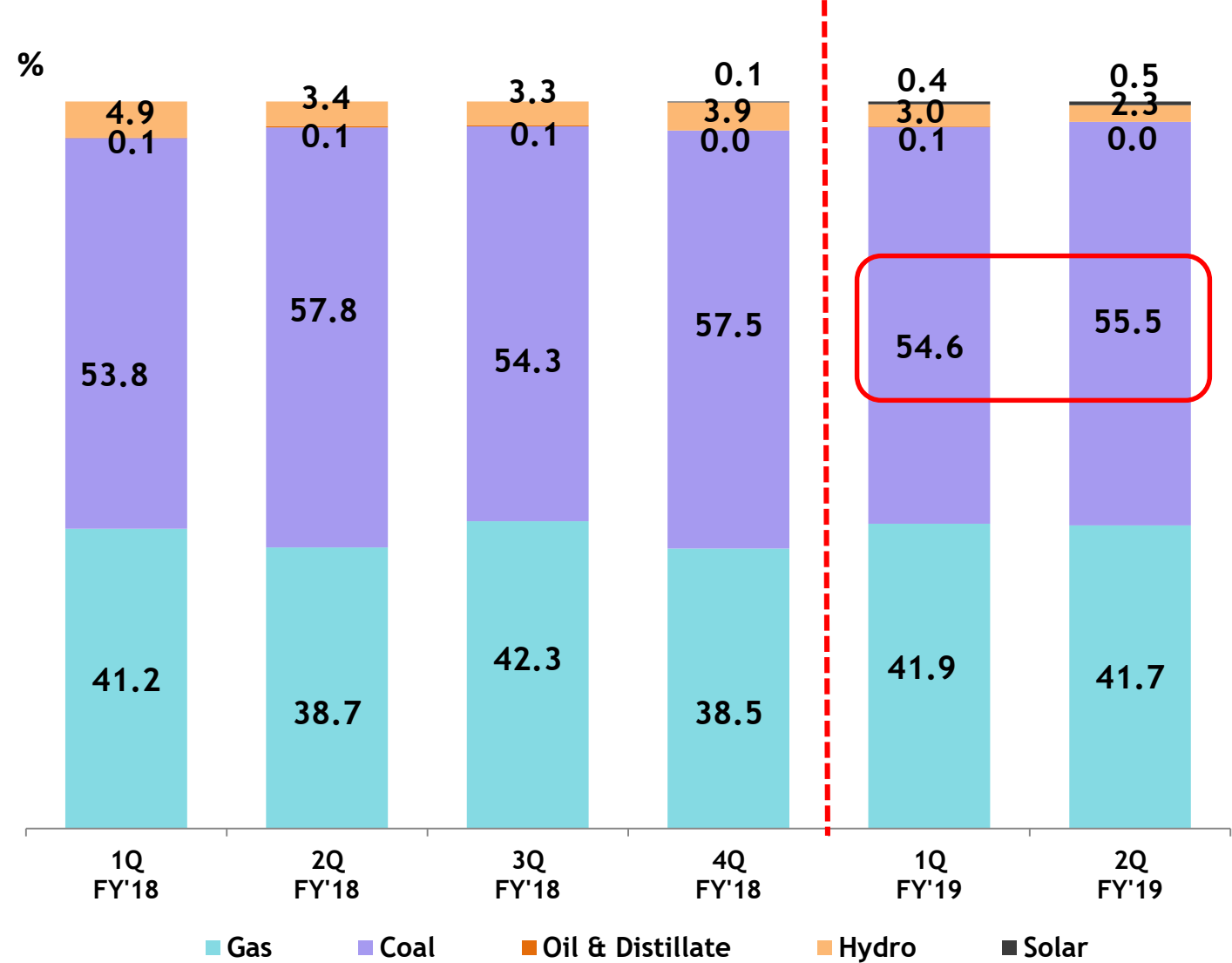


Higher Unit Generated from Coal in 2QFY'19 in line with Higher Demand



FINANCIAL DETAILS

GENERATION MIX

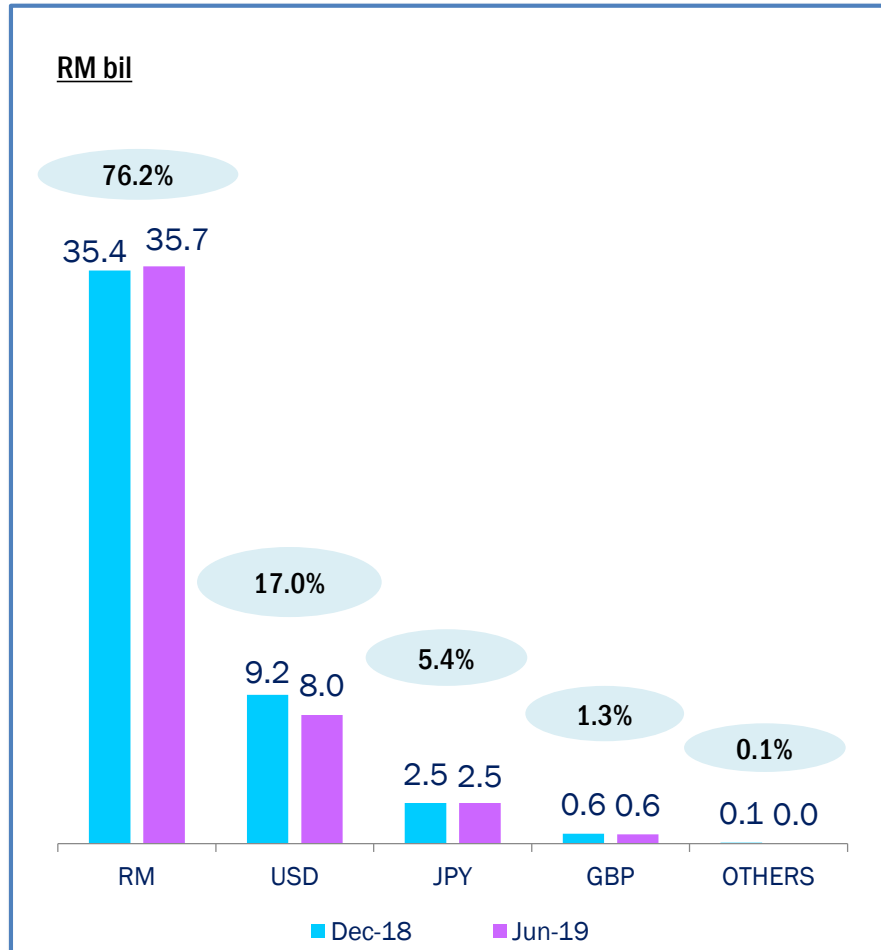


Lower Gearing Level due to Repayment of Mizuho Loan



FINANCIAL DETAILS

GEARING



Note:
Debt consists of Principal + Accrued Interest + Accounting Treatment (FRS139)

Statistics	30 th Jun'19	31 st Dec'18
Total Debt (RM' bil)	1 46.8	47.8
Net Debt (RM' bil)*	31.0	29.6
Gearing (%)	43.9	44.8
Net Gearing (%)	29.1	27.7
Fixed : Floating	98:2	95:5
Final Exposure	98:2	95:5
Weighted Average Cost of Borrowing	2 5.03	4.98
Final Exposure **	5.04	4.99

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

** Inclusive of interest rate swap

Closing FOREX	30 th Jun'19	31 st Dec'18
USD/RM	4.14	4.14
100YEN/RM	3.84	3.75
GBP/RM	5.24	5.27
USD/YEN	107.62	110.28

1 Lower mainly due to repayment of Mizuho Loan (USD300mil) amounting of RM1.2bil

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

Net MFRS16 Impact of RM112.2 million to The PAT



FINANCIAL DETAILS

MFRS16

As of 1HFY19, the net impact of MFRS 16 is negative to the PAT by RM112.2mil

Profit & Loss Items (1HFY'19)			
RM mil	With MFRS 16	Without MFRS 16	Variance
Revenue	26,120.8	26,120.8	0.0
Capacity Payment	(103.0)	(2,295.9)	2,192.9
EBITDA	9,477.3	7,284.4	2,192.9
Depreciation	(4,898.9)	(3,303.3)	(1,595.6)
Finance Cost	(1,644.6)	(935.1)	(709.5)
Profit After Tax	2,651.3	2,763.5	(112.2)

Overall International Investment Performance



FINANCIAL DETAILS

OVERSEAS ASSETS

Vortex

EM : 86%

Higher EBITDA in 1HFY'19 due to higher generation driven by better performance ratio and increased electricity price. GBP 1.35mil cash distribution to TNB has been approved by Vortex Solar Investments' Board in April 2019.

EBITDA	1HFY'18	1HFY'19
GBP mil	16.44	20.46
USD mil	20.06	24.95

GMR

EM : 32%

Lower EBITDA in 1HFY'19 due to delay in recognition of revenue relating to regulatory coal pass-through and higher fuel cost.

EBITDA*	1HFY'18	1HFY'19
INR mil	4,584.64	3,512.35
USD mil	66.30	50.63

Wind Ventures

EM : 74%

Higher EBITDA in 1HFY'19 as compared to 1HFY'18 due to the acquisition was completed on 28 February 2018, hence only 4 months performance for 1HFY'18.

EBITDA	1HFY'18	1HFY'19
GBP mil	4.25	7.15
USD mil	5.61	9.25

GAMA

EM : 32%

Lower EBITDA in 1HFY'18 due to high maintenance cost and lower electricity market price.

EBITDA*	1HFY'18	1HFY'19
TRY mil	231.57	330.63
USD mil	61.10	61.97

Shoaibah

EM : 84%

The performance is expected to remain positive with a steady dividend distribution to shareholders.

EBITDA	1HFY'18	1HFY'19
SAR mil	515.33	503.68
USD mil	137.42	134.31

Note:

EM : YTD EBITDA Margin (effective in 1HFY19 we standardized all assets to reflect EBITDA at 100% shareholdings)

* Reported 3 months lagging



01 KEY HIGHLIGHTS 

\$ FINANCIAL DETAILS 02

03 APPENDIX 

Year-on-Year (Y-o-Y) Analysis



APPENDIX 1

PROFIT & LOSS

RM mil	1HFY'19	1HFY'18	Variance	
			RM mn	%
Revenue	26,120.8	24,771.9	1,348.9	5.4
Operating expenses (without depreciation)	(16,722.3)	(17,256.0)	533.7	(3.1)
Net loss on impairment of financial instruments	(369.6)	(109.3)	(260.3)	>100.0
Other operating income	448.4	382.4	66.0	17.3
EBITDA	9,477.3	7,789.0	1,688.3	21.7
EBITDA Margin (%)	36.3%	31.4%		
Depreciation	(4,898.9)	(3,084.9)	(1,814.0)	58.8
EBIT	4,578.4	4,704.1	(125.7)	(2.7)
Foreign exchange:				
- Transaction gain / (loss)	(62.7)	(5.2)	(57.5)	>100.0
- Translation gain / (loss)	(8.7)	(80.6)	71.9	(89.2)
Share of results of joint ventures	12.1	13.8	(1.7)	(12.3)
Share of results of associates	70.0	(92.9)	162.9	>100.0
Profit before finance cost	4,589.1	4,539.2	49.9	1.1
Fair value of financial instrument	(49.9)	(37.1)	(12.8)	34.5
Finance income	261.8	209.0	52.8	25.3
Finance cost	(1,644.6)	(771.8)	(872.8)	>100.0
Profit from ordinary activities before taxation	3,156.4	3,939.3	(782.9)	(19.9)
Taxation and Zakat:				
- Company and subsidiaries	(630.6)	(601.6)	(29.0)	4.8
- Deferred taxation	125.5	47.5	78.0	>100.0
Profit for the period	2,651.3	3,385.2	(733.9)	(21.7)
Attributable to:				
- Owners of the Company	2,673.0	3,357.0	(684.0)	(20.4)
- Non-controlling interests	(21.7)	28.2	(49.9)	>100.0
Profit for the period	2,651.3	3,385.2	(733.9)	(21.7)

Notes:

- 1HFY'19 results includes:
 - Impairment of GMR of RM198.3mil in 1QFY'19
 - Impairment of Financial Guarantee for GAMA of RM135.7mil in 1QFY'19
 - Negative net MFRS 16 impact to the PAT of RM112.2mil

Quarter-on-Quarter (Q-o-Q) Analysis



APPENDIX 2

PROFIT & LOSS

RM mil	2QFY'19	1QFY'19	Variance	
			RM mn	%
Revenue	12,876.0	13,244.8	(368.8)	(2.8)
Operating expenses (without depreciation)	(8,499.1)	(8,223.2)	(275.9)	3.4
Net loss on impairment of financial instruments	(89.9)	(279.7)	189.8	(67.9)
Other operating income	226.9	221.5	5.4	2.4
EBITDA	4,513.9	4,963.4	(449.5)	(9.1)
EBITDA Margin (%)	35.1%	37.5%		
Depreciation	(2,441.4)	(2,457.5)	16.1	(0.7)
EBIT	2,072.5	2,505.9	(433.4)	(17.3)
Foreign exchange:				
- Transaction gain / (loss)	(6.7)	(56.0)	49.3	(88.0)
- Translation gain / (loss)	(272.2)	263.5	(535.7)	>100.0
Share of results of joint ventures	6.3	5.8	0.5	8.6
Share of results of associates	81.9	(11.9)	93.8	>100.0
Profit before finance cost	1,881.8	2,707.3	(825.5)	(30.5)
Fair value of financial instrument	7.6	(57.5)	65.1	>(100.0)
Finance income	133.5	128.3	5.2	4.1
Finance cost	(940.1)	(704.5)	(235.6)	33.4
Profit from ordinary activities before taxation	1,082.8	2,073.6	(990.8)	(47.8)
Taxation and Zakat:				
- Company and subsidiaries	(116.8)	(513.8)	397.0	(77.3)
- Deferred taxation	164.1	(38.6)	202.7	>(100.0)
Profit for the period	1,130.1	1,521.2	(391.1)	(25.7)
Attributable to:				
- Owners of the Company	1,116.2	1,556.8	(440.6)	(28.3)
- Non-controlling interests	13.9	(35.6)	49.5	>100.0
Profit for the period	1,130.1	1,521.2	(391.1)	(25.7)

Normalised EBITDA After MFRS 16 & Impairments Adjustments

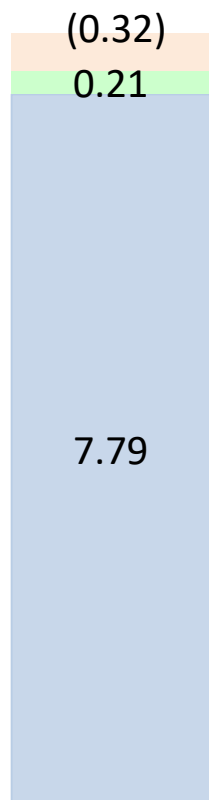


APPENDIX 3

Normalised EBITDA

1H FY'18

Normalised EBITDA RM7.68bil



Components	RM bil
Normalised EBITDA	7.68
Other Regulatory Adjustment	-0.32
Impairment	+0.21
Reported EBITDA 1HFY'18	7.79

- 1 FY'18 Other Regulatory Adjustments of RM0.64bil is equally divided quarterly
- 2 Impairment made for GAMA of RM206.5mil

1H FY'19

Normalised EBITDA RM7.62bil



Components	RM bil
Normalised EBITDA	7.62
MFRS 16 – Capacity Payment	-2.19
Impairments	+0.33
Reported EBITDA 1HFY'19	9.48

- 1 Please refer to MFRS 16 slide
- 2 Breakdown of the impairments in 1QFY'19 :
 - Impairment for GMR RM198.3mil
 - Impairment of Financial Guarantee for GAMA RM135.7mil

Other Regulatory Adjustment (Part 1)



APPENDIX 4

REGULATORY ADJ.

Components of Other Regulatory Adjustment	1QFY'19 (RM mil)	2QFY'19 (RM mil)	YTD 1HFY'19 (RM mil)
Excess Revenue for Revenue Cap & Price Cap	218.7	223.9	442.6
Refund of Excess Single Buyer Working Capital	15.9	15.9	31.8
Refund of Interests on Customer Deposits	15.5	15.5	31.0
Refund of Other Income Related to Regulated Business	93.5	30.3	123.8
CAPEX ECS (Efficiency Carryover Scheme)	51.1	0.0	51.1
OPEX ECS (Efficiency Carryover Scheme)	129.2	0.0	129.2
	523.9	285.6	809.5

1

- Refund of Other Income Related to Regulated Business for 1QFY'19 (Jan-Mar'19) is RM93.5mil, which includes the actual amount of Oct'18 – Dec'18 of RM74.2mil.

- The major components of the Refund of Other Income Related to Regulated Business are sales of scrap and Minimum Monthly Charge. Minimum Monthly Charge is referred to the minimum amount charged to consumers with zero consumption. The amount collected however formed part of Other Regulatory Adjustment as the regulated entities already earned from the regulated asset base derived from the CAPEX spent on building up the electricity infrastructure regardless of consumption.

2

- The **CAPEX Efficiency Carry-Over Scheme (ECS)** adjustment shares the savings where actual CAPEX are lower than the approved levels included in Annual Revenue Requirements between the regulated business entities (RBE) and electricity customers. The balance of the **one-off** financing benefits to be returned from the unspent CAPEX in RP1 was recorded in this quarter at RM51.1mil.
- The **OPEX Efficiency Carry-Over Scheme (ECS)** adjustment is intended to ensure that each RBE retains the same benefit or incurs the same cost of outperforming or underperforming, respectively, against forecast operating expenditures in any given year of the Regulatory Period. This ensures that the RBE is indifferent as to the timing of making improvements in the efficiency of operating expenditures. The **one-off** net penalty for RP1 to be returned is RM129.2mil

Other Regulatory Adjustment (Part 2)



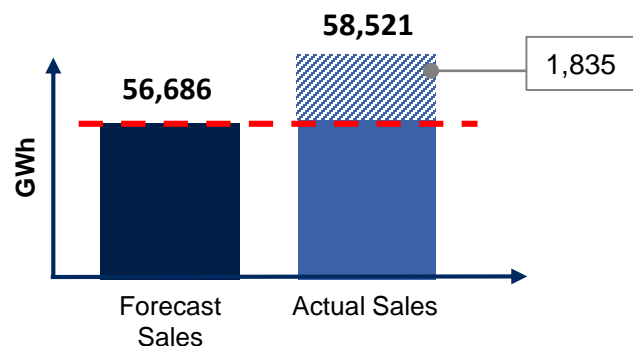
APPENDIX 5

REGULATORY ADJ.

Revenue Cap (Transmission, Dist. Net, GSO & SBO)

- Revenue cap entities are not allowed to earn a revenue higher than their allowed annual revenue. Any excess must be passed-through to the customers via cost and revenue adjustment mechanism
- For 1HFY'19, higher actual sales leads to higher revenue earned by the revenue cap entities

1HFY'19 Variations in Sales
(in GWh)

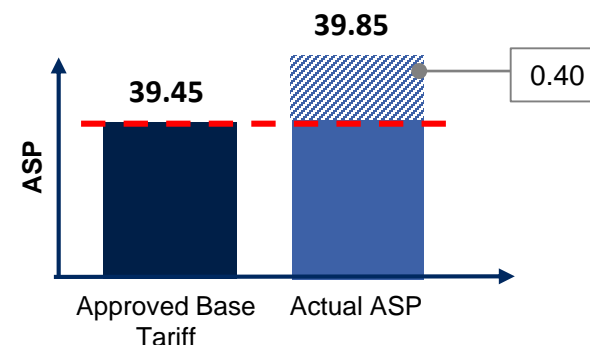


Business Entities	Allowed Tariff (sen/kWh)	Variations in Sales (GWh)	Adjustment (RM mil)
Revenue Cap Entities	11.36	+ 1,835	208.5

Price Cap (Customer Service/Retail)

- Any excess revenue earned due to higher Average Selling Price (ASP) compared to Base Tariff must be passed-through to the customers via cost and revenue adjustment mechanism
- For 1HFY'19, the ASP is recorded to be higher than the Base Tariff

1HFY'19 Variations in ASP
(sen/kWh)



Business Entities	Actual Sales (GWh)	Variations in ASP (sen/kWh)	Adjustment (RM mil)
Price Cap Entity	58,521	+ 0.40	234.1

Operating Expenses

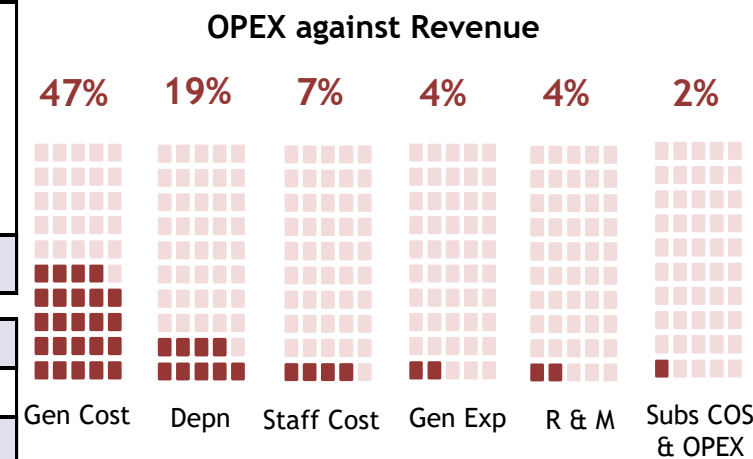


APPENDIX 6

OPEX

	1QFY'19 (RM mn)	2QFY'19 (RM mn)	1HFY'19 (RM mn)	1HFY'18 (RM mn)	Variance (1HFY'19 vs 1HFY'18)	
					RM mn	%
Non-TNB IPPs Costs	3,581.0	3,210.2	6,791.2	7,554.2	(763.0)	(10.1)
Capacity Payment	59.4	43.6	103.0	2,045.9	(1,942.9)	(95.0)
Energy Payment	3,521.6	3,166.6	6,688.2	5,508.3	1,179.9	21.4
TNB Fuel Costs	2,511.3	3,092.4	5,603.7	5,218.5	385.2	7.4
Fuel Costs	3,164.7	3,232.1	6,396.8	5,512.9	883.9	16.0
Fuel Price Adjustment	(592.0)	(64.8)	(656.8)	(190.6)	(466.2)	>100.0
Fuel Subsidy - SESB	(61.4)	(74.9)	(136.3)	(103.8)	(32.5)	31.3
Total Cost of Generation	6,092.3	6,302.6	12,394.9	12,772.7	(377.8)	(3.0)
Staff Costs	729.2	1,014.0	1,743.2	1,814.8	(71.6)	(3.9)
Repair & Maintenance	460.7	489.4	950.1	899.4	50.7	5.6
TNB General Expenses	494.7	512.3	1,007.0	909.0	98.0	10.8
Subs. Cost of Sales & Opex □	446.3	180.8	627.1	860.1	(233.0)	(27.1)
Total Non-Generation Costs	2,130.9	2,196.5	4,327.4	4,483.3	(155.9)	(3.5)
Total Operating Expenses	8,223.2	8,499.1	16,722.3	17,256.0	(533.7)	(3.1)
Depreciation & Amortisation	2,457.5	2,441.4	4,898.9	3,084.9	1,814.0	58.8
Total Operating Expenses	10,680.7	10,940.5	21,621.2	20,340.9	1,280.3	6.3

- 1 MFRS 16 adjustments :
1. Exclusion of capacity payment RM1,102.8mil
2. Inclusion of depreciation RM770.9mil
- 2 Details of FPA can be referred to ICPT slide
- 3 Lower in 1QFY'19 due to reversal of LTIP provision
- 4 Higher in 1QFY'19 due to impairment for GMR of RM198.3mil



Higher Generation Cost Per Unit for Peninsula in 2QFY'19 due to Higher Gas Volume



APPENDIX 7

Q-o-Q FUEL COST

Table A

TNB & IPP Fuel Costs for Peninsula (RM mil)				
Fuel Type	2QFY'19	1QFY'19	Variance	
			RM mil	%
Coal	2,841.1	2,786.1	55.0	2.0
Gas	2,727.7	2,688.2	39.5	1.5
LNG	139.6	44.1	95.5	>100.0
Dist.	1.9	14.0	(12.1)	(86.4)
Oil	3.0	9.3	(6.3)	(67.7)
Solar	42.2	37.9	4.3	11.3
Total *	5,755.5	5,579.6	175.9	3.2

* Comprise TNB Fuel Costs & fuel payment to IPPs (part of Energy Payment)

Table B

TNB & IPP Unit Generated for Peninsula (Gwh)				
Fuel Type	2QFY'19	1QFY'19	Variance	
			Gwh	%
Coal	17,721.2	17,176.8	544.4	3.2
Gas & LNG	13,298.7	13,167.7	131.0	1.0
Dist.	-	20.7	(20.7)	(100.0)
Oil	2.0	23.9	(21.9)	(91.6)
Hydro	734.1	914.7	(180.6)	(19.7)
Solar	162.8	140.3	22.5	16.0
Total	31,918.8	31,444.1	474.7	1.5

Table C

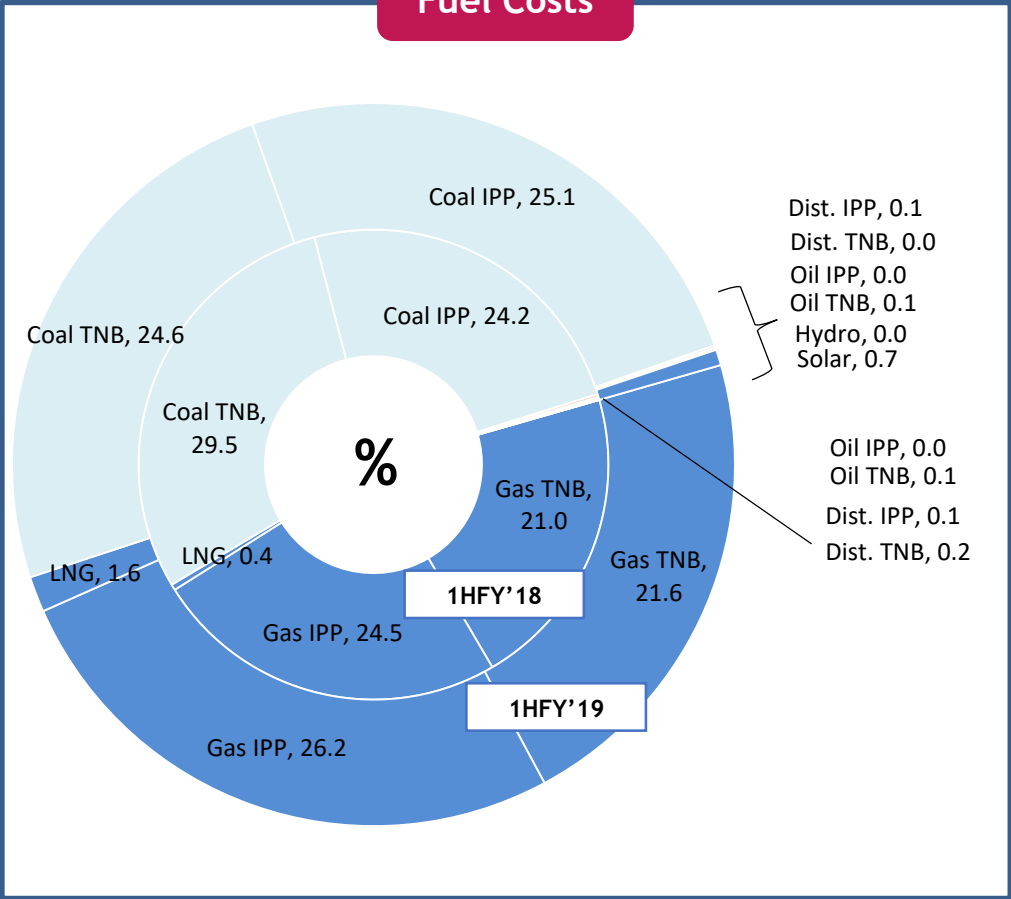
	2QFY'19	1QFY'19
Daily Average Gas Volume (mmscfd)	1,059	973
Average LNG Price (RM/mmbtu)	35.73	36.59
Average Piped Gas Price (RM/mmbtu)	27.20	27.20
Average Coal Price Delivered (USD/MT)(CIF)	82.1	91.8
Average Coal Price Delivered (RM/MT)(CIF)	340.5	375.3
Coal Consumption (mil MT)	7.6	7.3
Generation cost per unit (sen/kWh)	18.0	17.7

Table D

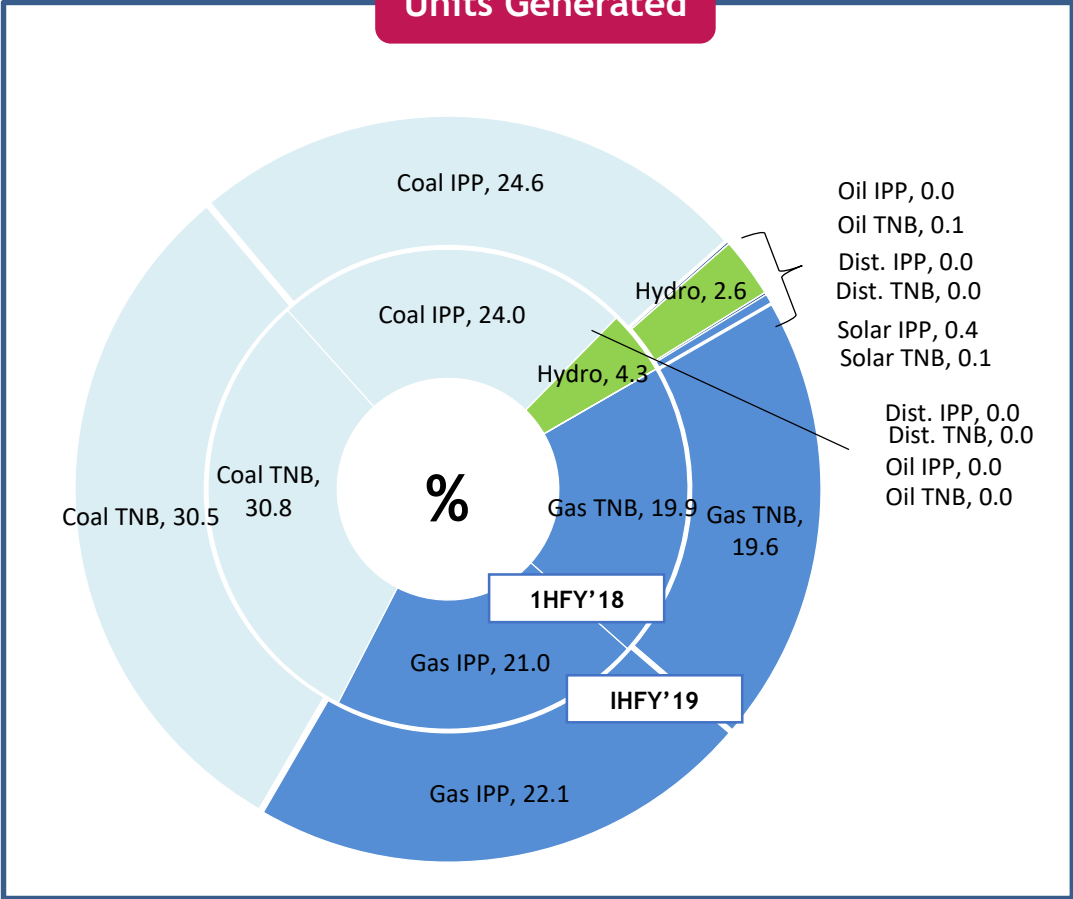
Average Coal Price Delivered (USD/MT)				
	2QFY'19	1QFY'19	Variance	
			USD	%
FOB	74.5	83.7	(9.2)	(11.0)
Freight	7.2	7.6	(0.4)	(5.5)
Others	0.4	0.5	(0.1)	(13.0)
CIF	82.1	91.8	(9.7)	(10.6)



Fuel Costs



Units Generated



% indicates generation market share

Higher Coal Requirement Expected for 2019 due to Commissioning of JEP

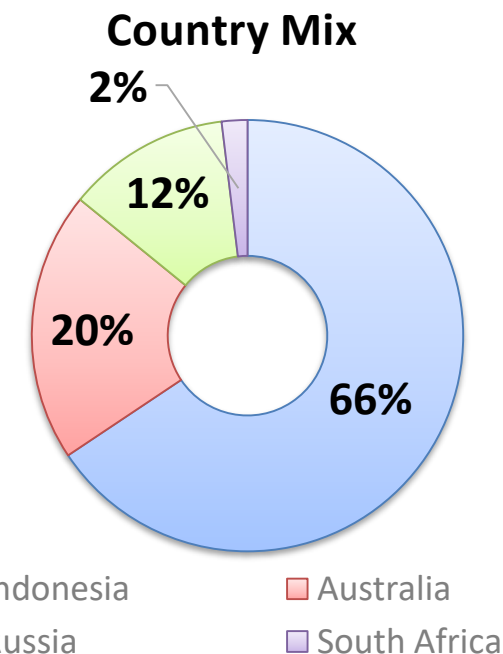
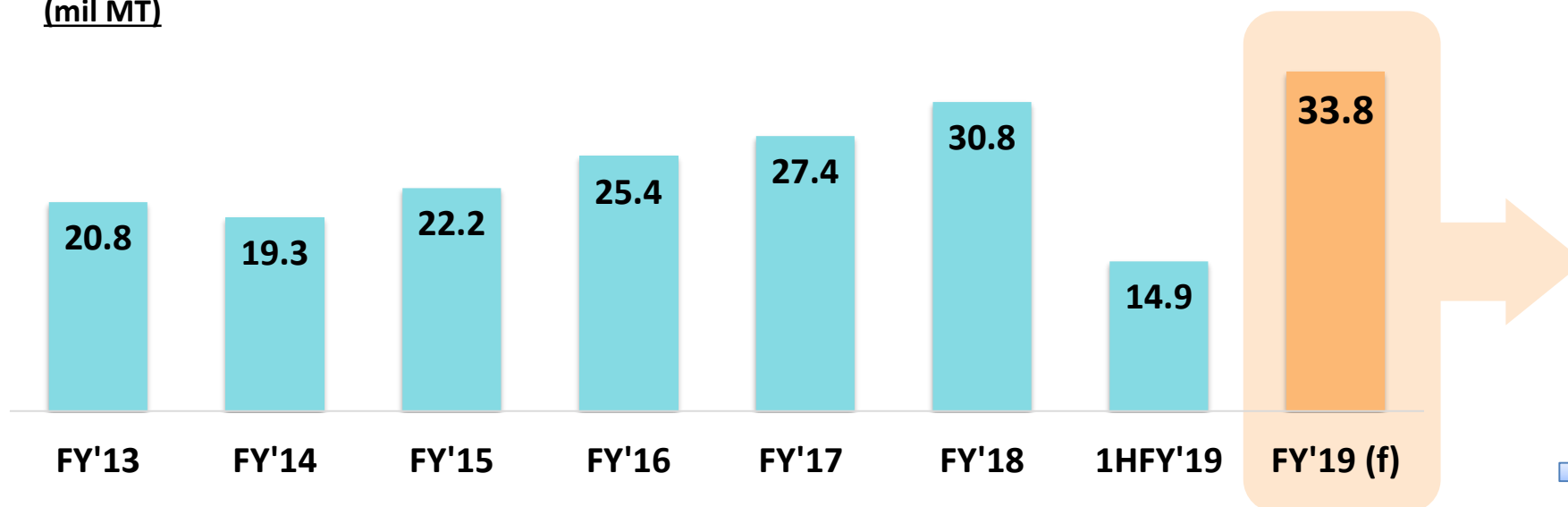


APPENDIX 9

COAL FORECAST

Average Coal Price (CIF)	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	1HFY'19
USD/metric tonne (MT)	83.6	75.4	66.0	55.7	72.7	95.9	86.6
RM/metric tonne (MT)	259.5	244.6	236.0	231.1	314.7	388.1	356.8

Coal Consumption (mil MT)





Equivalent
Plant Availability
Factor (EAF)

91.5%*
*1HFY'18: 92.2%**

**The figure is for all TNB plants*



System Minutes

0.12 mins
1HFY'18 : 0.25 mins



SAIDI

25.8 mins*
*1HFY'18 : 23.1 mins**

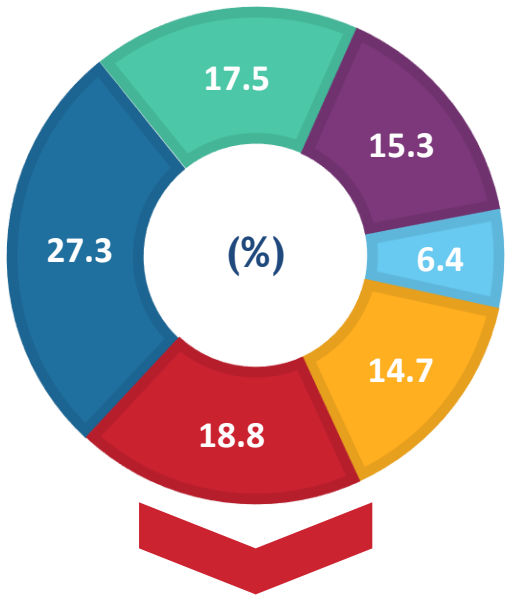
**The figure is for TNB SAIDI*



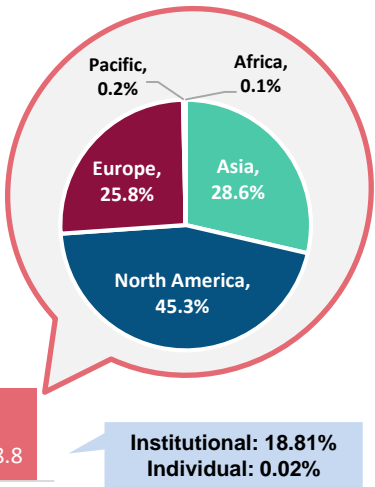
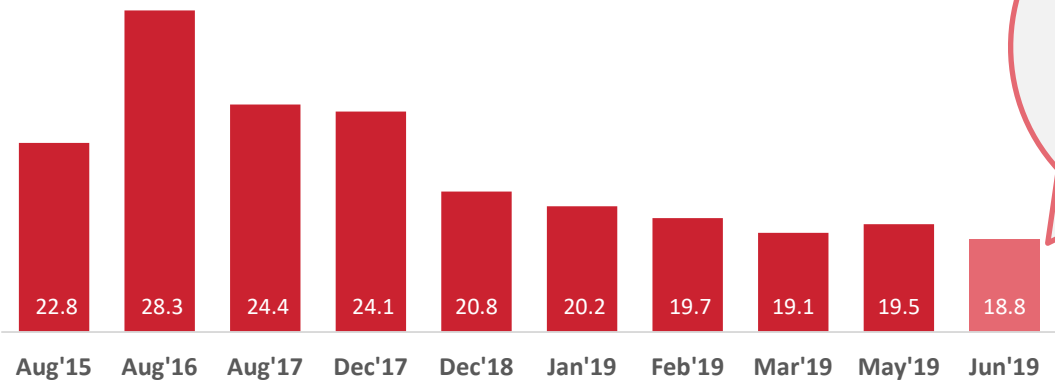


Shareholding as at Jun'19

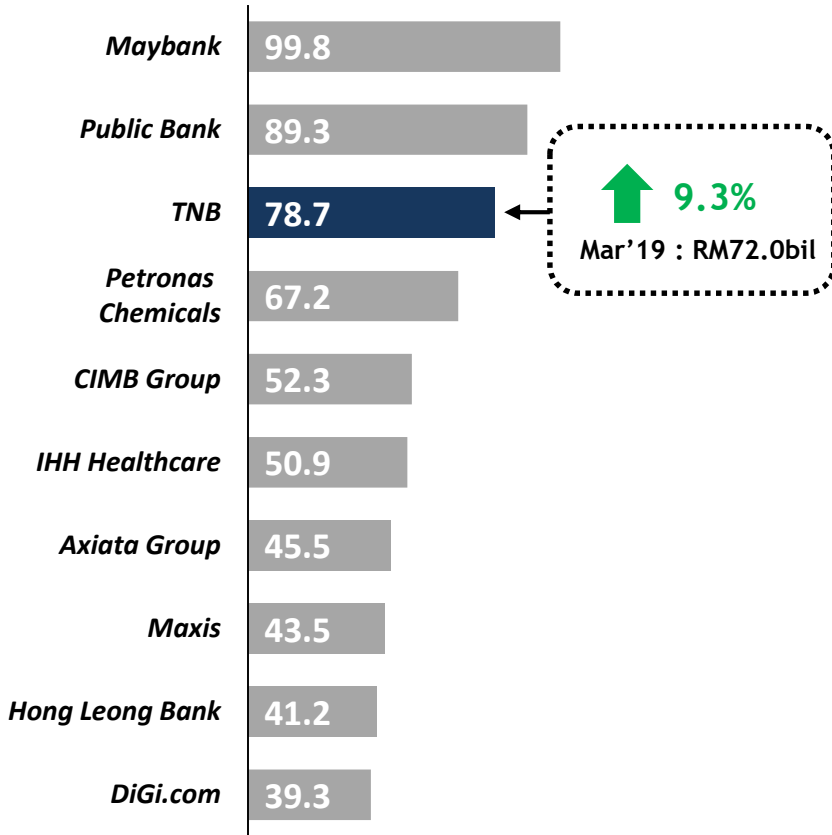
- Khazanah Nasional Berhad
- Permodalan Nasional Berhad
- Employees Provident Fund Board
- Other Government Agencies
- Other Local Corp. & Malaysian Public
- Foreign Shareholdings



Foreign Shareholding (%)



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



Note:
TNB Latest Market Cap: RM78.1bil (3rd), as at 28th Aug 2019

Year-on-Year (Y-o-Y) Analysis without MFRS 16



APPENDIX 12

PROFIT & LOSS

RM mn	1HFY'19	1HFY'18	Variance	
			RM mn	%
Revenue	26,120.8	24,771.9	1,348.9	5.4
Operating expenses (without depreciation)	(18,915.2)	(17,256.0)	(1,659.2)	9.6
Net loss on impairment of financial instruments	(369.6)	(109.3)	(260.3)	>100.0
Other operating income	448.4	382.4	66.0	17.3
EBITDA	7,284.4	7,789.0	(504.6)	(6.5)
EBITDA Margin (%)	27.9%	31.4%		
Depreciation	(3,303.3)	(3,084.9)	(218.4)	7.1
EBIT	3,981.1	4,704.1	(723.0)	(15.4)
Foreign exchange:				
- Transaction gain / (loss)	(62.7)	(5.2)	(57.5)	>100.0
- Translation gain / (loss)	(8.7)	(80.6)	71.9	(89.2)
Share of results of joint ventures	12.1	13.8	(1.7)	(12.3)
Share of results of associates	70.0	(92.9)	162.9	>100.0
Profit before finance cost	3,991.8	4,539.2	(547.4)	(12.1)
Fair value of financial instrument	(49.9)	(37.1)	(12.8)	34.5
Finance income	261.8	209.0	52.8	25.3
Finance cost	(935.1)	(771.8)	(163.3)	>100.0
Profit from ordinary activities before taxation	3,268.6	3,939.3	(670.7)	(17.0)
Taxation and Zakat:				
- Company and subsidiaries	(630.6)	(601.6)	(29.0)	4.8
- Deferred taxation	125.5	47.5	78.0	>100.0
Profit for the period	2,763.5	3,385.2	(621.7)	(18.4)
Attributable to:				
- Owners of the Company	2,785.2	3,357.0	(571.8)	(17.0)
- Non-controlling interests	(21.7)	28.2	(49.9)	>100.0
Profit for the period	2,763.5	3,385.2	(621.7)	(18.4)

Quarter-on-Quarter (Q-o-Q) Analysis without MFRS 16



APPENDIX 13

PROFIT & LOSS

RM mn	2QFY'19	1QFY'19	Variance	
			RM mn	%
Revenue	12,876.0	13,244.8	1 (368.8)	(2.8)
Operating expenses (without depreciation)	(9,601.9)	(9,313.3)	(288.6)	3.1
Net loss on impairment of financial instruments	(89.9)	2 (279.7)	189.8	(67.9)
Other operating income	226.9	221.5	5.4	2.4
EBITDA	3,411.1	3,873.3	(462.2)	(11.9)
EBITDA Margin (%)	26.5%	29.2%		
Depreciation	(1,670.5)	(1,632.8)	(37.7)	2.3
EBIT	1,740.6	2,240.5	(499.9)	(22.3)
Foreign exchange:				
- Transaction gain / (loss)	(6.7)	(56.0)	49.3	(88.0)
- Translation gain / (loss)	(272.2)	263.5	(535.7)	>100.0
Share of results of joint ventures	6.3	5.8	0.5	8.6
Share of results of associates	81.9	(11.9)	93.8	>100.0
Profit before finance cost	1,549.9	2,441.9	(892.0)	(36.5)
Fair value of financial instrument	7.6	(57.5)	65.1	>(100.0)
Finance income	133.5	128.3	5.2	4.1
Finance cost	(473.2)	(461.9)	(11.3)	2.4
Profit from ordinary activities before taxation	1,217.8	2,050.8	(833.0)	(40.6)
Taxation and Zakat:				
- Company and subsidiaries	3 (116.8)	(513.8)	397.0	(77.3)
- Deferred taxation	164.1	(38.6)	202.7	>(100.0)
Profit for the period	1,265.1	1,498.4	(233.3)	(15.6)
Attributable to:				
- Owners of the Company	1,251.2	1,534.0	(282.8)	(18.4)
- Non-controlling interests	13.9	(35.6)	49.5	>100.0
Profit for the period	1,265.1	1,498.4	(233.3)	(15.6)

Notes:

Q-o-Q Analysis includes:

1. Decrease in revenue mainly due to reduction in unbilled revenue
2. Impairment of Financial Guarantee for GAMA of RM135.7mil in 1QFY'19
3. Lower tax due to reversal of tax provision

THANK YOU

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