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Presentation to Analysts

**Unaudited Consolidated Result for the
4th Quarter FY2021 Ended 31st December 2021**

25th February 2022



Key highlights of 2021 – An Eventful Year

FY2021 Performance

Financial performance

Resilient FY2021 financial results is consistent with the increased economic activities, however challenges persist

Balance sheet position remain strong

Dividend

Dividend per share of 40 sen includes:

- Interim - 22 sen
- Final - 18 sen

Dividend yield of 4.28%
(Share price : RM9.34, 31st Dec'21)

Technical performance

Maintained world class operational network performance

Future Highlights

RP3

RP3 approved effective
Feb 2022 to Dec 2024

Sustainability pathway

Internalising ESG KPIs to the Senior Management team starting FY2022

- TNB ESG rating score
- Zero fatality and long term injury frequency (LTIF) < 1.0
- Installed RE capacity

FY2021 financial results is consistent with the increased economic activities although some challenges continue to persist

FY'21 EBITDA includes :

- Peninsula Malaysia demand grew by 1.2% year-on-year
- The increase in sales was mainly driven by higher consumption recorded for domestic and industrial customers
- Higher goods & services from subsidiaries as more businesses are allowed to operate

FY'21 Profit After Tax is within market expectation

Strong and resilient Balance Sheet afforded by efficient capital allocation and proactive working capital management. Gearing stood at 47.0%

REVENUE

RM mil

+19.7%

ICPT (3,034.4)

ICPT 4,509.6

43,976.0

52,629.5

47,010.4

48,119.9

FY'20

FY'21

EBITDA

+4.4%

17,981.2

18,774.5

FY'20

FY'21

PROFIT AFTER TAX

+6.9%

3,616.4

3,864.7

FY'20

FY'21

CAPITAL MANAGEMENT

Gearing (%)

Capital headroom available

47.0

50.0

FY'21

Internally Observed Optimal Gearing Level

We continue to offer long-term value for our shareholders by delivering sustainable dividends

Dividend Policy

Dividend payout ratio of 30% to 60% based on the adjusted PATAMI

Special Dividend Payout (RM' bil)

2.28

Yearly Dividend Payout (RM' bil)

2.28

2.29

Dividend Payout (%) (based on Adjusted PATAMI)

58.5

52.8

Dividend yield as of 31st Dec'21 at 4.28%

Dividend Per Share (sen)

80.0

40.0

18.0

22.0

40.0

18.0

22.0

FY'20

FY'21

■ Interim ■ Final ■ Special

Our operational network performance and customer service experience are world class despite the challenging period

Our domestic networks achievement with lower system minutes and SAIDI are among the best in Southeast Asia, putting us on par with developed electricity systems/industries such as France and the UK



Equivalent Plant Availability Factor (EAF*) (Generation) %



System Minutes (Transmission) Minutes



SAIDI (Distribution Network) Minutes










Customer Satisfaction Index (Retail) %



*EAF includes planned and unplanned outages

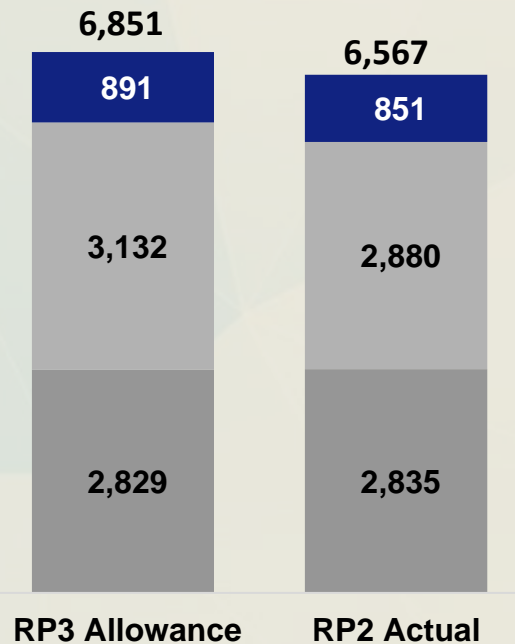
Our regulated business continues to provide stable returns supported by the IBR framework. We secured a fair WACC and sufficient expenditure allowance for the next 3 years.

RP3 determination (2022 -2024)

 Base Tariff sen/kWh	39.95 No Change in tariff schedule
 WACC %	7.3
 CAPEX RM bn	20.555
 OPEX , RM bn	17.96
 Gas , RM/mmBTU	26 Tier 1 : $\alpha = -15\%$, Tier 2 : $\alpha = +5\%$.
 Coal , USD/MT	79
 FOREX , MYR/USD	4.123

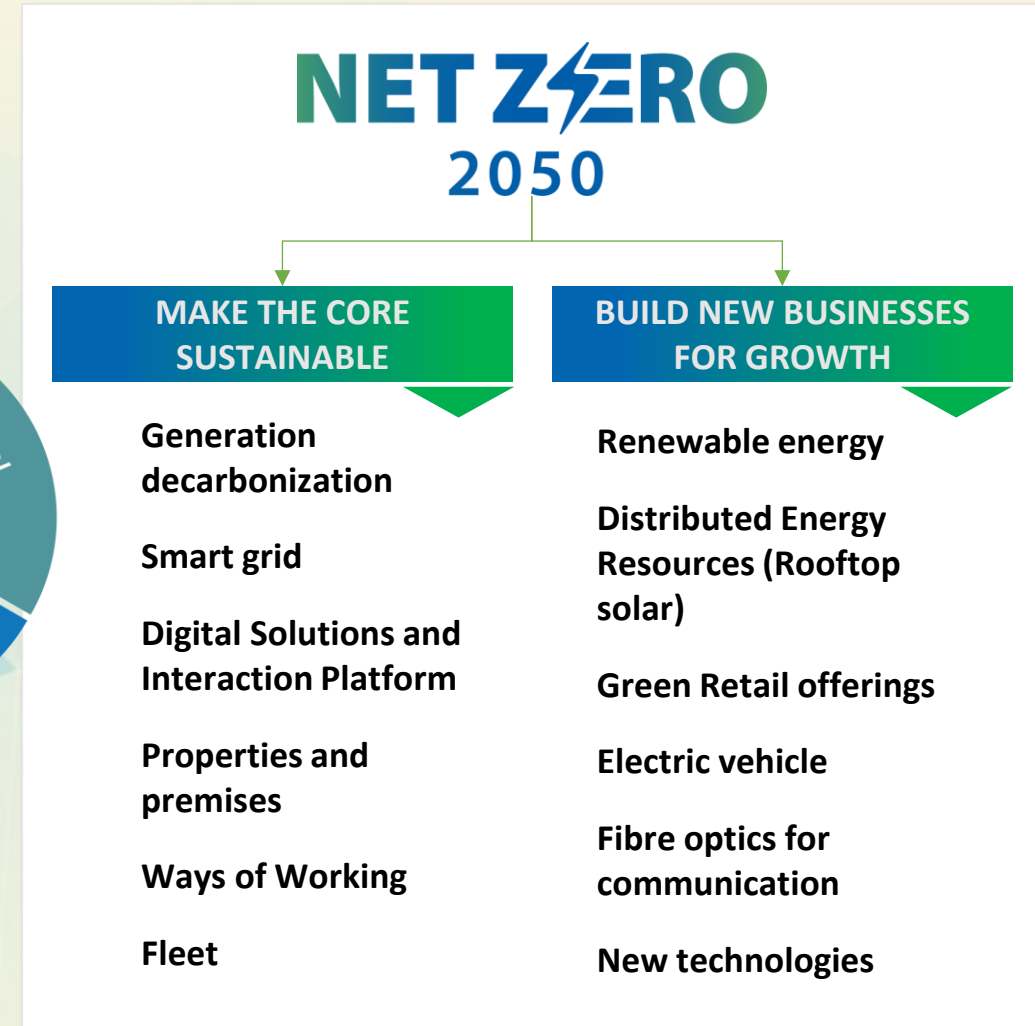
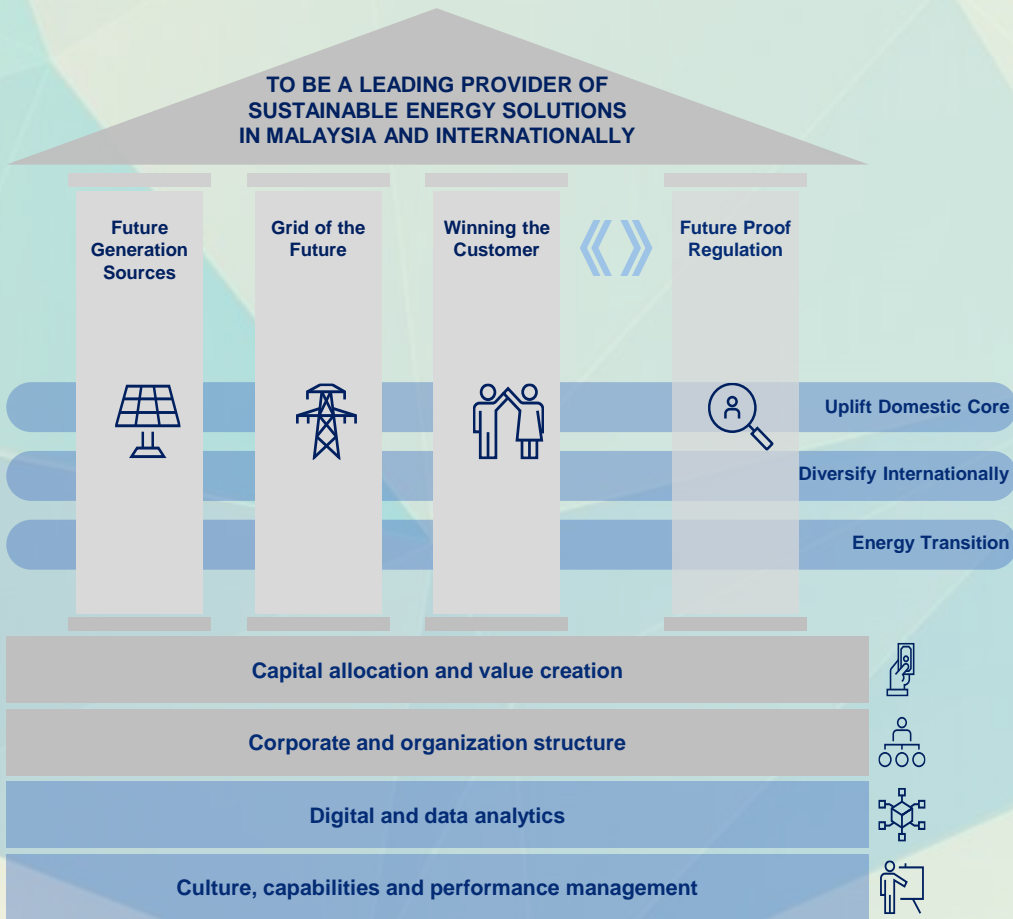
- 13% Supporting the Energy Transition
- 46% Meeting the growing and changing needs of customers
- 41% Maintain a safe and resilient network and system

RP3 Annual Average CAPEX
RM Mn



Allowed CAPEX for RP3 is set to bring significant economic benefit towards stimulating the nation's economic recovery.

Moving forward, our strategy remains anchored on Reimagining TNB with ESG consideration at the core



We are taking important early steps to meet our Sustainability Pathway 2050 goals

1 Top Management commitment towards ESG

2 Two-pronged approach in charting the pathway

Today's Focus

A MAKE THE CORE SUSTAINABLE

Generation decarbonization

Smart grid

Digital Solutions and
Interaction Platform

Properties and premises

Ways of Working

Fleet



B BUILD NEW SUSTAINABLE BUSINESSES

Renewable energy

Distributed Energy Resources
(Rooftop solar)

Green Retail offerings

Electric vehicle

Fibre optics for communication

New technologies



1 Activating TNB's 35,000 employees for the ESG shift starts at the top with ESG KPIs for management

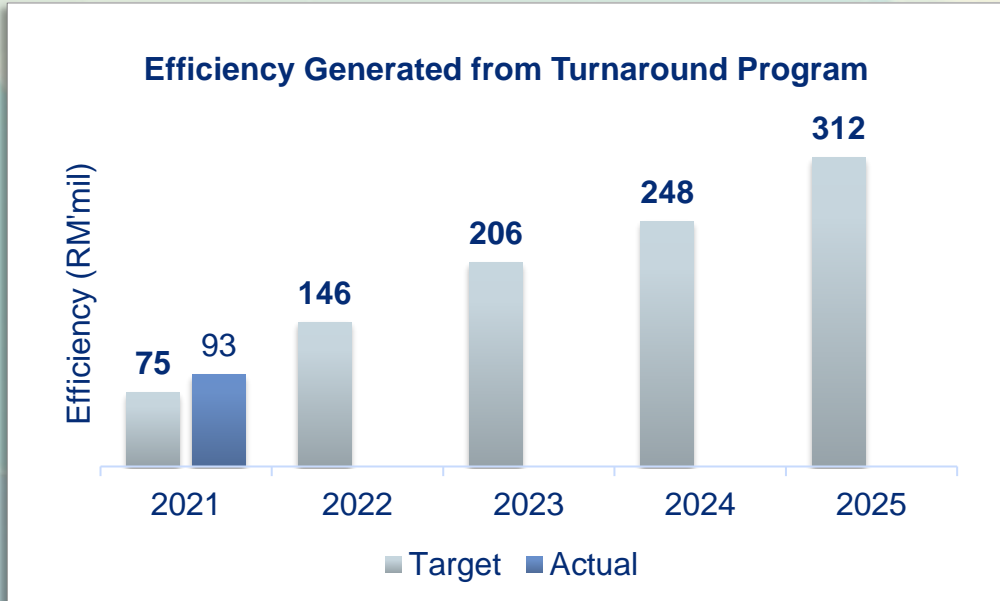
- For our Top Management, TNB has adopted a multidimensional approach to ESG that includes ESG rating, health & safety measures, integrity health index and growing its renewables capacity. **ESG-related KPI makes up 30% of the total TNB CEO KPI.**
- Growth and business sustainability, as envisioned under Reimagining TNB, continues to be TNB's focus.

Business and ESG components of TNB CEO KPI		
Segment	KPI	Weightage
Business	TNB EBIT	20%
	Return on Equity	10%
Business & ESG-related	[E] Installed RE capacity	10%
ESG-related	[ESG] TNB ESG rating	10%
	[S] Safety	10%
	[G] Integrity Health Index (IHI)	

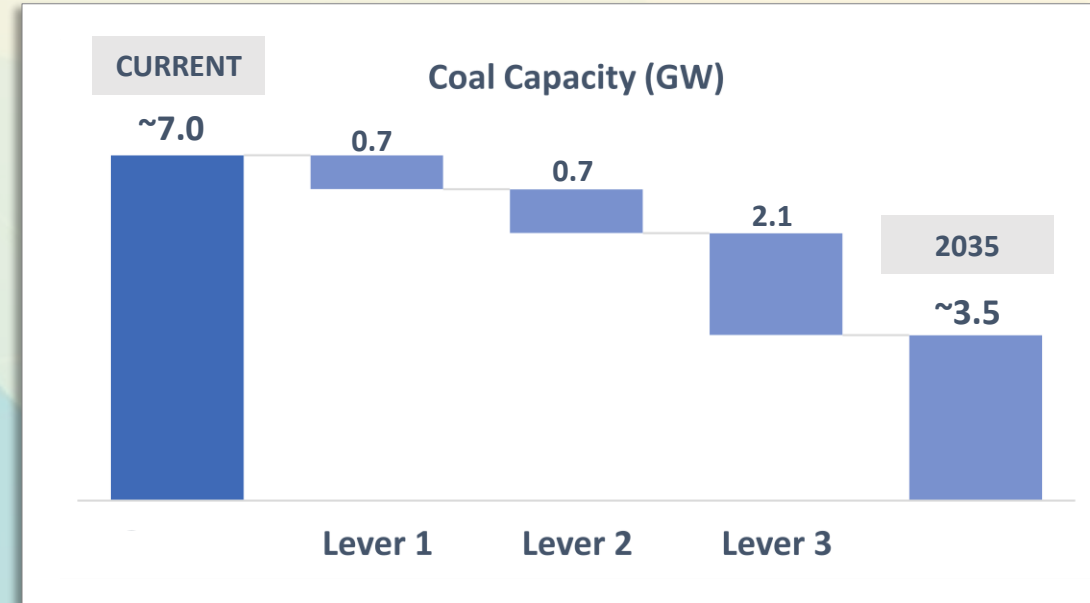
TNB ESG rating next line accountability*	
Overall ESG Rating	<ul style="list-style-type: none"> Chief Strategy & Ventures Officer Chief Financial Officer
Overall ESG Rating + Environmental Pillar	<ul style="list-style-type: none"> Managing Director, TNB Power Generation Sdn Bhd Chief New Energy Officer Chief Grid Officer Chief Distribution Network Officer
Overall ESG Rating + Social Pillar	<ul style="list-style-type: none"> Chief People Officer
Overall ESG Rating + Governance Pillar	<ul style="list-style-type: none"> Company Secretary Chief Integrity Development Officer Chief Procurement Officer

2A Making the core sustainable involves generation decarbonization through efficiency improvement, transitioning to cleaner capacity and embarking on new technologies

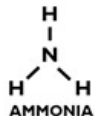
1 Efficiency improvement



2 Coal capacity phase down and build new gas capacity



3 New technologies being explored for decarbonization and business growth



Co-firing with ammonia

Joint study into Co-Firing Ammonia at coal power stations : TNB - IHI Corp (Japan) - PETRONAS



Low-carbon hydrogen

Pilot Project by TNBR: Portable modular system designed to optimised the system utilisation and produce Green Hydrogen

2B Sustainable business growth includes RE expansion, distributed energy resources and electric vehicle

Drive RE growth through strategy shift

Asset development

- Move upstream into asset development for IRR enhancement
- Recycle capital to optimise capital allocation, contributing to EBIT uplift

Business expansion

- Expand in markets with existing footprint and explore new markets
- Aim for deal size expansion

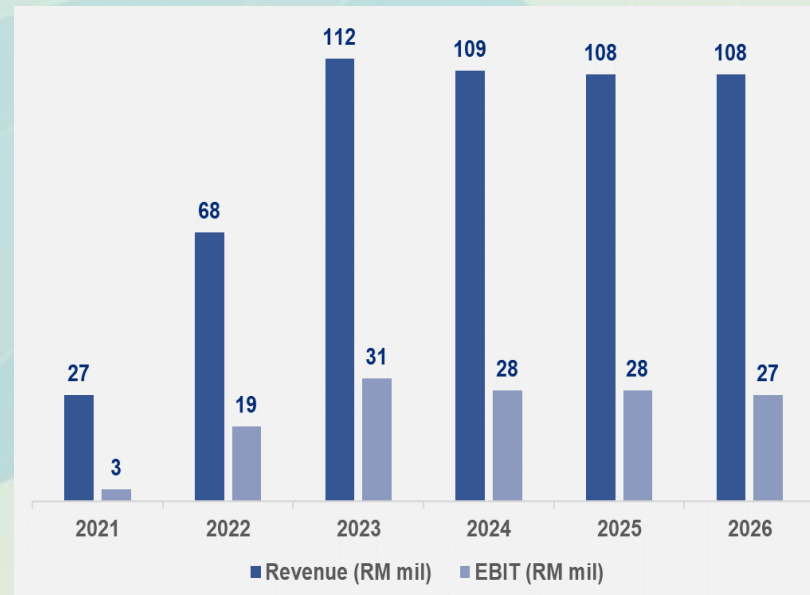
Structure & focus

- Transition International Asset Group (IAG) to New Energy Division (NED)
- Focus Vantage RE for UK and EU market, TNB Renewables for domestic and SEA markets

Additional RE push from retail business segment

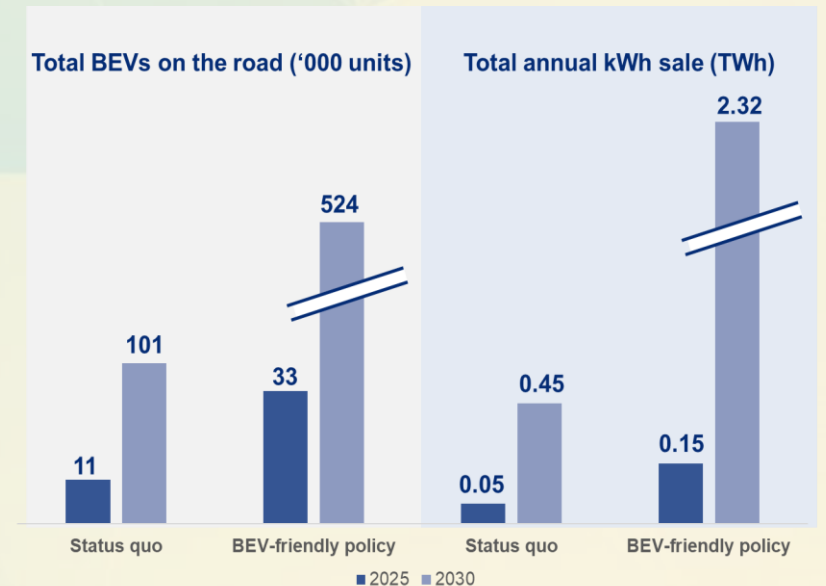
- Rapid growth of solar rooftop since GSPARX inception:

1070 Projects secured **107 MWp** Capacity under 21-year PPA **10-14%** EIRR from portfolio



Stimulate BEV market and ensure infra readiness

- Policy advocacy for BEV proliferation via Zero Emission Vehicle Association (ZEVA)
- Collaboration with prominent partners in e-mobility such as DHL, SOCAR, Sime Darby Auto Bavaria, BMW Malaysia



Advancing our Sustainability Journey



FY2022, we take important early steps

To strengthen our commitment, **30%** of CEO KPI is ESG-related.



... and we will take bigger strides

We aim to **make our core sustainable** while **developing new business growth areas**.



... to drive sustainable shareholders' value creation & growth

We are detailing our low carbon pathway, identifying abatement levers and reviewing our generation growth strategy.

... and we will update you further through this journey

Forward guidance for 2022

Electricity Demand

Forecasted at 1.7% @ 115,835GWh, in line with GDP projection of 5.5% to 6.5% for 2022

CAPEX

Total
RM11.8bil
Regulated recurring
RM6.9bil
Others
RM4.9bil

Dividend

Continue to honour our dividend policy of 30% - 60% dividend payout ratio, based on adjusted PATAMI

Business Focus Areas

GenCo

Capture clean & green plant-ups as well as improve asset performance by ensuring high availability and reliability

International Business

Accelerating growth in RE capacity as well as enhancing TNB's return

Sustainability Pathway

Internalising ESG KPIs to the Senior Management team starting FY2022

Make the Core Sustainable
And
Build New Sustainable Businesses

4Q FY 2021

- *Details on Financial Results*
- *GenCo Performance*
- *International Business Performance*
- *Coal Data*
- *Shareholdings Analysis*

Year-on-year (Y-o-Y) analysis

RM mil		FY'21	FY'20	Variance	
				RM mil	%
Revenue	1	52,629.5	43,976.0	8,653.5	19.7
Operating expenses (without depreciation)		(33,832.9)	(26,510.0)	(7,322.9)	27.6
Net loss on impairment of financial instruments	2	(940.2)	(546.2)	(394.0)	72.1
Other operating income	3	918.1	1,061.4	(143.3)	(13.5)
EBITDA		18,774.5	17,981.2	793.3	4.4
EBITDA Margin (%)	4	35.7%	40.9%		
Depreciation		(10,691.5)	(10,622.4)	(69.1)	0.7
EBIT		8,083.0	7,358.8	724.2	9.8
Foreign exchange:					
- Transaction (loss)/gain		(101.1)	(45.4)	(55.7)	122.7
- Translation gain (loss)/gain	5	(67.4)	71.6	(139.0)	>(100.0)
Share of results of joint ventures		29.3	19.8	9.5	48.0
Share of results of associates	6	164.2	56.7	107.5	>100.0
Profit before finance cost		8,108.0	7,461.5	646.5	8.7
Fair value changes of financial instrument		201.8	124.9	76.9	61.6
Finance income	7	221.8	317.7	(95.9)	(30.2)
Finance cost	8	(3,793.3)	(3,668.7)	(124.6)	3.4
Profit from ordinary activities before taxation		4,738.3	4,235.4	502.9	11.9
Taxation and Zakat:					
- Company and subsidiaries		(1,065.7)	(521.6)	(544.1)	>100.0
- Deferred taxation		192.1	(97.4)	289.5	>(100.0)
Profit for the period		3,864.7	3,616.4	248.3	6.9
Attributable to:					
- Owners of the Company		3,661.8	3,592.7	69.1	1.9
- Non-controlling interests		202.9	23.7	179.2	>100.0
Profit for the period		3,864.7	3,616.4	248.3	6.9

Y-o-Y PAT analysis :

- 1 Higher revenue due to ICPT under recovery and higher sales of electricity
- 2 Includes ADD of RM714.5mil
- 3 Lower operating income in FY'21 resulted from income for deemed disposal of associate of RM234.4mil in FY'20
- 4 Lower EBITDA margin mainly due to higher ADD and impairment made for GMR
- 5 Forex translation loss mainly due to weakening of MYR against USD
- 6 Higher share of result of associates mainly contributed by Jimah Energy Venture and full impairment of GMR in 1QFY'21
- 7 Lower finance income resulted from lower placement & interest rate in fixed deposit and unit trust fund
- 8 Higher finance cost mainly due to consolidation of Vortex from associate to subsidiary from Sep'20

Quarter vs Previous Quarter (4QFY'21 vs 3QFY'21) analysis

RM mil		4QFY'21	3QFY'21	Variance	
				RM mil	%
Revenue	1	15,735.1	12,975.4	2,759.7	21.3
Operating expenses (without depreciation)	2	(11,689.7)	(8,198.1)	(3,491.6)	42.6
Net loss on impairment of financial instruments	3	(33.3)	(239.3)	206.0	(86.1)
Other operating income	4	369.7	144.4	225.3	>100.0
EBITDA		4,381.8	4,682.4	(300.6)	(6.4)
EBITDA Margin (%)		27.8%	36.1%		
Depreciation		(2,808.8)	(2,623.5)	(185.3)	7.1
EBIT		1,573.0	2,058.9	(485.9)	(23.6)
Foreign exchange:					
- Transaction gain/(loss)		(73.2)	(12.6)	(60.6)	>100.0
- Translation gain / (loss)	5	95.0	(45.7)	140.7	>(100.0)
Share of results of joint ventures		11.9	5.4	6.5	>100.0
Share of results of associates		60.6	44.6	16.0	35.9
Profit before finance cost		1,667.3	2,050.6	(383.3)	(18.7)
Fair value changes of financial instrument		54.3	59.7	(5.4)	(9.0)
Finance income		62.1	47.7	14.4	30.2
Finance cost		(961.7)	(921.1)	(40.6)	4.4
Profit from ordinary activities before taxation		822.0	1,236.9	(414.9)	(33.5)
Taxation and Zakat:					
- Company and subsidiaries	6	62.9	(64.6)	127.5	>(100.0)
- Deferred taxation		107.6	(123.6)	231.2	>(100.0)
Profit for the period		992.5	1,048.7	(56.2)	(5.4)
Attributable to:					
- Owners of the Company		877.8	1,003.8	(126.0)	(12.6)
- Non-controlling interests		114.7	44.9	69.8	>100.0
Profit for the period		992.5	1,048.7	(56.2)	(5.4)

Q vs Previous Q PAT analysis :

- Higher revenue mainly due to higher ICPT under recovery
- Higher mainly due to increase in generation cost
- Includes ADD of RM133.3mil
- Higher due to gain in disposal of LPL of RM25.1mil, and insurance claimed by TNB power plant
- Higher translation gain due to strengthening of Ringgit against JPY and USD
- Tax income in 4QFY'21 resulted from utilisation of Reinvestment Allowance

Y-o-Y normalised EBITDA & PAT for FY'21

EBITDA Components	FY'21 RM mil	FY'20 RM mil
Reported EBITDA	18,774.5	17,981.2
Impairment of investment in GMR	276.4	51.6
Additional ADD for TNB*	514.2	231.6
MFRS16 impact	① (4,137.6)	(4,400.8)
Normalised EBITDA	② 15,427.5	13,863.6

PAT Components	FY'21 RM mil	FY'20 RM mil
Reported PAT	3,864.7	3,616.4
Impairment of investment in GMR	276.4	51.6
Additional ADD for TNB*	514.2	231.6
Forex Translation	67.4	(71.6)
MFRS16 impact	① 620.8	613.4
Normalised PAT	② 5,343.5	4,441.4

①	MFRS 16 impact for FY'21 includes deferred tax. Please refer MFRS16 impact slide for details.	
②	Higher Normalised EBITDA and PAT in FY'21 mainly due to:	
	RM mil	
	Higher TNB group sales of electricity in FY'21	622.7
	Higher good and services	268.5
	Higher share of profit from associates	107.5
	Total	998.7

* ADD FY21 : RM714.5mil, approved ADD FY'21 : RM200.3 mil

ADD FY'20 : RM325.9mil, approved ADD FY'20 : RM94.3mil

Higher sales of electricity and contribution from subsidiaries due to improved economic activities

UNITS SOLD	4QFY'21		3QFY'21		Variance (4QFY'21 vs 3QFY'21)		FY'21		FY'20		Variance (FY'21 vs FY'20)		
	GWh		GWh		GWh	%	GWh		GWh		GWh	%	
Sales of Electricity (GWh)													
- TNB	29,367.3		26,830.8		1	2,536.5	9.5	112,106.0		110,739.0	1	1,367.0	1.2
- SESB	1,397.1		1,309.9			87.2	6.7	5,373.5		5,280.9		92.6	1.8
- EGAT (Export)	0.1		0.4			(0.3)	(75.0)	1.3		2.6		(1.3)	(50.0)
- LPL	271.5		377.6		2	(106.1)	(28.1)	1,150.3		826.4	2	323.9	39.2
- TNBI (UK Wind)	23.0		11.0		3	12.0	>100.0	72.5		91.8	3	(19.3)	(21.0)
- TNBI (Vortex)	32.0		115.7		4	(83.7)	(72.3)	337.1		62.9		274.2	>100.0
Total Units Sold (GWh)	31,091.0		28,645.4			2,445.6	8.5	119,040.7		117,003.6		2,037.1	1.7
REVENUE	RM mil	Sen/ KWh	RM mil	Sen/ KWh	(RM mil)	%	RM mil	Sen/ KWh	RM mil	Sen/ KWh	(RM mil)	%	
Sales of Electricity (RM)													
- TNB	11,553.2	39.89	10,365.8	39.99	1,187.4	11.5	44,653.6	39.94	44,435.4	40.07	218.2	0.5	
- Sales Discount	(80.9)		(394.6)		313.7	(79.5)	(540.9)		(2,685.6)		2,144.7	(79.9)	
- SESB	468.5	34.21	460.8	33.52	7.7	1.7	1,844.0	34.35	1,828.3	34.35	15.7	0.9	
- Sales Discount	(0.1)		-		(0.1)	(100.0)	(0.7)		(66.9)		66.2	(99.0)	
- Accrued Revenue	170.5		342.6		(172.1)	(50.2)	120.5		(75.7)		196.2	>(100.0)	
- EGAT (Export)	0.1	-	0.1	-	-	-	0.4	-	0.8	-	(0.4)	(50.0)	
- LPL	78.9	29.06	136.9	36.26	(58.0)	(42.4)	368.9	32.07	340.0	41.14	28.9	8.5	
- TNBI (UK Wind)	33.5	145.65	16.1	146.36	17.4	>100.0	103.6	142.90	120.7	131.74	(17.1)	(14.2)	
- TNBI (Vortex)	33.5	104.69	96.4	83.32	(62.9)	(65.2)	264.8	78.55	39.6	-	225.2	>100.0	
Sales of Electricity	12,257.2	39.42	11,024.1	38.48	1,233.1	11.2	46,814.2	39.33	43,936.6	37.55	2,877.6	6.5	
Imbalance Cost Pass-Through	3,208.8		1,313.5		5	1,895.3	>100.0	4,509.6		(3,034.4)	5	7,544.0	>(100.0)
Other Regulatory Adjustment	(286.0)		(14.4)		6	(271.6)	>100.0	(551.9)		(621.0)	6	69.1	(11.1)
Relief Package from Government	68.0		344.5		(276.5)	(80.3)	474.1		2,502.5		(2,028.4)	(81.1)	
SESB Tariff Support Subsidy	93.8		92.6		1.2	1.3	368.2		367.9		0.3	0.1	
Others	(0.8)		(17.9)		17.1	(95.5)	(56.1)		51.7		(107.8)	>(100.0)	
Total Sales of Electricity	15,341.0		12,742.4		2,598.6	20.4	51,558.1		43,203.3		8,354.8	19.3	
Goods & Services	265.1		143.1		7	122.0	85.3	708.9		440.4	7	268.5	61.0
Construction contracts	47.5		22.8		24.7	>100.0	93.4		49.3		44.1	89.5	
Customers' Contribution	81.5		67.1		14.4	21.5	269.1		283.0		(13.9)	(4.9)	
Total Revenue	15,735.1		12,975.4		2,759.7	21.3	52,629.5		43,976.0		8,653.5	19.7	

- 4QFY'21 vs 3QFY'21 : Higher unit sold & sales of electricity mainly from Industrial and Commercial sectors

FY'21 vs FY'20 : Higher unit sold & sales of electricity are mainly due to industrial & domestic sectors
- 4QFY'21 vs 3QFY'21 : Lower unit sold & sales of electricity as LPL has been divested in 30 Nov'21

FY'21 vs FY'20 : Higher unit sold is due to higher dispatch
- 4QFY'21 vs 3QFY'21 : Higher generation (wind) was due to seasonality factor approaching winter season

FY'21 vs FY'20 : Lower generation mainly due to lower wind speed as compared to previous year
- Lower generation (solar) was due to seasonality
- 4QFY'21 vs 3QFY'21 : Higher surcharge in 4QFY'21 is mainly due to higher coal prices (USD172.8/MT vs USD124.1/MT)

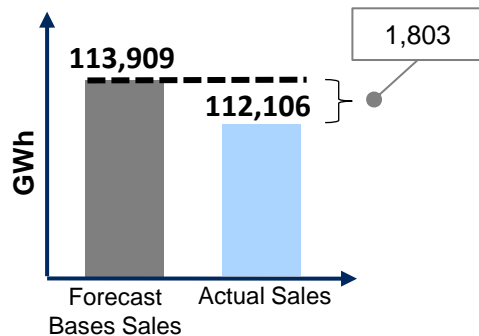
FY'21 vs FY'20 : Surcharge due to higher coal prices (USD116.2/MT vs USD60.6/MT)
- Refer Other Regulatory Adjustment slide
- Higher Y-o-Y and Q vs prev. Q due to contribution from subsidiaries resulted from less business restriction

As at FY'21, RM551.9mil of other regulatory adjustment to be returned mainly due to higher average selling price from price cap entity

Components of Other Regulatory Adjustment	1QFY'21 (RM mil)	2QFY'21 (RM mil)	3QFY'21 (RM mil)	4QFY'21 (RM mil)	FY'21 (RM mil)
1 Revenue Adjustment for Revenue Cap & Price Cap	(10.8)	(132.2)	55.0	(235.2)	(323.2)
Refund of Other Income Related to Regulated Business	(44.9)	(63.6)	(69.4)	(50.8)	(228.7)
TOTAL	(55.7)	(195.8)	(14.4)	(286.0)	(551.9)

Revenue Cap

FY'21 Variations in Sales (in GWh)

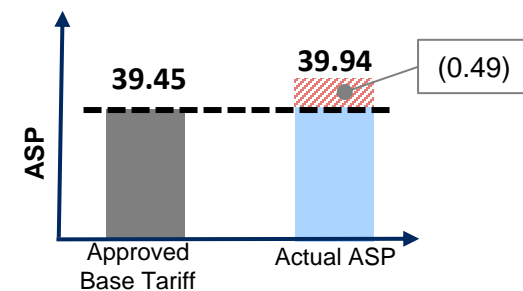


- The allowed annual revenue for revenue cap entities is based on 2.9% demand growth. Any excess/shortfall is adjusted through revenue adjustment mechanism.
- For FY'21, lower actual sales leads to lower revenue earned by the revenue cap entities.

Business Entities	Allowed Tariff (sen/kWh)	Variations in Sales (GWh)	Adjustment (RM mil)
Revenue Cap Entities	12.10	1,803	218.16*

Price Cap

FY'21 Variations in ASP (sen/kWh)

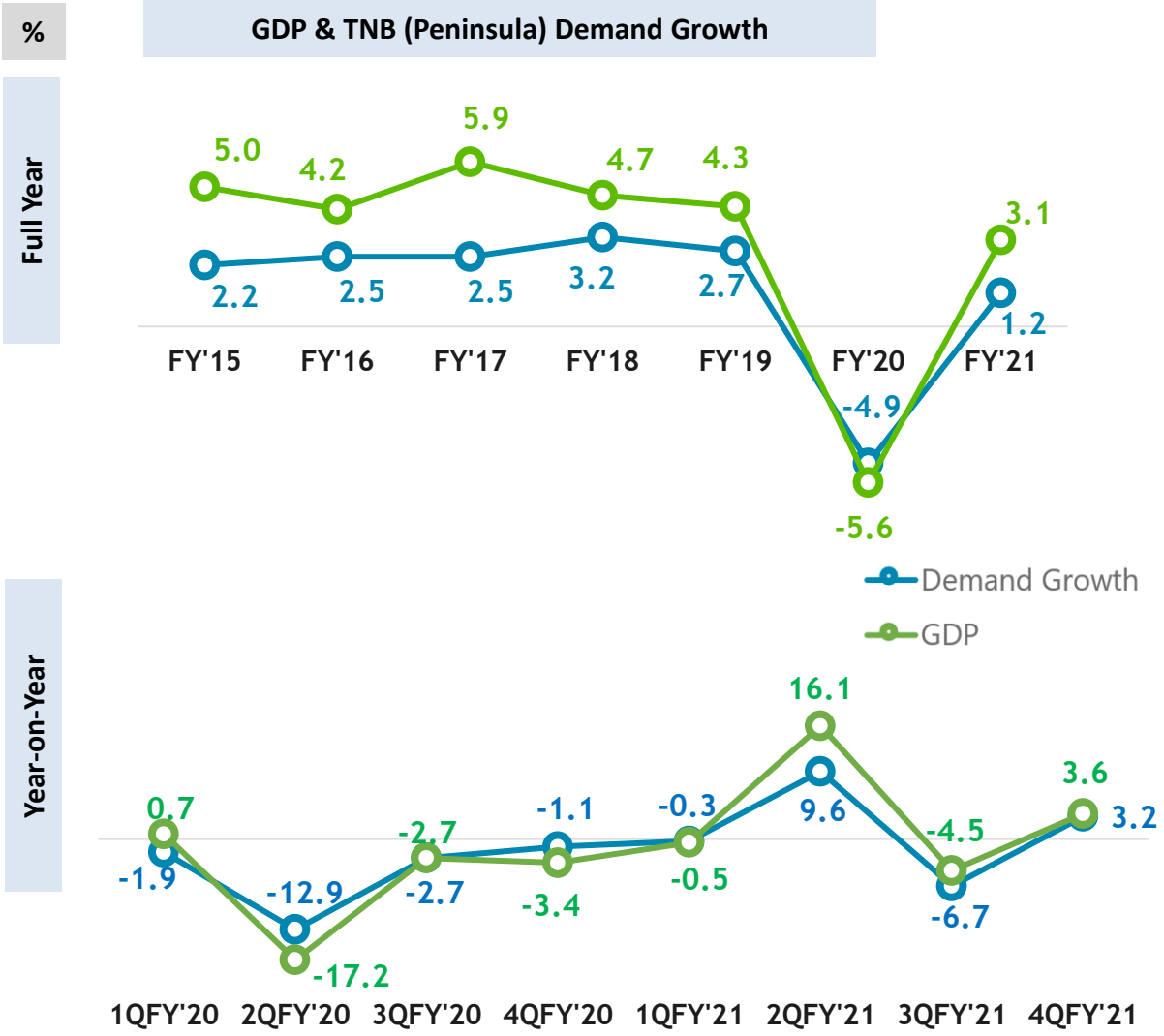


- Any excess/shortfall of revenue earned due to higher/lower Average Selling Price (ASP) compared to Base Tariff is adjusted through revenue adjustment mechanism.
- For FY'21, the ASP is recorded higher than the Base Tariff.

Business Entities	Actual Sales (GWh)	Variations in ASP (sen/kWh)	Adjustment (RM mil)
Price Cap Entity	112,106	(0.49)	(541.37)*

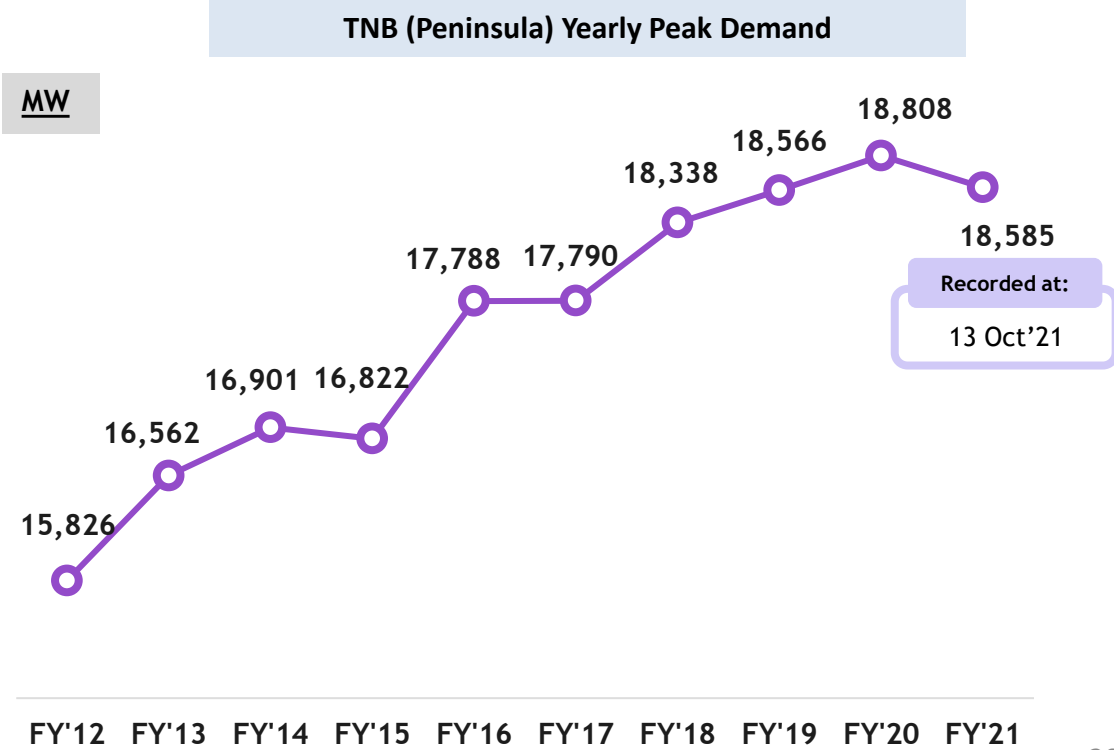
* Numbers manually computed will not match due to decimal variance

Y-o-Y electricity demand in tandem with GDP

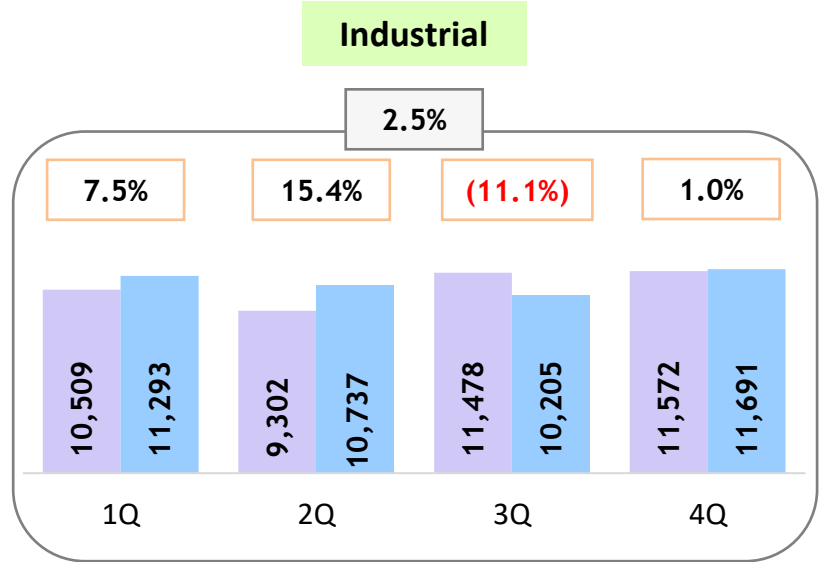


TNB (Peninsula) Maximum Demand

	FY'21	FY'20	Variance (%)
Maximum Demand (GWh)	18,585	18,808	-1.2

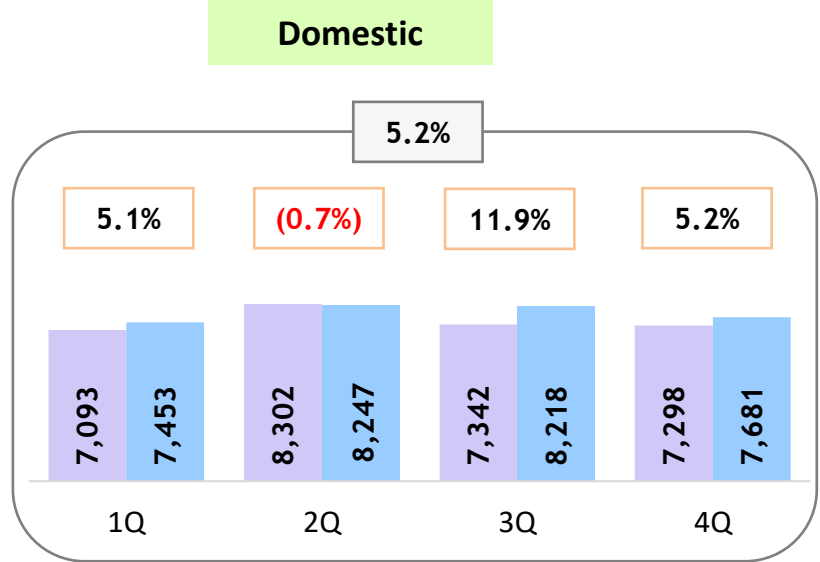
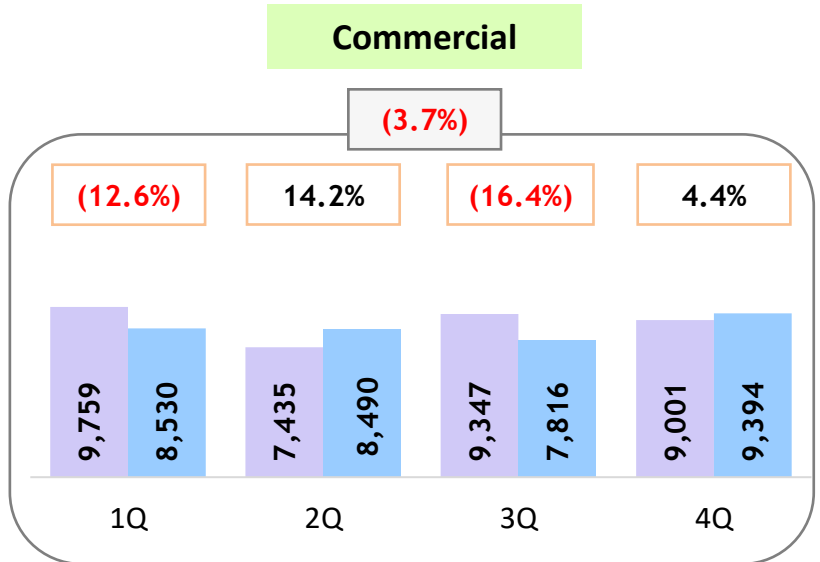
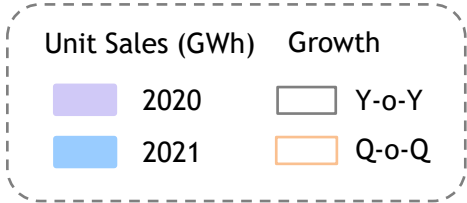


Higher Y-o-Y electricity demand continue to be driven by domestic sector

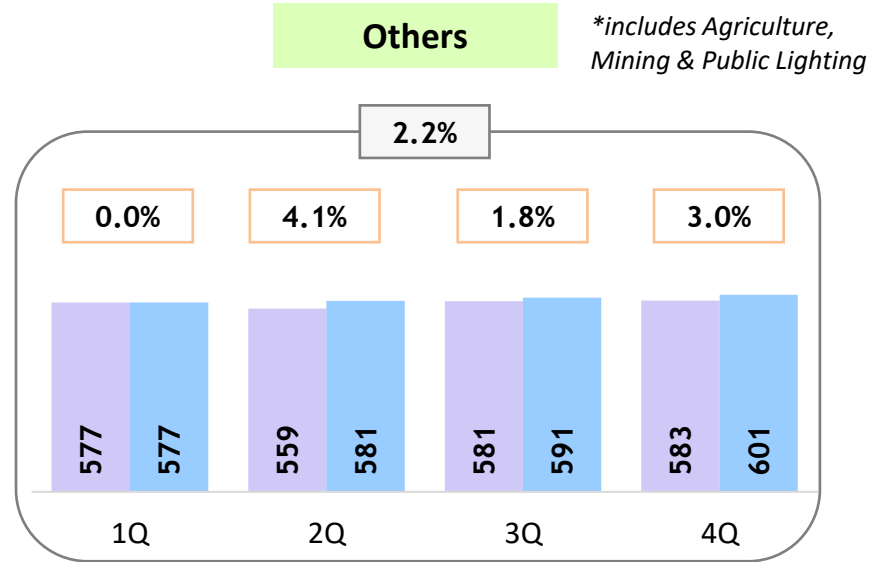
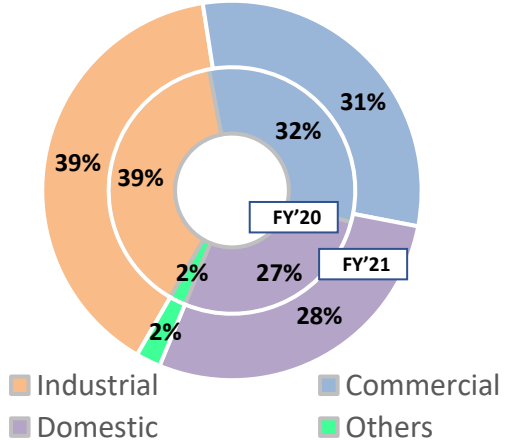


FY'21 main contributors for the drop in commercial sector:

- Retails
- Educational
- Accommodation



Sector Mix (%) FY'21 vs FY'20



Higher operating expenses due to increase in fuel cost

	4QFY'21 (RM mil)	3QFY'21 (RM mil)	Variance (4QFY'21 vs 3QFY'21)		FY'21 (RM mil)	FY'20 (RM mil)	Variance (FY'21 vs FY'20)	
			RM mil	%			RM mil	%
Non-TNB IPPs Costs	3,243.4	2,018.9	1,224.5	60.7	8,863.8	8,271.3	592.5	7.2
Capacity Payment	43.7	76.0	(32.3)	(42.5)	191.3	91.9	99.4	>100.0
Energy Payment	3,199.7	1,942.9	1,256.8	64.7	8,672.5	8,179.4	493.1	6.0
TNB Fuel Costs	5,194.7	4,088.4	1,106.3	27.1	14,915.0	9,313.8	5,601.2	60.1
Fuel Costs	3,603.3	2,975.6	627.7	21.1	11,255.2	9,881.6	1,373.6	13.9
Fuel Price Adjustment	1,699.2	1,198.8	500.4	41.7	3,970.2	(367.2)	4,337.4	>(100.0)
Fuel Subsidy - SESB	(107.8)	(86.0)	(21.8)	25.3	(310.4)	(200.6)	(109.8)	54.7
Total Cost of Generation	8,438.1	6,107.3	2,330.8	38.2	23,778.8	17,585.1	6,193.7	35.2
Staff Costs	1,107.5	902.4	205.1	22.7	3,958.6	3,832.4	126.2	3.3
Repair & Maintenance	596.6	471.8	124.8	26.5	2,006.6	2,100.8	(94.2)	(4.5)
TNB General Expenses	742.1	328.2	413.9	>100.0	1,838.2	1,931.1	(92.9)	(4.8)
Subs. General Expenses	805.4	388.4	417.0	>100.0	2,250.7	1,060.6	1,190.1	>100.0
Total Non-Generation Cost	3,251.6	2,090.8	1,160.8	55.5	10,054.1	8,924.9	1,129.2	12.7
Total Operating Expenses (without Depreciation)	11,689.7	8,198.1	3,491.6	42.6	33,832.9	26,510.0	7,322.9	27.6
Depreciation & Amortisation	2,808.8	2,623.5	185.3	7.1	10,691.5	10,622.4	69.1	0.7
Total Operating Expenses	14,498.5	10,821.6	3,676.9	34.0	44,524.4	37,132.4	7,392.0	19.9

- 1 Higher generation cost mainly due to higher fuel price adjustment (refer [Coal Price Trending slide](#))
 - 2 4QFY'21 vs 3QFY'21 : Mainly due to higher repair & maintenance related cost
 - 3 4QFY'21 vs 3QFY'21 : Higher expenses due to:
 - PPE written off
 - Cost realignment inline with the operational requirement
 - 4 4QFY'21 vs 3QFY'21 : Higher subsidiaries expenses due to improved economic activities
- FY'21 vs FY'20 : Higher mainly due to :
- Impairment made for GMR of RM276.4mil
 - Reversal of provision made for subsidiary of RM132.8mil in 1QFY'20 (LPL)
 - SPG is fully commissioned in 2021 of RM123.1mil

Higher Y-o-Y fuel cost mainly due to soaring coal price

Table A – TNB & IPP Fuel Costs for Peninsula (RM mil)

Fuel Type	FY'21	FY'20	Variance	
			RM mil	%
Coal	14,995.8	9,075.2	5,920.6	65.2
Gas	6,191.5	6,223.6	(32.1)	(0.5)
LNG	0.0	0.7	(0.7)	(100.0)
Dist.	173.1	47.2	125.9	>100.0
Oil	19.8	10.3	9.5	92.2
Total*	21,380.2	15,357.0	6,023.2	39.2

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

Note: Fuel Cost exclude solar

Table B – TNB & IPP Units Generated for Peninsula (GWh)

Fuel Type	FY'21	FY'20	Variance	
			Gwh	%
Coal	74,415.7	81,103.4	(6,687.7)	(8.2)
Gas & LNG	43,175.1	36,541.2	6,633.9	18.2
Dist.	157.2	-	157.2	>100.0
Oil	31.0	6.2	24.8	>100.0
Hydro	6,832.4	4,659.6	2,172.8	46.6
Solar	1,111.1	866.1	245.0	28.3
Total	125,722.5	123,176.5	2,546.0	2.1

Table C – Fuel Costs Related Data

	FY'21	FY'20
Daily Average Piped Gas Volume (mmscfd)	800	712
Gas Reference Market Price (RM/mmbtu)	1Q – 15.40	1Q – 26.86
	2Q – 18.92	2Q – 26.25
	3Q – 21.37	3Q – 25.10
	4Q – 26.81	4Q – 16.92
Average Coal Price Delivered (USD/MT)(CIF)	116.2	60.6
Average Coal Price Delivered (RM/MT)(CIF)	481.3	255.6
Coal Consumption (mn MT)	32.3	34.7
Generation cost per unit (sen/kWh)	17.0	12.5

Table D – Average Coal Price Delivered (USD/MT)

	FY'21	FY'20	Variance	
			USD	%
FOB	104.0	53.1	50.9	95.9
Freight	11.7	7.0	4.7	67.3
Others	0.5	0.5	(0.0)	(6.0)
CIF	116.2	60.6	55.6	91.7

Higher 4Qvs3Q fuel cost from higher coal price

Table A – TNB & IPP Fuel Costs for Peninsula (RM mil)

Fuel Type	4QFY'21	3QFY'21	2QFY'21	1QFY'21	Variance 4Q vs 3Q	
					RM mil	%
Coal	5,510.0	3,922.4	2,938.6	2,624.8	1,587.6	40.5
Gas	2,196.5	1,513.1	1,476.6	1,005.3	683.4	45.2
Dist.	114.9	11.7	8.7	37.8	103.2	>100.0
Oil	18.5	0.6	0.3	0.4	17.9	>100.0
Total*	7,839.9	5,447.8	4,424.2	3,668.3	2,392.1	43.9

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

Note: Fuel Cost exclude solar

Table B – TNB & IPP Units Generated for Peninsula (GWh)

Fuel Type	4QFY'21	3QFY'21	2QFY'21	1QFY'21	Variance 4Q vs 3Q	
					Gwh	%
Coal	19,002.1	18,612.7	17,701.3	19,099.6	389.4	2.1
Gas & LNG	11,854.3	10,099.7	11,803.5	9,417.6	1,754.6	17.4
Dist.	110.2	-	-	47.0	110.2	(100.0)
Oil	-	31.0	-	-	(31.0)	(100.0)
Hydro	1,700.1	1,538.6	1,564.5	2,029.2	161.5	10.5
Solar	256.7	284.7	284.0	285.7	(28.0)	(9.8)
Total	32,923.4	30,566.7	31,353.3	30,879.1	2,356.7	7.7

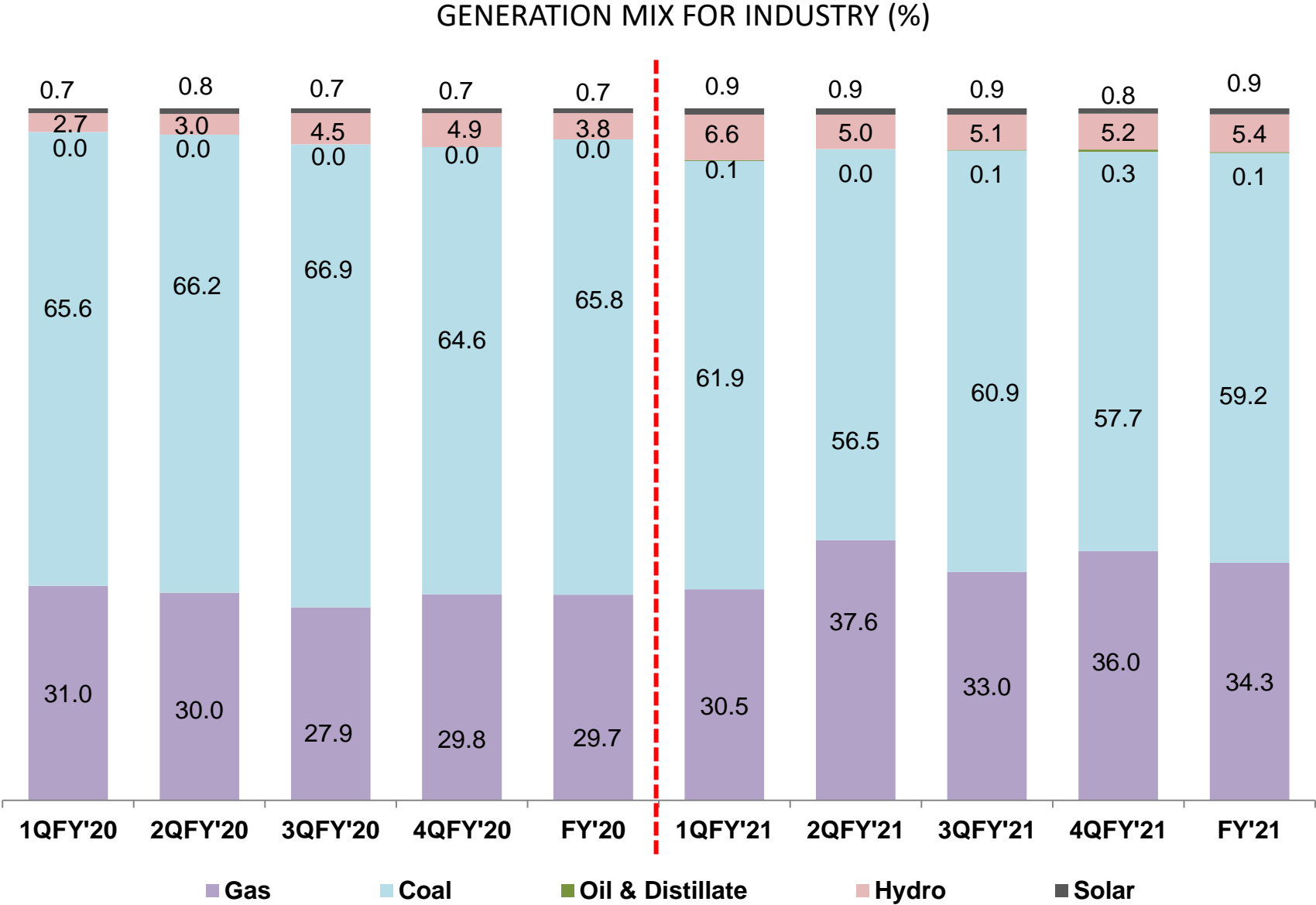
Table C – Fuel Costs Related Data

	4QFY'21	3QFY'21	2QFY'21	1QFY'21
Daily Average Piped Gas Volume (mmscfd)	866	731	817	722
Gas Reference Market Price (RM/mmbtu)	26.81	21.37	18.92	15.40
Average Coal Price Delivered (USD/MT)(CIF)	172.8	124.1	92.0	79.20
Average Coal Price Delivered (RM/MT)(CIF)	723.7	520.5	379.8	321.56
Coal Consumption (mn MT)	8.3	8.0	7.8	8.2
Generation cost per unit (sen/kWh)	23.6	17.8	14.1	11.9

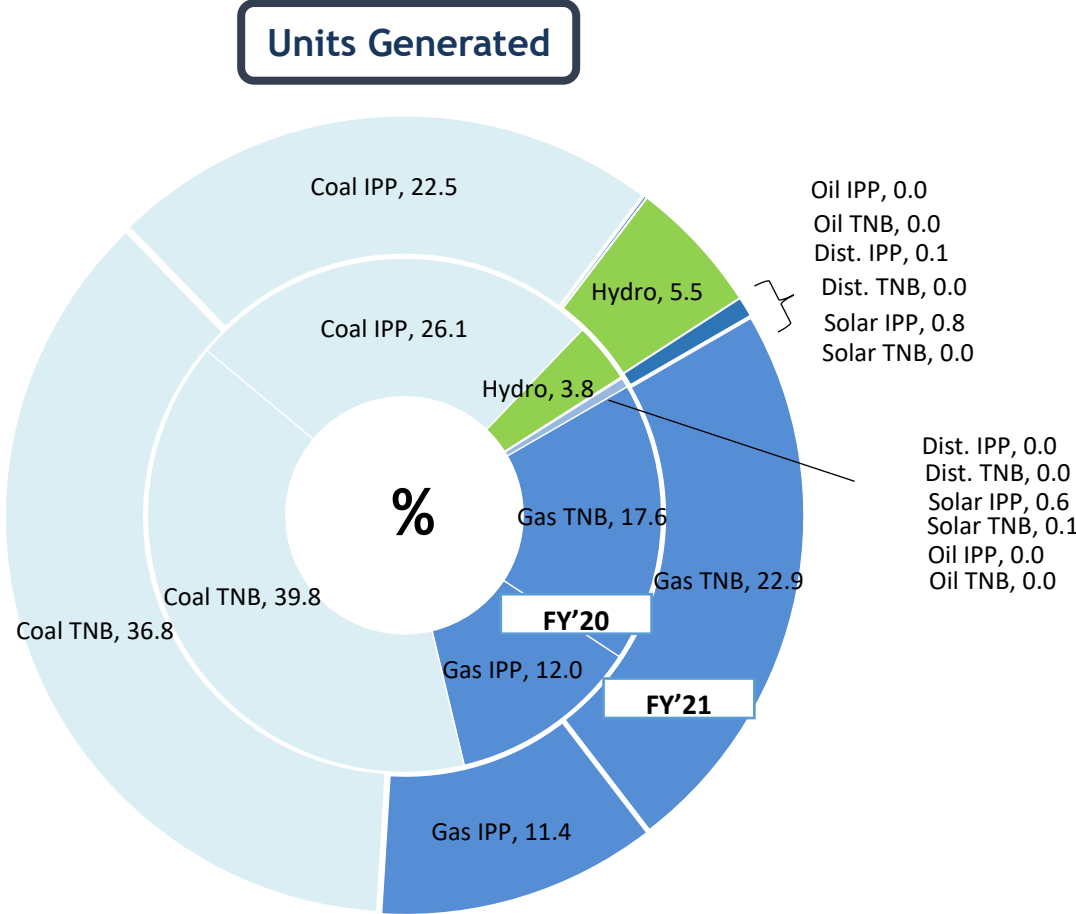
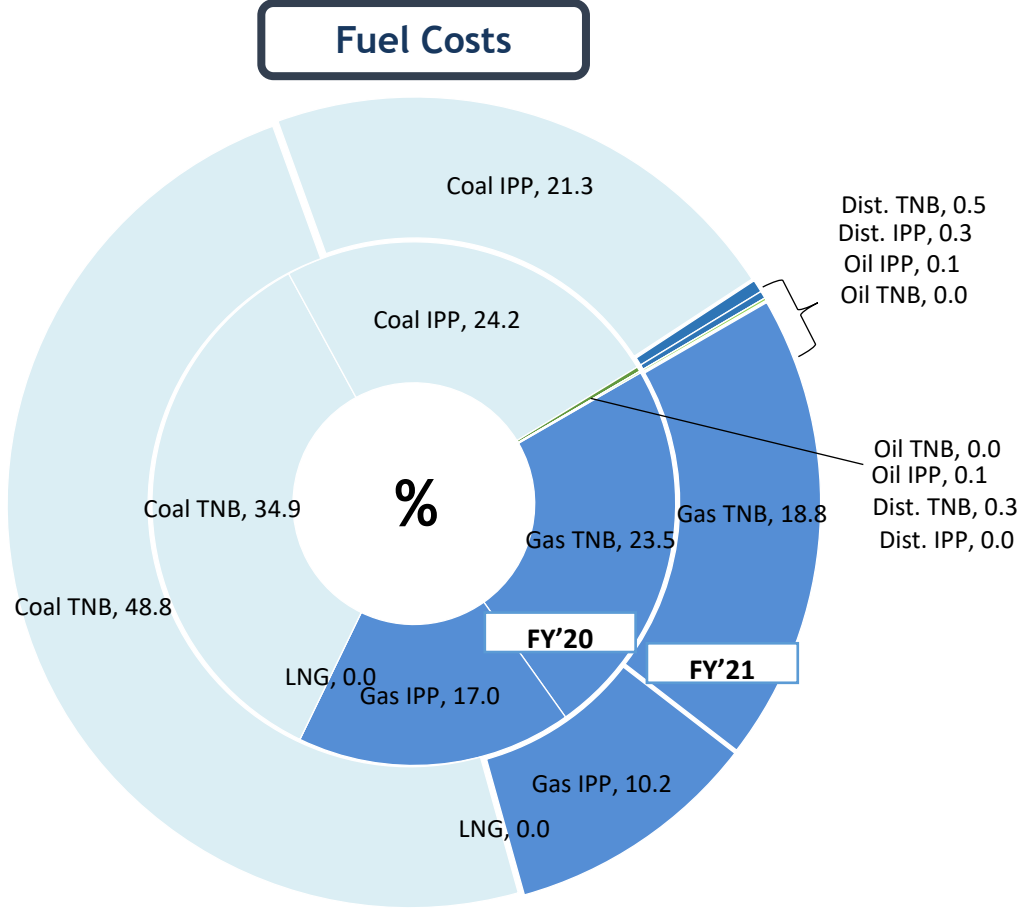
Table D – Average Coal Price Delivered (USD/MT)

	4QFY'21	3QFY'21	2QFY'21	1QFY'21	Variance 4Q vs 3Q	
					USD	%
FOB	156.8	111.0	80.7	70.6	45.8	41.2
Freight	15.5	12.6	10.9	8.2	2.9	23.4
Others	0.5	0.5	0.5	0.5	-	(100.0)
CIF	172.8	124.1	92.0	79.2	48.7	39.2

Y-o-Y higher units generated from gas in FY'21



Fuel costs (TNB & IPPs - Peninsula)



% indicates generation market share

Note: Fuel Cost exclude solar

TNB is neutral to volatility in fuel costs covered under ICPT framework

	1QFY'21 (RM mn)	2QFY'21 (RM mn)	3QFY'21 (RM mn)	4QFY'21 (RM mn)	FY'21 (RM mn)
Reported Total Cost of Generation (with MFRS16)	4,199.9	5,033.5	6,107.3	8,438.1	23,778.8
Adjustment not related to IBR	902.1	830.9	756.6	753.6	3,243.2
TNB Capacity and VOR: SLA & SPV	1,757.6	1,689.3	1,372.9	1,594.8	6,414.6
Total Generation Costs (Related to IBR)	6,859.6	7,553.7	8,236.8	10,786.5	33,436.6
	1QFY'21 (RM mn)	2QFY'21 (RM mn)	3QFY'21 (RM mn)	4QFY'21 (RM mn)	FY'21 (RM mn)
Single Buyer Actual Generation Costs: (A)	6,859.6	7,553.7	8,236.8	10,786.5	33,436.6
FPA Adjustments					
Actual Sales (Gwh)	27,852.8	28,055.1	26,830.8	29,367.3	112,106.0
Single Buyer Tariff (RM/kwh)	0.2580	0.2580	0.2580	0.2580	0.2580
Actual Gen Cost Recovered (RM mn) (B)	7,186.9	7,239.1	6,923.2	7,577.7	28,927.0
ICPT Surcharge / (Rebate) (C) (C = A - B)	(327.3)	314.6	1,313.5	3,208.8	4,509.6
(+) Prior Year Accounting Adjustment	0.0	0.0	0.0	0.0	0.0
ICPT	(327.3)	314.6	1,313.5	3,208.8	4,509.6

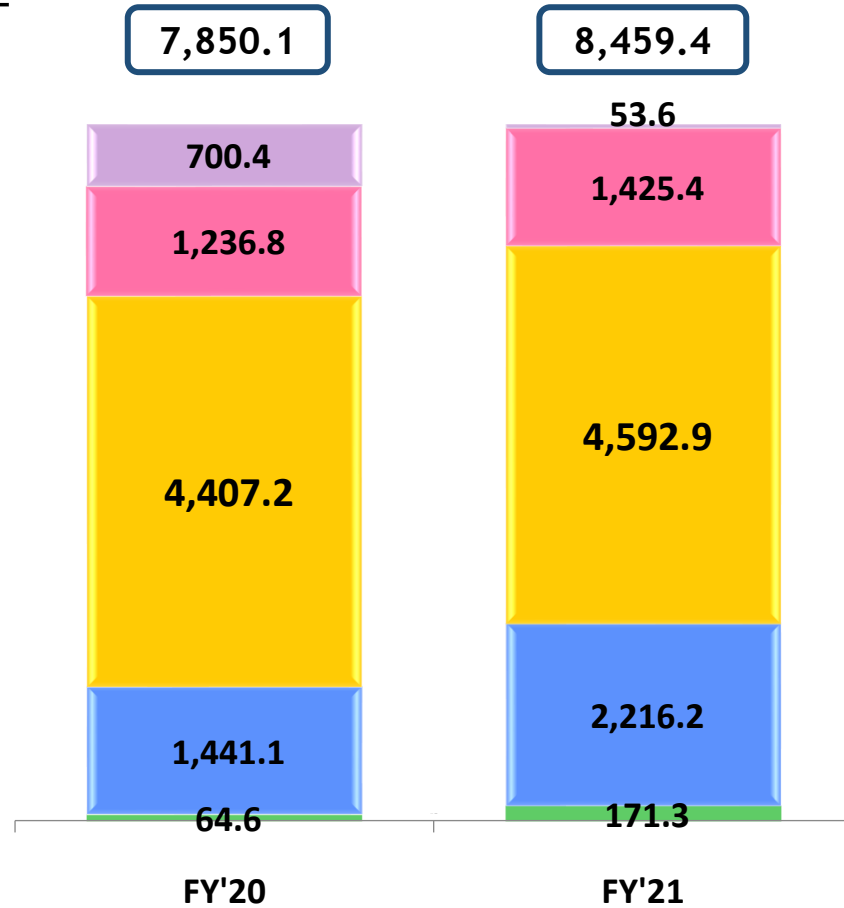
The net impact of MFRS 16 reduced the group PAT by RM620.8mil

Net Impact of MFRS 16 (Y-o-Y) analysis

	FY'21 (RM mil)	FY'20 (RM mil)	Variance (RM mil)	Remarks
Capacity Payment	4,137.6	4,400.8	(263.2)	Decreasing EBITDA and PAT in FY'21
Depreciation	(3,473.4)	(3,601.2)	127.8	Increasing PAT in FY'21
Finance Cost	(1,460.1)	(1,587.9)	127.8	Increasing PAT in FY'21
Deferred Tax	175.1	174.9	0.2	Increasing PAT in FY'21
Net Impact	(620.8)	(613.4)	(7.4)	Decreasing PAT in FY'21

Group Capex

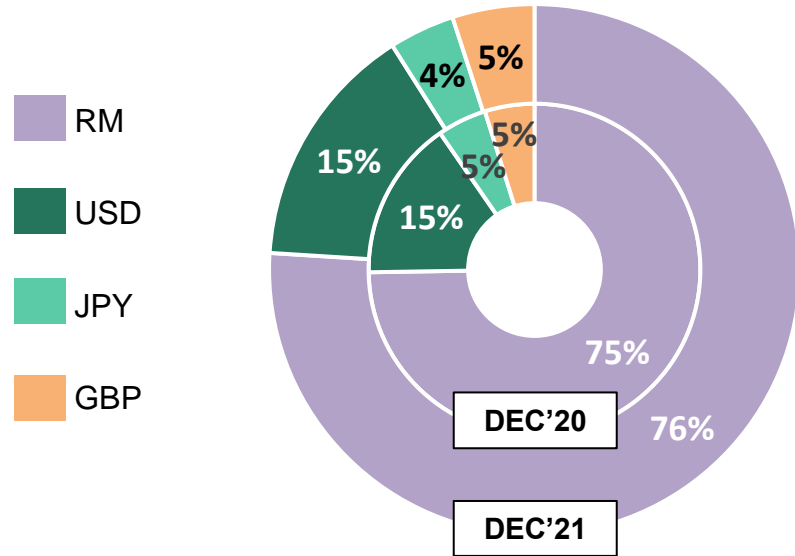
RM mil



- Major Generation Projects
- Corporate & Subsidiaries
- Recurring Distribution Network & Retail
- Recurring Transmission
- Recurring Generation

FY	RP2 EXTENSION REGULATED ENTITIES CAPEX		
	IBR Approved (RM mil)	Actual YTD (RM mil)	Utilization (%)
2021	7,295.7	6,977.8	96%

Gearing stood at 47.0% in FY'21; capital headroom against internally observed 50% gearing level remains healthy



Closing FOREX	31 st Dec'21	31 st Dec'20
USD/RM	4.17	4.02
100YEN/RM	3.63	3.90
GBP/RM	5.63	5.48

Note:
Debt consists of Principal + Accrued Interest

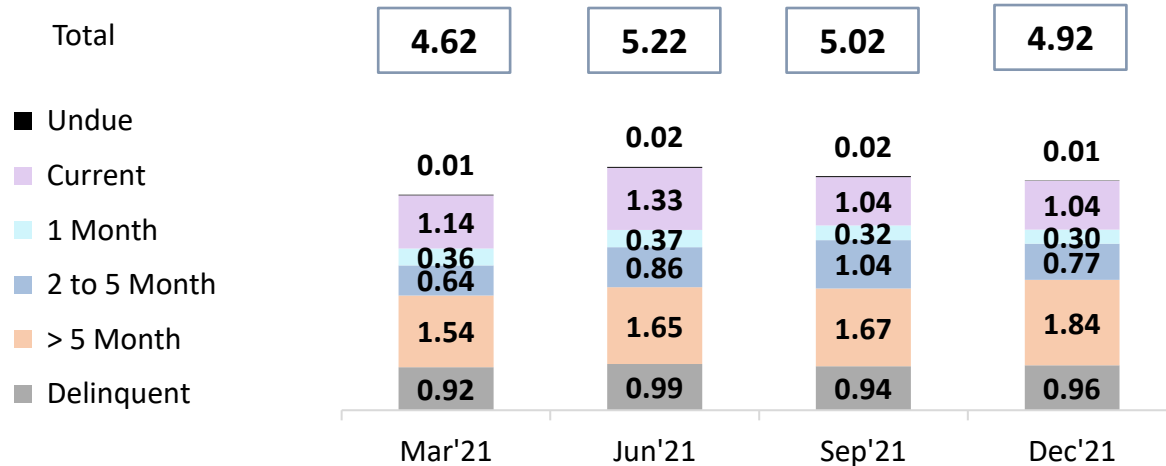
Statistics	31 st Dec'21	31 st Dec'20
Total Debt (RM' Bil)	51.7	49.5
Net Debt (RM' Bil)*	42.5	36.0
Gearing (%)	47.0	46.3
Net Gearing (%)	38.6	33.7
Fixed : Floating		
Underlying	95:5	95:5
Final Exposure	99:1	99:1
Effective Average Cost of Borrowing (based on exposure) **	4.62	4.88

* Net Debt excludes deposits, bank and cash balances & investment in UTF
** Inclusive of interest rate swap

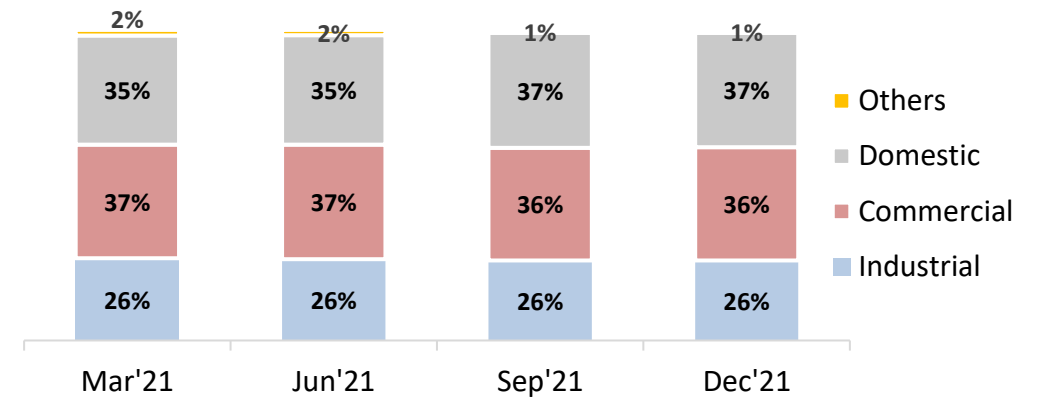
1 Reduction due to lower interest rate of the new drawdown

Some signs of recovery in tandem with improvement in overall economy

Trade Debtors Ageing (RM bil)



Trade Debtors By Sectors



Initiatives to improve collection

- Easy payment plans for domestic / residential customers' electricity bills.
- Repayment plan on case by case basis for non-Domestic customers.
- Promote adoption of digital payment channels such as myTNB app and myTNB portal.
- Introduce more payment channels such as e-wallet.
- Provide personalized engagement with large power consumer such as SME and Government and Large Business (GLB).
- Perform close monitoring on commercial and industrial customers with debt exposure, especially those under vulnerable sub-sectors.

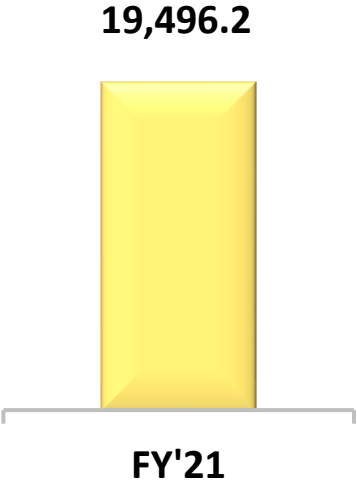


Cash flow

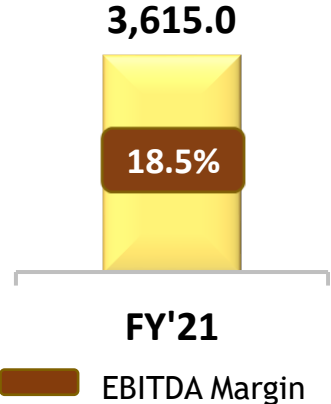
- Our cash flow remains resilient. We continuously monitor our cash flow position on a daily basis and remain prudent on our working capital management.
- In the event there is a shortfall in the cash flow position, we have readily available short term banking facilities and funding program to manage the funding gap.
- For FY'21, the allowance for doubtful debt for TNB is RM714.5mil.

Generation Business performance

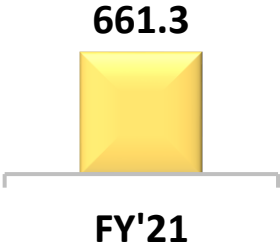
REVENUE (RM mil)



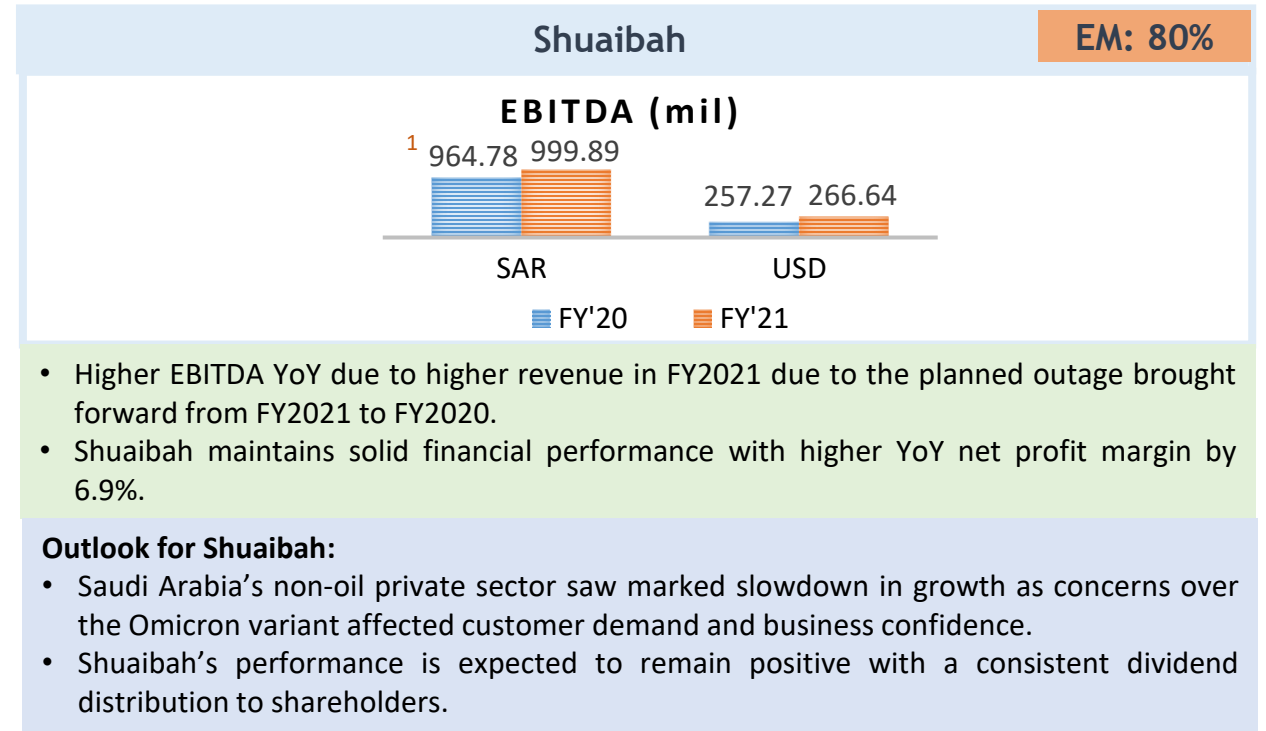
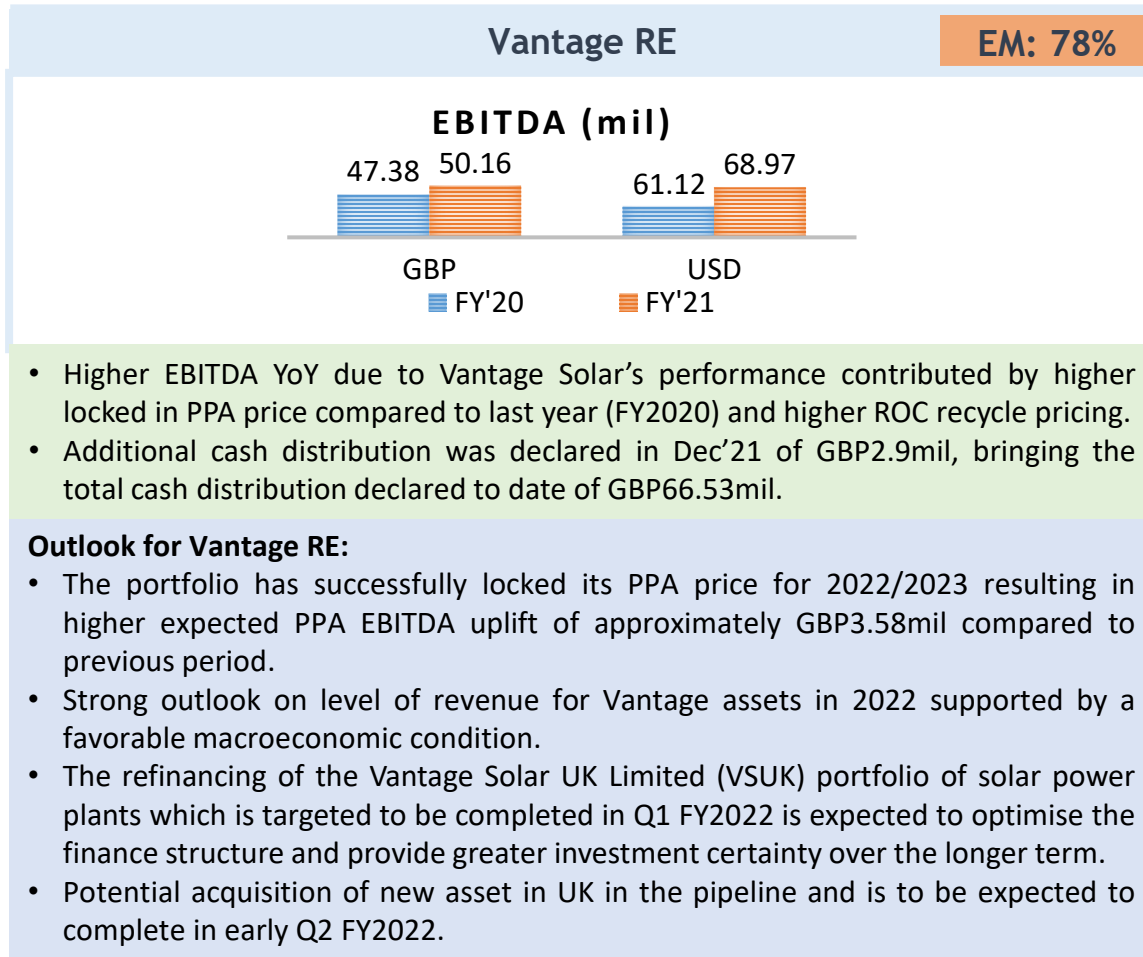
EBITDA (RM mil)



PROFIT AFTER TAX (RM mil)



International business & assets performance as at Dec'21



Notes :

EM : YTD EBITDA Margin

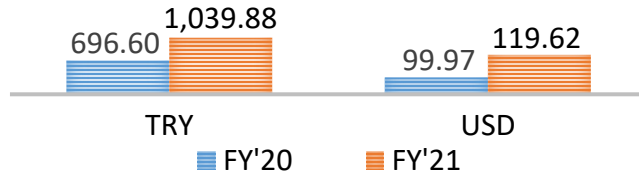
¹Corrected figure

International business & assets performance as at Dec'21

GAMA Enerji A.S. (GEAS)

EM: 30%

EBITDA (mil)^{1,2}



- Higher EBITDA YoY contributed by better than expected power prices resulting in a higher gross generation margin³ for GEAS's CCGT (ICAN).
- The positive performance is also attributable to large share of generation accounted for CCGT players in the power market as a result of dry season, hence lower dispatch from hydro plants.
- While this negatively impacted GEAS's hydro plants, nevertheless this was backed up by higher gross generation margin³ of ICAN.

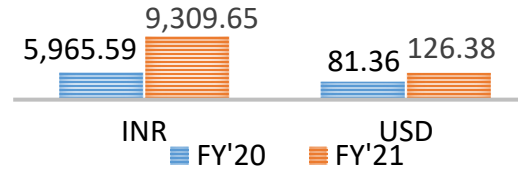
Outlook for GEAS:

- Turkey's economy is expected to remain volatile especially on the collapse of Lira and surge in inflation rate. Following the Lira's collapse, the government announced a Lira deposit protection scheme resulting in some respite in Lira.
- However, the successful ICAN restructuring debt aims to stabilize GEAS to meet its debt obligations as well as weathering through the volatile market conditions.

GMR Energy Limited (GEL)

EM: 48%

EBITDA (mil)¹



- Higher EBITDA YoY due to one-off fair value gain from the consolidation of Kamalanga's financials into GEL's books (GEL previously recognized Kamalanga's share of profits only) offsetting lower revenue generated by Warora due to the expiry of the DNH PPA.

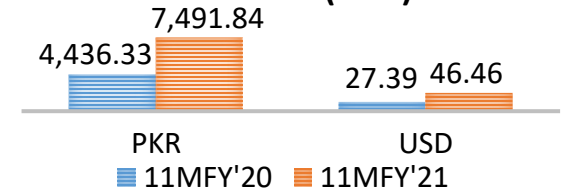
Outlook for GEL:

- The coal crisis is currently improving with coal stock at power plants increasing to 10 days, however this needs to be strengthened to avoid recurrence of the crisis by meeting the stocking norm of 15 days at power plants located near coal mines and 24 days at power plants located more than 1,500 km away from coal mines.
- TNB is supportive of GEL's current initiatives to preserve value and sustainability of the portfolio, while in parallel pursuing exit strategies to reduce current exposure in India.

TNB Liberty Power Limited (LPL)

EM: 51%

EBITDA (mil)



- EBITDA YoY is higher due to increase in other income due to divestment.

Outlook for Liberty:

- Divestment of LPL completed in Q4 FY2021.

Notes :

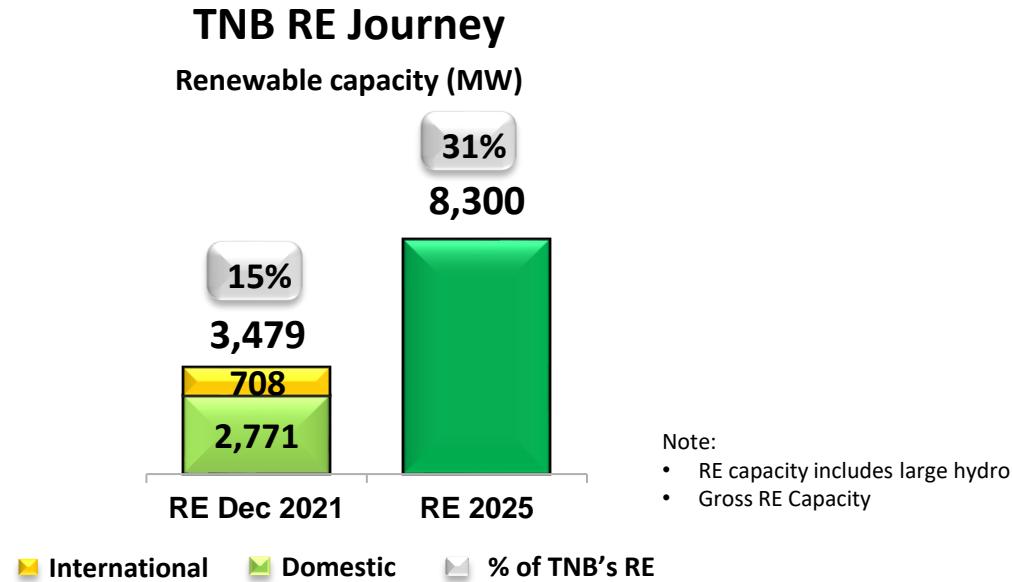
EM : YTD EBITDA Margin

¹Reported 3 months lagging

²Exclude EBITDA impairment of TRY419.4mil (USD60.2mil) made at asset level in Q1 FY'20 (driven by unfavorable economy condition i.e. low electricity market prices and high forex)

³Revenue minus Gas Cost only

Our RE journey is progressing well



Recent RE Progress

1) Domestic renewables

- We have signed a 30-year power purchase agreement for the 300MW Nenggiri hydro plant which is expected to commence in Jun'27.
- GSPARX has successfully secured a total capacity of 116.3MW as of Dec'21. (Dec'20 : secured 81MW)
- Successfully commissioned a mini hydro of 4.0MW in Sungai Tersat, Kuala Berang (A joint venture between TNBES with Metrosphere Hydro Tersat S/B) on Dec'21.

2) UK / Europe renewables

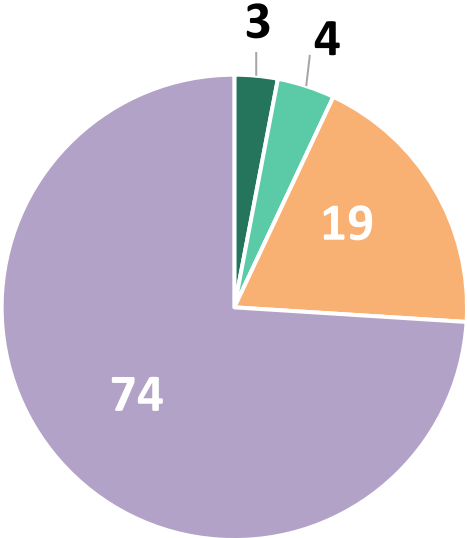
- In May'21, we acquired a 500kW FiT turbine in the UK.
- We have successfully acquired a 49% stake in Blyth Offshore Demonstrator Ltd (BODL), an offshore UK wind farm company in Oct'21, with existing floating offshore wind capacity of 41.5MW and further development rights for similar type of RE of up to 58.4MW.
- The formation and establishment of Vantage RE Ltd or RACo has been completed on 1st July 2021.
- Vantage RE is set to be a vital component to grow our RE capacity/portfolio with immediate growth plan to focus on the acquisition of subsidised Renewable Obligation Certificates (ROCs) and Feed-in-Tariff (FiT) assets across the UK and Ireland.

3) Growing TNB's utility business in South East Asia

- Vietnam: Finalising acquisition of 39% stake from Sunseap in 21.6MW rooftop solar project which expected to be completed by FY'22.


Ensuring revenue from coal remains below 25%, towards longer-term aspiration

Actual Group Revenue FY21 (%)



■ RE ■ Related to Energy Transition (ET) ■ Coal ■ Others*

* Others include revenue from regulated entities, subsidiaries and generation from gas

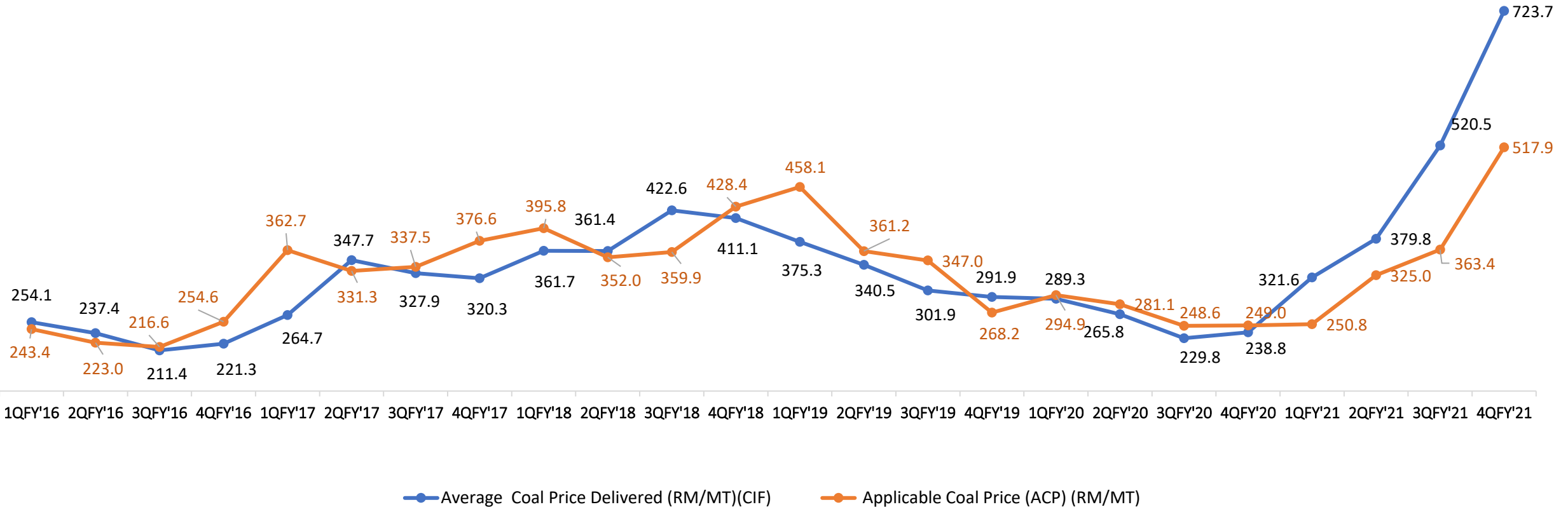


**Long-term aspiration :
aims to be coal-free
by 2050**

- No new coal plant investment in the pipeline
- Reduction of coal capacity by 50% by 2035 & coal-free by 2050

Coal price is on an increasing trend in FY2021

Coal Price Trending



Coal price & Applicable Coal Price (ACP) comparison

	1QFY21	2QFY21	3QFY21	4QFY21
Average Coal Price Delivered (RM/MT)	321.56	379.84	520.47	723.70
Average Coal Price Delivered (RM/mmBtu) *	15.08	17.51	23.61	32.88
ACP (RM/mmBtu)	11.49	14.89	16.65	23.73

* Based on internal conversion

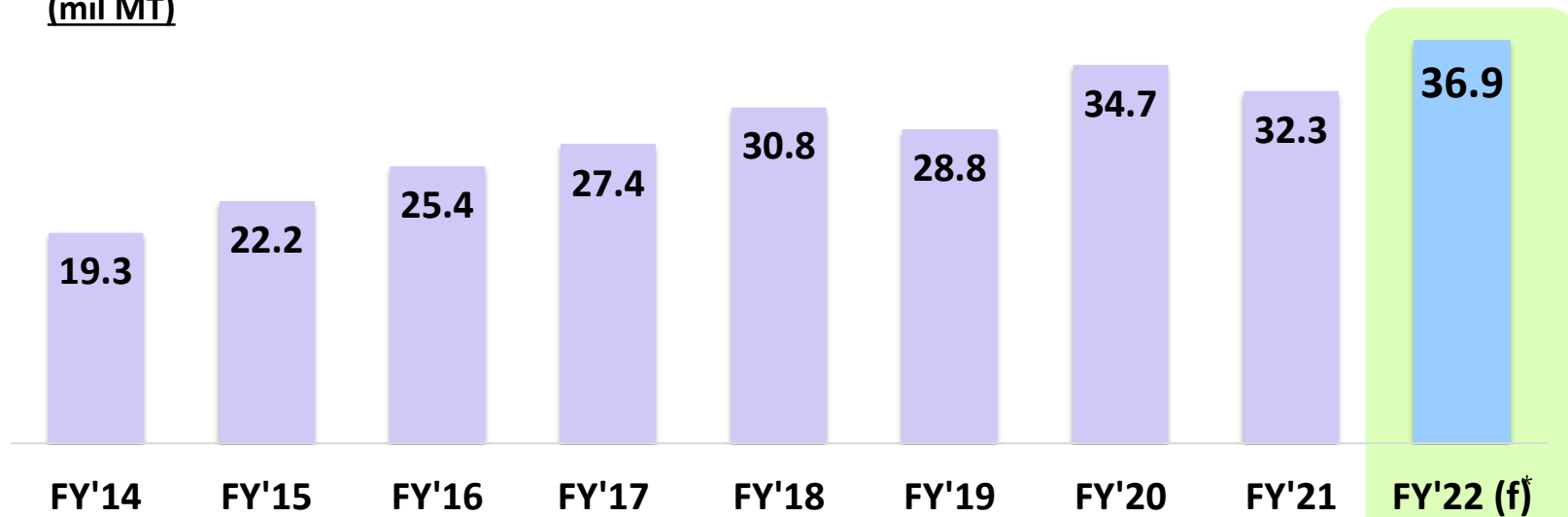
Fuel Price Adjustments (FPA) is the difference between the Applicable Coal Price (ACP) used to bill the generators and the actual coal price paid to supplier. The difference is caused by higher or lower coal price or due to currency exchange.

In 4QFY'21, the base ACP (RM23.73/mmBtu) used for billing the generators is lower than the coal price paid to supplier (RM32.88/mmBtu).

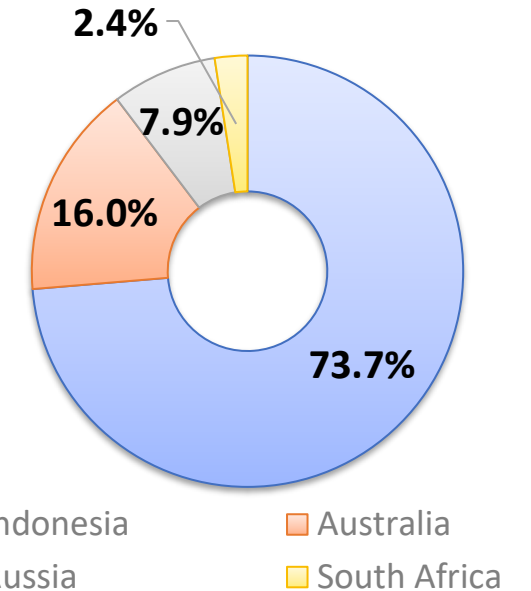
Industry coal requirement forecast for FY2022

Average Coal Price (CIF)	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21
USD/metric tonne (MT)	75.4	66.0	55.7	72.7	95.9	79.3	60.6	116.2
RM/metric tonne (MT)	244.6	236.0	231.1	314.7	388.1	326.3	255.6	481.3

Coal Consumption
(mil MT)

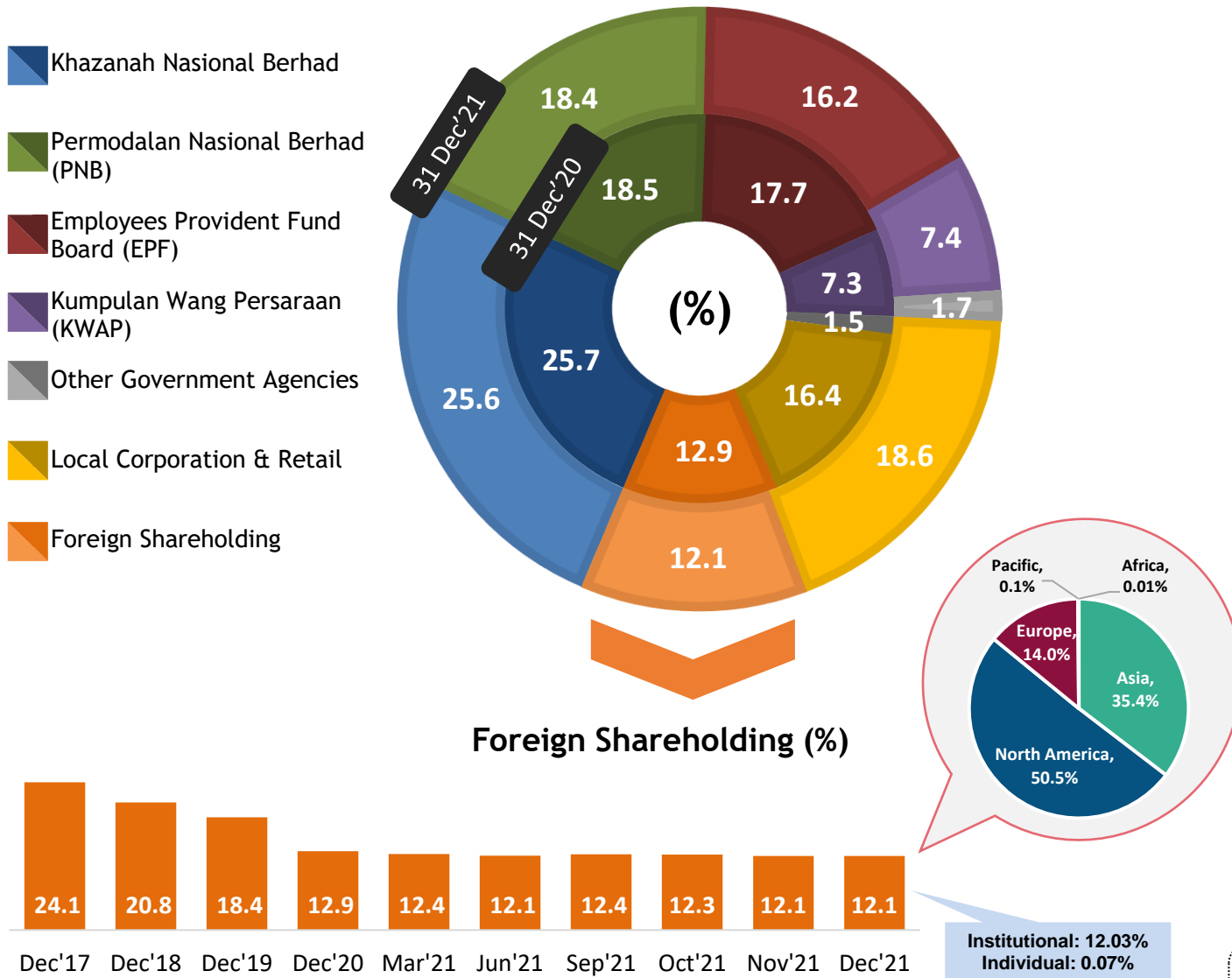


Country Mix

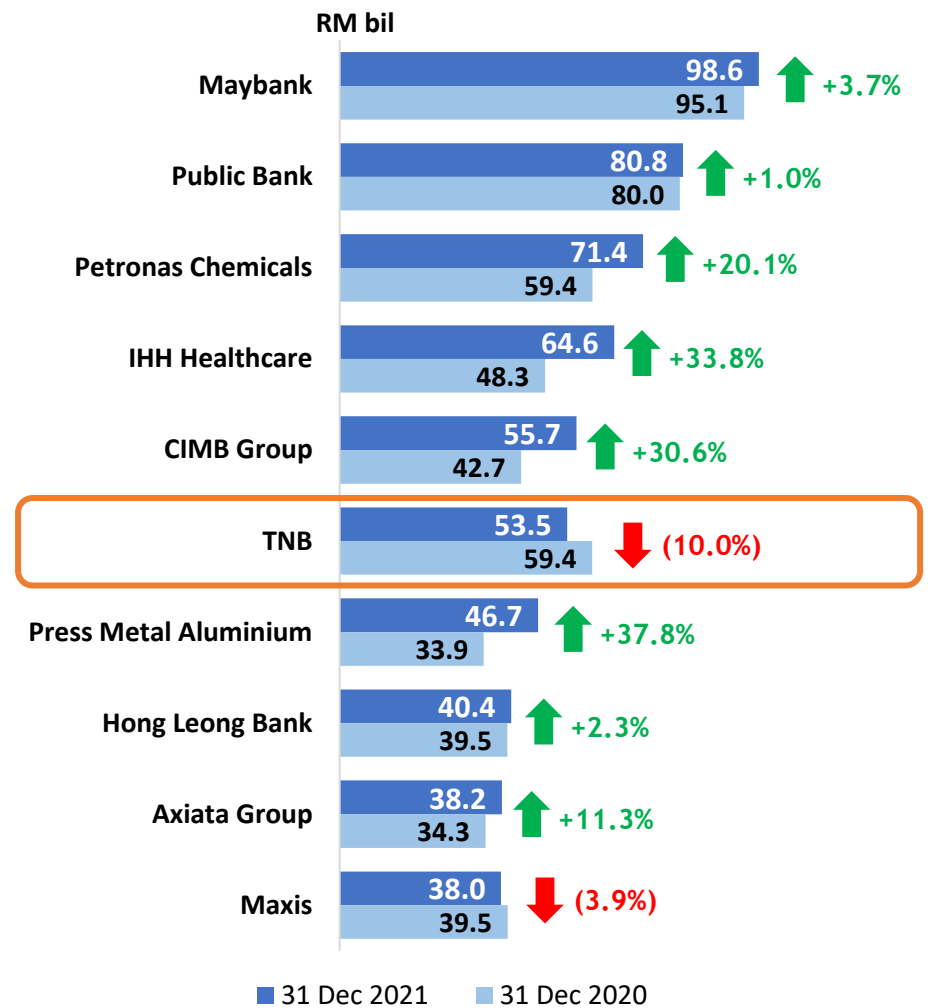


* Based on tonnage planned for delivery in FY'21

TNB market capitalisation of RM53.5bil as at 31st December 2021



Top 10 KLCI Stocks by Market Capitalisation



Note:
 1. Top 10 KLCI ranking by Market Capitalisation as at 31st December 2021
 2. TNB Latest Market Cap: RM52.5bil (7th), as at 21st February 2022

THANK YOU

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