



PRESS STATEMENT

S.A. 2020/08/57(HQ)

TNB WEATHERS CHALLENGING 1H 2020 TO REGISTER RM1.4 BILLION PAT

- Group's PAT halved to RM1.41 billion
- Revenue contracts 13.7% to RM22.55 billion
- RM1.26 billion interim dividend payout to shareholders

Tenaga Nasional Berhad's (TNB) group profit after tax (PAT) declined by 46.7 percent to RM1.41 billion in the First Half Financial Year 2020 (1HFY2020) from RM2.65 billion in the corresponding period last year. The lower PAT was largely due to the economic slowdown brought about by the COVID-19 pandemic and the implementation of the Movement Control Order (MCO), as well as volatile foreign exchange.

The Group's revenue decreased 13.7 percent to RM22.55 billion from RM26.12 billion in the same period last year mainly due to the lower contribution from subsidiaries and Imbalance Cost Pass Through (ICPT) being in a rebate position of RM520 million compared with RM1.79 billion surcharge position in the previous year's corresponding half.

Electricity sales for the six-month period was impacted by the closure of business premises during the MCO, moderating to 53,535.7 GWh compared with 58,521.1 GWh in the same period last year.

However, electricity demand is showing an uptrend with peak demand recorded at 17,484 MW in June, 17,724 MW in July, and 18,307 MW in August.¹

"The country is showing positive signs of economic recovery following the reopening of industrial and commercial sectors during the Recovery Movement Control Order (RMCO), which is also reflected by the upturn in electricity demand," said TNB President and Chief Executive Officer, Datuk Seri Amir Hamzah Azizan. "We expect the positive trend to continue and stabilise in the second half of the year."

EBITDA margin improved 4.9 percent year-on-year due to a 19.6 percent decrease in operating expenses in the first half of 2020 as the Group adapts to the prevailing operational requirement.

Despite the challenging environment, TNB continues to honor its dividend policy, rewarding shareholders with a RM1.26 billion interim dividend payout which translates to dividend per share of 22.0 sen.

¹ 30 June 2020, 3:40pm; 21 July 2020, 3:50pm, 10 August 2020, 3:50pm. Data from www.gso.org.my

Leading the way in COVID-19 Recovery

In supporting the government-initiated economic stimulus through PRIHATIN, TNB has pledged RM250 million towards the total of RM2.6 billion allocated for consumers' electricity bill discount for April-December 2020.

As part of a concerted effort to fight the COVID-19 outbreak, TNB has also contributed almost RM28 million to the Ministry of Health and State Governments to secure essential medical supplies and protective equipment.

Economy Outlook

The Malaysian economy registered a contraction of 17.1% in the second quarter of 2020, due to the stringent containment measures to control the COVID-19 pandemic which included various measures that restricted production and consumption activities.

However, the Malaysian economy is expected to recover gradually in the second half of 2020 as the economy progressively re-opens and external demand improves. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports and electricity generation. According to the Bank Negara Malaysia ('BNM') report dated 14th August 2020, the Malaysian economy is forecasted to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021.

Amid the challenging environment, the Board of Directors foresees a prospect of a gradual recovery on the Group performance for the remaining quarters of the financial year ending 31st December 2020, underpinned by the improving business activities momentum aided by the timely rollout of Government's stimulus package under its PENJANA economic recovery plan. The Group has taken prudent measures in terms of its operational and financial requirements to ensure it remains resilient.

Financial Highlights

RM' Million	6 Months Ended 30 th Jun'2020	6 Months Ended 30 th Jun'2019
Total Revenue	22,545.3	26,120.8
Operating Expenses	(18,683.2)	(21,621.2)
Other Operating Income	345.5	448.4
Operating Surplus (EBIT)	<u>4,046.0</u>	<u>4,578.4</u>
Finance Cost	(1,816.5)	(1,644.6)
Forex Translation Gain / (Loss)	(332.5)	(8.7)
Profit (before Forex Translation Gain / (Loss))	1,703.7	2,681.7
Profit Attributable to Owners of the Company	1,371.2	2,673.0
Profit for the Period	1,412.7	2,651.3
Earnings per share	24.10 sen	47.00 sen

About Tenaga Nasional Berhad

TNB's core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 30 June 2020, TNB supplies electricity to approximately 9.9 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provider of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services; services related to renewable energy, energy efficiency and power quality; higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation's progress. For further information, please visit www.tnb.com.my.

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