



# 1QFY2020 PRESENTATION TO ANALYST 10<sup>TH</sup> JUNE 2020

Unaudited Consolidated Result for the  
1<sup>st</sup> Quarter FY2020 Ending 31<sup>st</sup> December 2020

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## KEY HIGHLIGHTS > COVID-19

TNB is among the leading corporation and one of the notable contributor during this COVID-19 pandemic

*“This is a fight that we are all in. As heads of corporate companies whose successes were built on the shoulders of millions of Malaysians, we must now come together to give back”* - Datuk Seri Amir Hamzah Azizan, President and Chief Executive Officer of TNB.

Staggered electricity bill discounts from  
**2% - 50%** for 6 months (April – September 2020)

TNB supports the Government with **RM150 million** while the balance will be funded by the Government and KWIE (EIF)

Industry	Discount Rate
Hotel Operators, Travel Agencies, Local Airlines Offices, Shopping Malls, Convention Centers and Theme Parks	15%
Commercial	2%
Industrial	2%
Specific Agriculture	2%
Domestic :	
i) 0-200 kW or up to RM43.60	50%
ii) 201 – 300 kW or from RM43.70 until RM77	25%
iii) 301 – 600 kW or from RM77.10 until RM231.80	15%
iv) > 600 kW or RM 231.90 and above	2%

### Medical Supplies



**RM10 million** for the Ministry of Health's purchase of medical equipment and supplies.



**RM17.5 million** to the State Governments to procure the necessary medical equipment like ventilators and other supplies.



**RM1 million** to help the B40 community & orphanages and to purchase materials to make personal protective equipment for the medical frontliners.

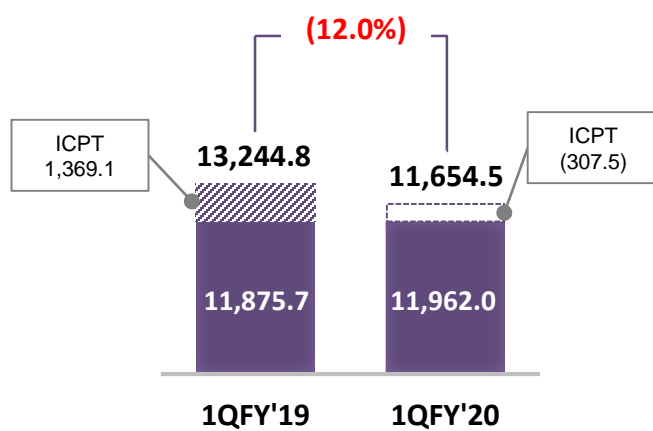
**Easy Payment Plan** for residential customers' electricity bills



## Forex Volatility due to Uncertainties in the Global Economy Impacted our Results

### REVENUE

RM mil

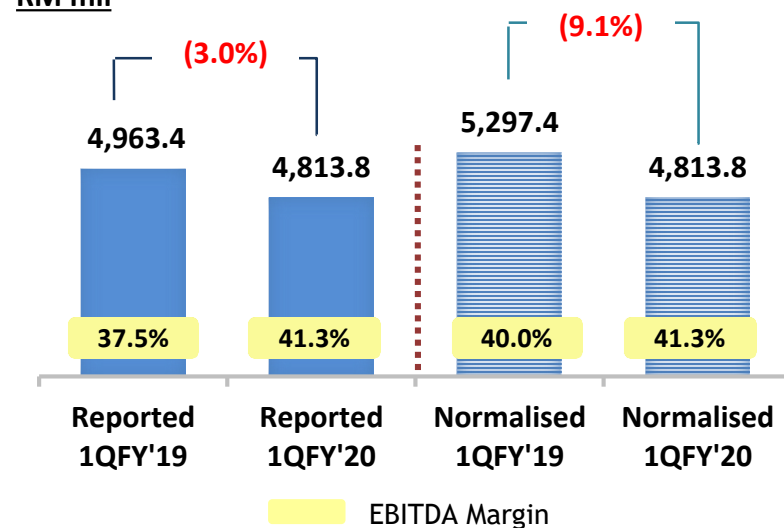


- Sales of electricity (Peninsula) recorded stable at 27,938.2 GWh
- However the overall revenue is impacted by the ICPT being in the rebate position in 1QFY'20.

	1QFY'19	1QFY'20
ICPT (RM mil)	1,369.1	(307.5)

### EBITDA

RM mil

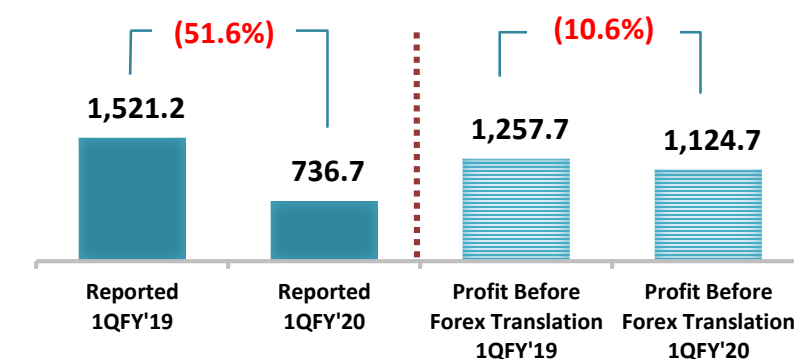


EBITDA margin improved 3.8% YoY due to lower Operating Expenses by 15.4% recorded in 1QFY'20.

(please refer Normalised EBITDA & PAT slide for details)

### PROFIT AFTER TAX

RM mil



Reported PAT in 1QFY'20 includes Unrealised Forex loss of RM388.0mil.



## Y-o-Y Normalised EBITDA & PAT impacted by Retail Business whilst Revenue Cap Entities Remain Intact

EBITDA		
	1Q FY'19	1Q FY'20
Components	RM mil	RM mil
Reported EBITDA	4,963.4	4,813.8
Impairment <sup>1</sup>	+334.0	-
Normalised EBITDA	5,297.4	<sup>2</sup> 4,813.8

PROFIT AFTER TAX		
	1Q FY'19	1Q FY'20
Components	RM mil	RM mil
Reported PAT	1,521.2	736.7
Impairments	+334.0	-
Forex Translation	-263.5	+388.0
Normalised PAT	1,591.7	<sup>2</sup> 1,124.7

1

Impairment Item	1Q FY'19 (RM mil)
GMR	198.3
Financial Guarantee for GAMA	135.7

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Lower Normalized EBITDA and PAT in 1QFY'20 mainly due to :

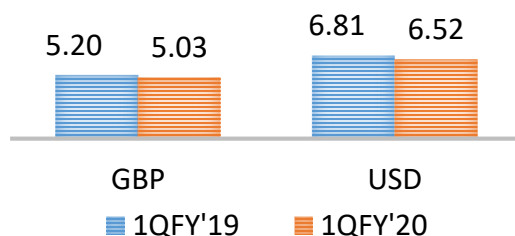
- Reversal of Long Term Incentive Plan (LTIP) provision in 1QFY'19 of around RM220mil.
- MFRS 16 movement (capacity payment) of RM143.9mil – impact : Reducing EBITDA & PAT in 1QFY'20
- MFRS 16 net movement of RM186.2mil – impact : Reducing PAT in 1QFY'20
- Retail loss of around RM90mil as against approved IBR Profit (RM5.7mil for 1QFY'20) mainly due to higher allowance for doubtful debt.



## Another Quarter of Favourable Performance for UK Investments

### Vortex Solar UK Limited

#### EBITDA (mil)



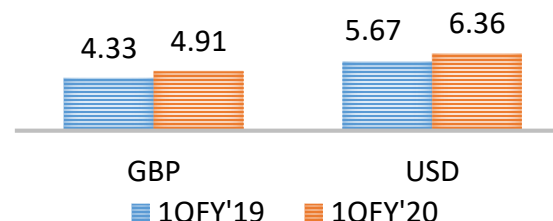
- Actual EBITDA performance exceeded budgeted performance by 4% due to higher actual production driven by higher irradiance in UK (7.9% above expectation) and lower operational expenditure due to less corrective maintenance.
- Accumulated cash distribution as at Dec 2019 is GBP16.84mil.

#### Outlook for Vortex:

- Given the current economic condition, wholesale price decline due to the low demand is partially cushioned by the ROC subsidy scheme.
- As the economic lockdown is gradually lifted, wholesale prices are expected to rebound in tandem with demand improvement.

### Tenaga Wind Ventures (TWV)

#### EBITDA (mil)



- Higher 1Q FY'20 EBITDA due to higher actual production driven by higher wind availability in UK and lower operational expenditure.
- Actual performance has exceeded budgeted performance.
- Accumulated cash distribution as at Dec 2019 is GBP25.61mil.
- TNB had acquired the remaining 20% stake of TWV in March 2020.

#### Outlook for TWV:

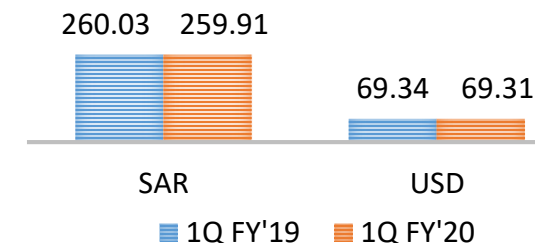
- Despite current economic condition due to Covid-19 pandemic and low oil prices, TWV revenues remain insulated from low wholesale prices due to the FIT subsidy scheme and early lock-in PPA prices.

#### Outlook for UK Investments:

TNB will leverage on existing UK assets and market experience to build up a sizeable renewable energy portfolio by 2021 through acquisition of both operating assets and development of greenfield projects.

### Shuaibah

#### EBITDA (mil)



- Stable EBITDA recorded in 1QFY'20.
- Accumulated cash distribution as at Dec 2019 is c.USD37.08mil (116% of our cost of investment).

#### Outlook for Shuaibah:

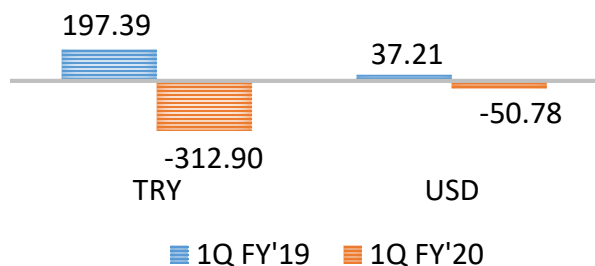
- Weaker demand due to Covid-19 Economic lockdown serves minimal impact to Shuaibah as favorable revenue structure is already in place. Shuaibah is expected to remain positive with a steady dividend distribution to shareholders.



## No impact of COVID-19 on GAMA & GMR for the quarter, but we will continue to assess the market conditions and strive to ensure performance stability

### GAMA Enerji A.S.

#### EBITDA (mil)\*



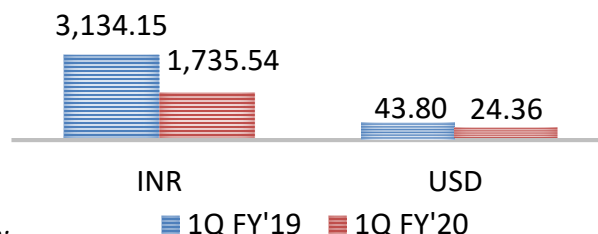
- GAMA Enerji has turned around operationally by sustaining high availability and reliability for all of its assets with minimal forced outage. GAMA Enerji's CCGT has been operating at full block capacity post turbine breakdown.
- Lower EBITDA in 1Q FY'20 is due to impairment at asset level driven by unfavorable economy condition i.e. low electricity market prices and high forex. (Note that impairment at the asset level has no further impact to TNB as the investment in GAMA has been fully impaired in TNB's book in FY'18)

#### Outlook for GAMA:

- Electricity market prices are expected to be depressed on weak electricity demand due to economic lockdown from Covid-19. However, we expect some improvement in 2H FY'20 as lockdown measures are gradually lifted.
- GAMA Enerji's CCGT debt restructuring had achieved a positive milestone with the signing of a Non Binding Term Sheet by GEAS and the lenders (definitive agreement is expected to be completed by the end of FY'20).

### GMR Energy Limited (GEL)

#### EBITDA (mil)\*



- Lower EBITDA in 1Q FY'20 due to monsoon season and coal mine strike which affected coal quality and quantity supplied to power plants resulting in higher fuel cost.

#### Outlook for GEL:

- Due to the economic lockdown, power demand fell 24% YoY and is not expected to ease in near future.
- The management of GEL are now executing its restructuring strategy which will benefit all shareholders. Part of restructuring efforts are through asset monetization such as sale of assets. However due to Covid-19 economic lockdown, it is expected that there will be some delay on the completion of the transaction.

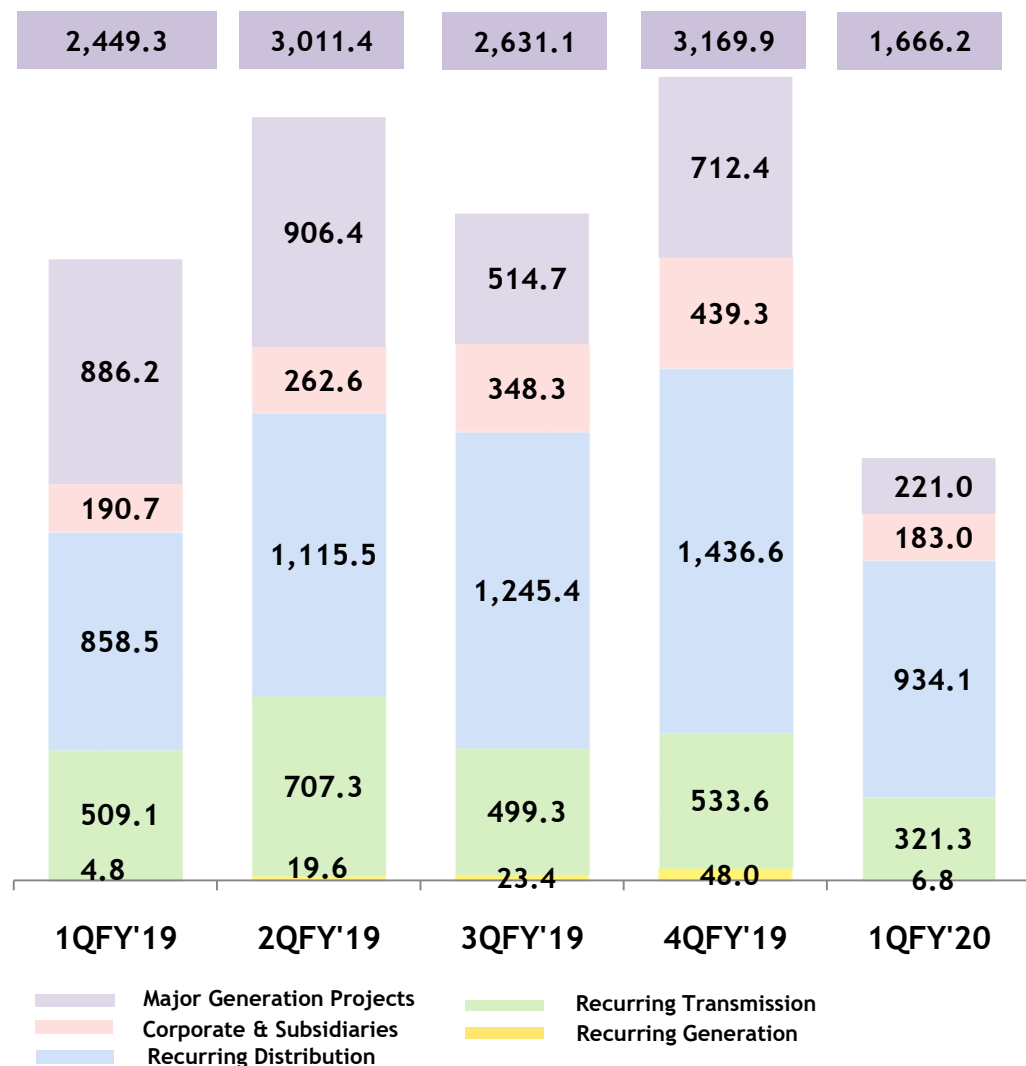
Note:

\* Reported 3 months lagging  
YTD EBITDA at 100% shareholdings



## Regulated CAPEX Spending within Expectation

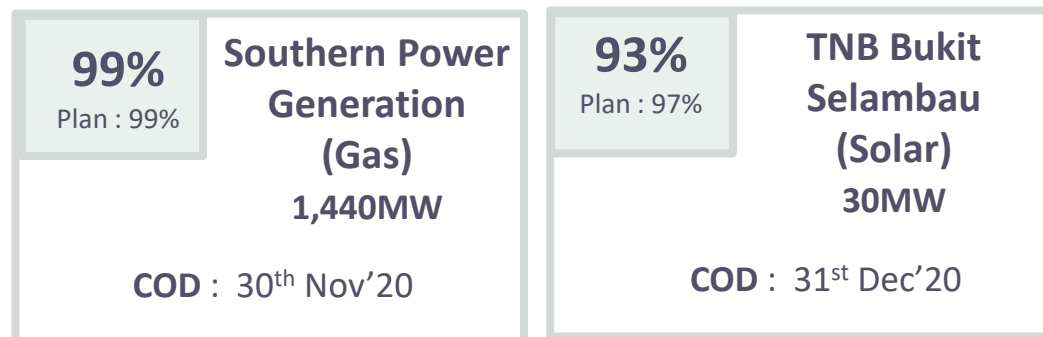
RM mil



FY	RP2 REGULATED ENTITIES CAPEX		
	IBR Approved (RM mil)	Actual YTD (RM mil)	Utilization (%)
2018	6,263.7	6,680.0	
2019	6,188.1	7,097.6	
2020	6,391.4	1,265.4 As at Mar'20	
TOTAL	18,843.2	15,043.0	79.8

\*The balance of the Regulated CAPEX for FY2020 is RM3,800 million

### Major Generation Projects Physical progress as at Mar'20





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## Y-o-Y Sales of Electricity Remains Relatively Stable

	1QFY'20		1QFY'19		Variance (1QFY'20 vs 1QFY'19)	
UNITS SOLD	GWh		GWh		GWh	%
<b>Sales of Electricity (GWh)</b>						
- TNB	27,938.2		28,471.1		(532.9)	(1.9)
- SESB	1,336.8		1,354.5		(17.7)	(1.3)
- EGAT (Export)	-		-		-	-
- LPL	1	68.2	148.1	(79.9)	(54.0)	
- UK WIND (TNBI)	2	31.8	24.1	7.7	32.0	
<b>Total Units Sold (GWh)</b>	<b>29,375.0</b>		<b>29,997.8</b>		<b>(622.8)</b>	<b>(2.1)</b>
REVENUE	RM mil	Sen/ KWh	RM mil	Sen/ KWh	(RM mil)	Sen/KWh
<b>Sales of Electricity (RM)</b>						
- TNB *	11,477.7	40.23	11,331.3	39.8	146.4	1.3
- SESB	467.5	34.55	461.8	34.1	5.7	1.2
- Accrued Revenue	3	(243.0)	117.0	(360.0)	>(100.0)	
- EGAT (Export)	0.1	-	0.1	-	-	-
- LPL	43.1	63.2	88.3	59.6	(45.2)	(51.2)
- UK WIND (TNBI)	33.5	105.3	31.3	129.9	2.2	7.0
<b>Sales of Electricity</b>	<b>11,778.9</b>	<b>40.1</b>	<b>12,029.8</b>	<b>40.1</b>	<b>(250.9)</b>	<b>(2.1)</b>
LPL Operating Lease (MFRS117 prior FY2019)	-		9.3	(9.3)	(100.0)	
Imbalance Cost Pass-Through	4	(307.5)	1,369.1	(1,676.6)	>(100.0)	
Other Regulatory Adjustment	5	(165.7)	(523.9)	358.2	(68.4)	
SESB Tariff Support Subsidy	115.6	125.3	(9.7)	(7.7)		
<b>Total Sales of Electricity</b>	<b>11,421.3</b>		<b>13,009.6</b>	<b>(1,588.3)</b>	<b>(12.2)</b>	
Goods & Services	149.1		170.5	(21.4)	(12.6)	
Construction contracts	12.8		1.6	11.2	>100.0	
Customers' Contribution	71.3		63.1	8.2	13.0	
<b>Total Revenue</b>	<b>11,654.5</b>		<b>13,244.8</b>	<b>(1,590.3)</b>	<b>(12.0)</b>	

- Lower unit sold & revenue due to plant shutdown resulted from shortage of gas supply and forced outages  
LPL has been experiencing continuous disruption of gas supply particularly in 1Q and 4Q
- Better performance due to minimal unscheduled outages
- Lower consumption for bills rendered due to implementation of Movement Control Order (MCO)
- A rebate situation in 1QFY20 due to lower coal and gas prices (Refer Y-o-Y Fuel Cost slide)
- Refer Appendix :  
Other Regulatory Adjustment Part 1 & 2

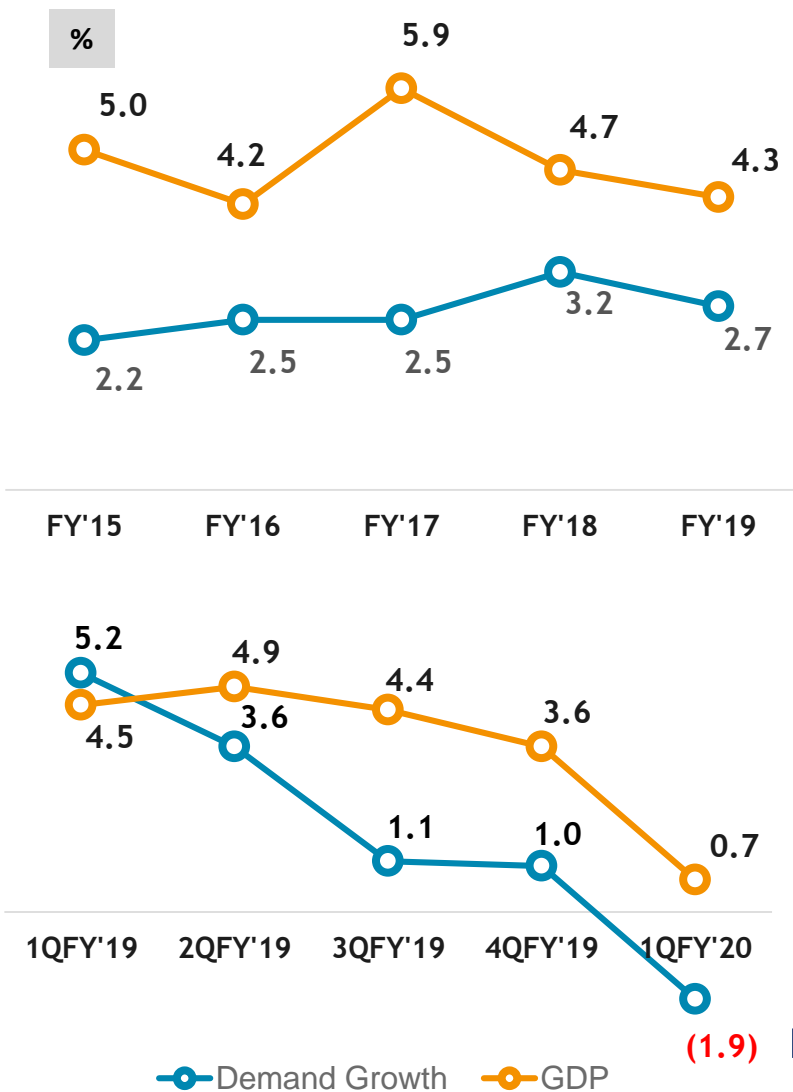
TNB Sepang Solar units generated  
as at Mar'20 : 29.4 GWh  
Expected UG as at Mar'20 : 26.1 GWh

\* Without ICPT

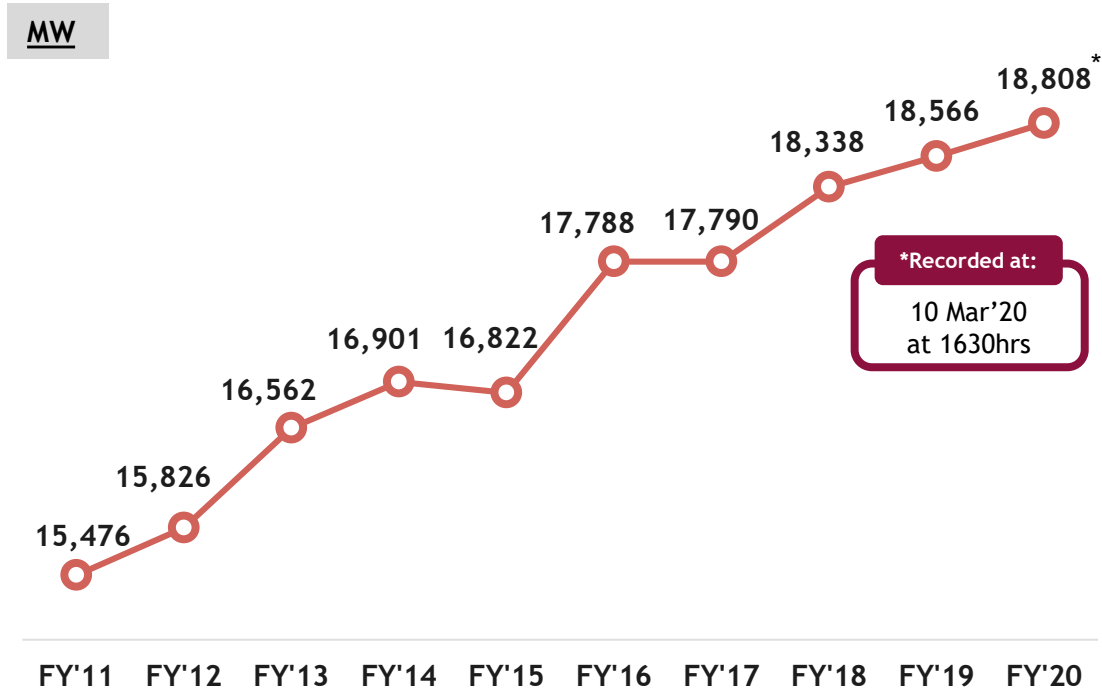


# Electricity Demand in line with GDP Growth

GDP & TNB (Peninsula) Demand Growth



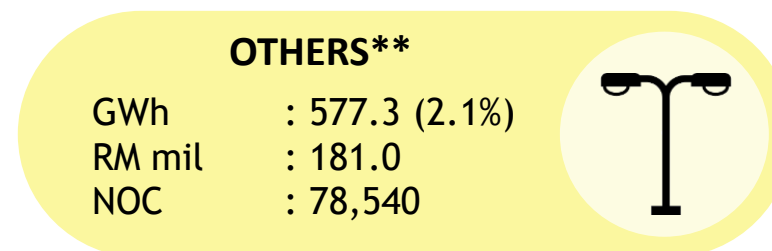
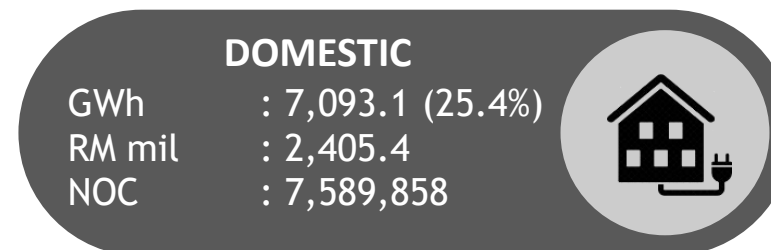
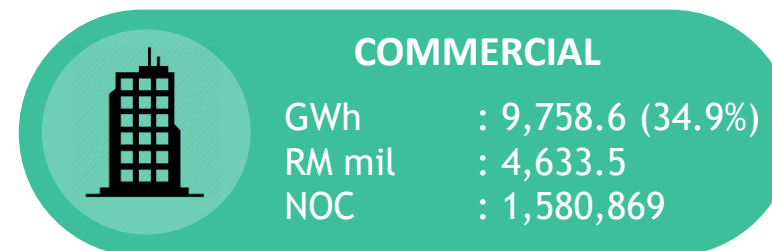
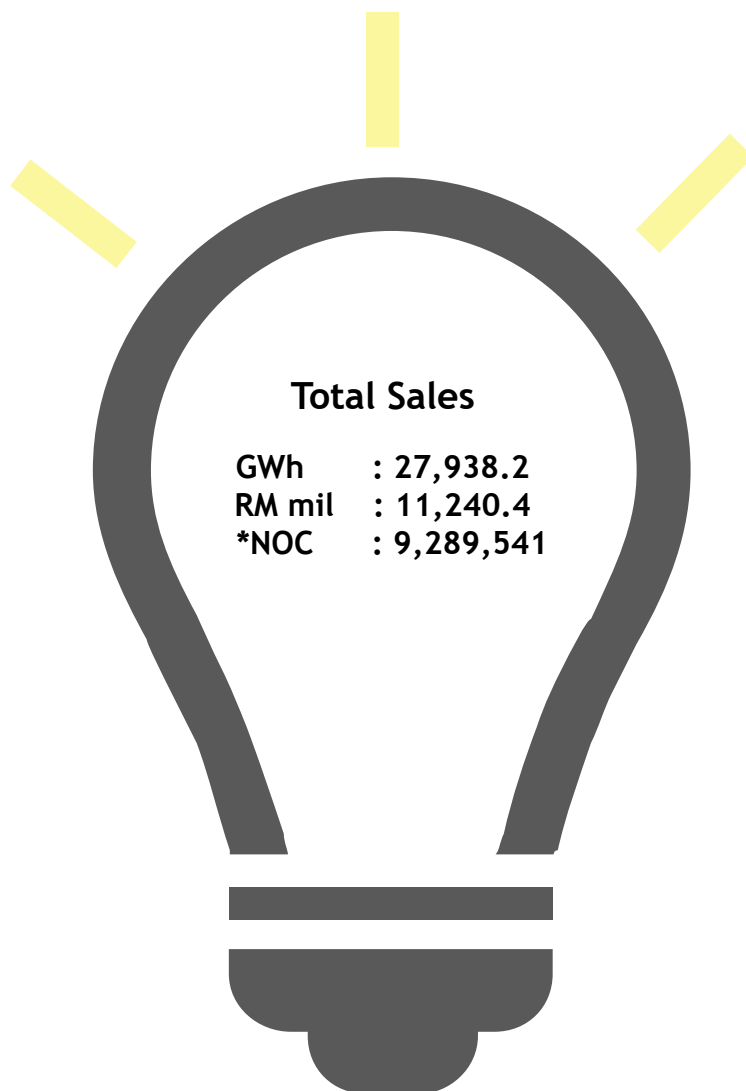
TNB (Peninsula) Yearly Peak Demand



	1QFY'20	1QFY'19	Variance (%)
Total Unit Sales (GWh)	27,938.2	28,471.1	(1.9)



## Sales (Peninsula) by Category for 1QFY'20

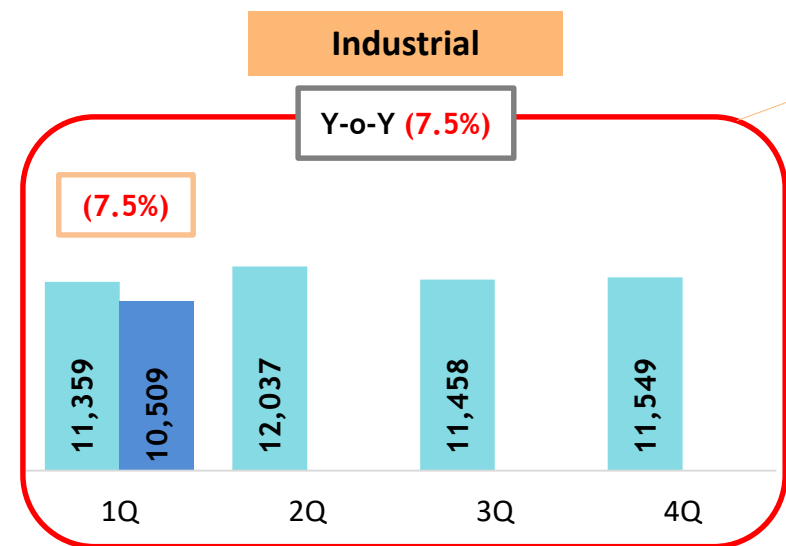


\*NOC - Number of customers

\*\*Includes Streetlight, Agriculture & Mining



## Slowing down in the Industrial Sector due to Global Economy Challenges

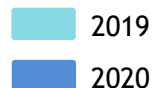


1Q main contributors for the drop :

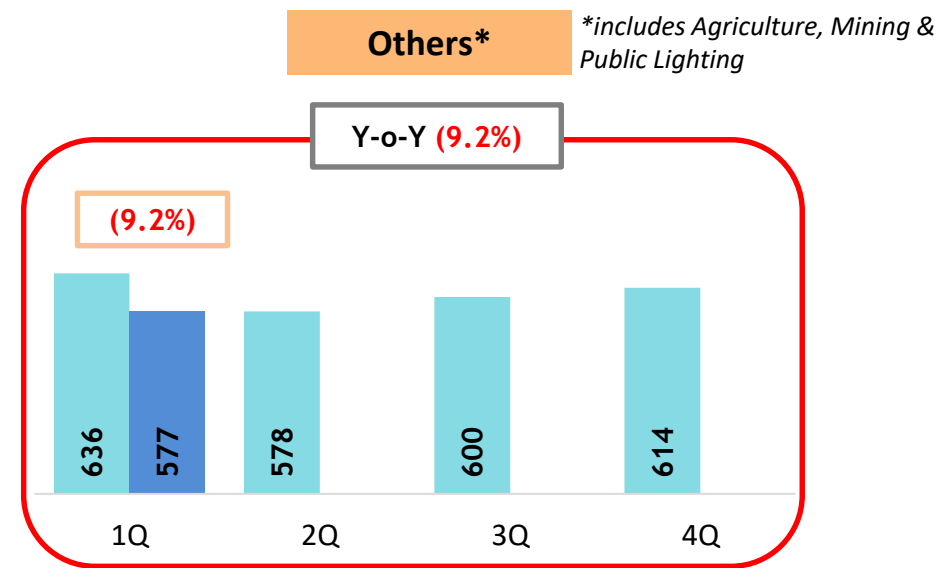
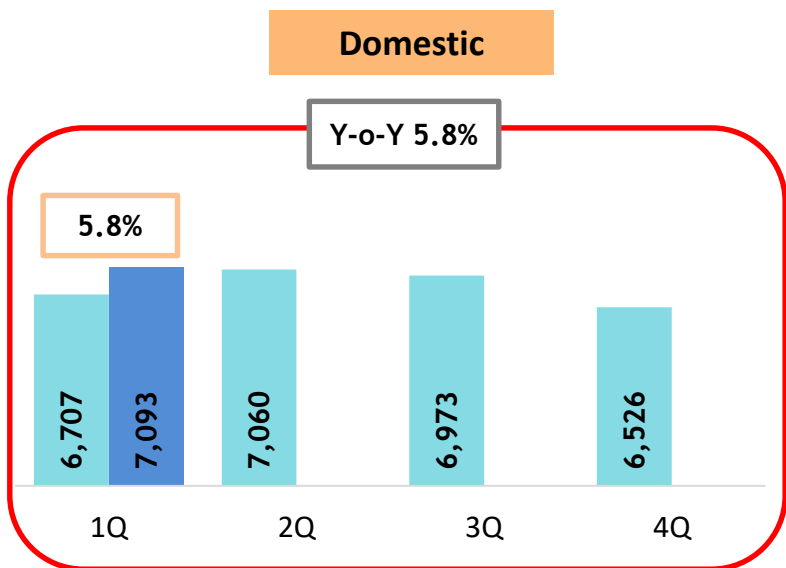
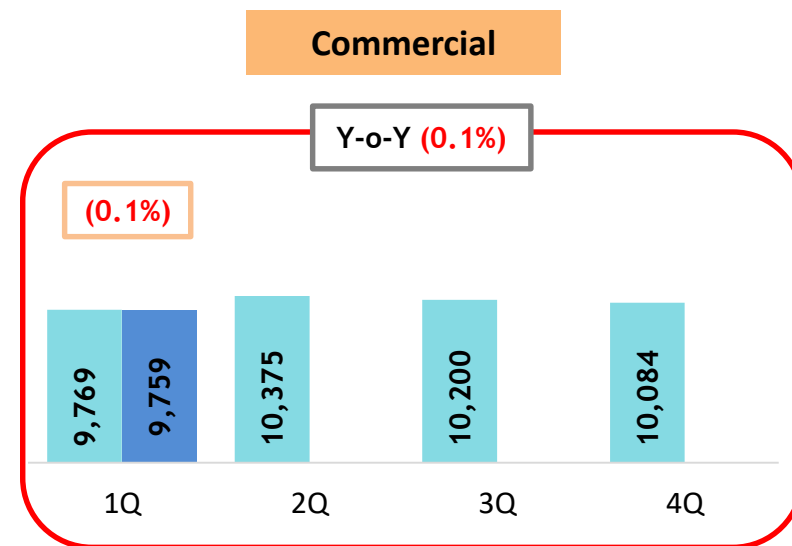
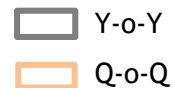
- Iron & steel
- Electric & Electronic
- Edible Oil Products

Impacted due to Movement Control Order (MCO) implemented at the end of Mar'20

Unit Sales



Growth





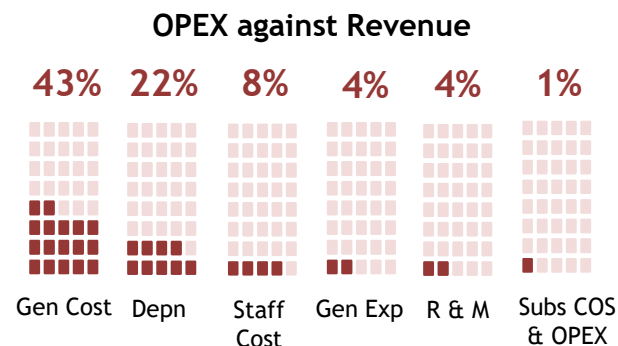
## Lower Operating Expenses due to Weaker Fuel Prices and Better Cost Management

	1QFY'20 (RM mil)	1QFY'19 (RM mil)	Variance (1QFY'20 vs 1QFY'19)	
			RM mil	%
<b>Non-TNB IPPs Costs</b>	<b>2,420.0</b>	<b>3,581.0</b>	<b>(1,161.0)</b>	<b>(32.4)</b>
Capacity Payment	21.6	59.3	(37.7)	(63.6)
Energy Payment	2,398.4	3,521.7	(1,123.3)	(31.9)
<b>TNB Fuel Costs</b>	<b>2,599.7</b>	<b>2,511.3</b>	<b>88.4</b>	<b>3.5</b>
Fuel Costs	2,717.1	3,164.7	(447.6)	(14.1)
Fuel Price Adjustment	(49.1)	(592.0)	542.9	(91.7)
Fuel Subsidy - SESB	(68.3)	(61.4)	(6.9)	11.2
<b>Total Cost of Generation</b>	<b>5,019.7</b>	<b>6,092.3</b>	<b>(1,072.6)</b>	<b>(17.6)</b>
<b>Staff Costs</b>	<b>893.9</b>	<b>729.2</b>	<b>164.7</b>	<b>22.6</b>
Repair & Maintenance	504.4	460.7	43.7	9.5
TNB General Expenses	439.0	494.7	(55.7)	(11.3)
<b>Subs. Cost of Sales &amp; Opex</b>	<b>97.6</b>	<b>446.3</b>	<b>(348.7)</b>	<b>(78.1)</b>
<b>Total Non-Generation Costs</b>	<b>1,934.9</b>	<b>2,130.9</b>	<b>(196.0)</b>	<b>(9.2)</b>
<b>Total Operating Expenses (without Depreciation)</b>	<b>6,954.6</b>	<b>8,223.2</b>	<b>(1,268.6)</b>	<b>(15.4)</b>
<b>Depreciation &amp; Amortisation</b>	<b>2,590.0</b>	<b>2,457.5</b>	<b>132.5</b>	<b>5.4</b>
<b>Total Operating Expenses</b>	<b>9,544.6</b>	<b>10,680.7</b>	<b>(1,136.1)</b>	<b>(10.6)</b>

- Higher staff cost in 1QFY20 due to reversal of LTIP of around RM220.0mil made in 1QFY'19
- Reduction mainly due to
  - No impairment made in 1QFY'20

1QFY'20	1QFY'19
NIL	RM198.3mil (Impairment made for GMR)

  - Lower Cost of Sales & OPEX of subsidiaries
- Increase due to additional depreciation of Jimah East Power (JEP)





## Lower Fuel Costs due to Cheaper Fuel Prices

**Table A**

TNB & IPP Fuel Costs for Peninsula (RM mn)				
Fuel Type	1QFY'20	1QFY'19	Variance	
			RM mil	%
Coal	2,577.0	2,786.1	(209.1)	(7.5)
Gas	1,900.2	2,688.2	(788.0)	(29.3)
LNG	0.0	44.1	(44.1)	(100.0)
Dist.	10.7	14.0	(3.3)	(23.6)
Oil	7.1	9.3	(2.2)	(23.7)
Total*	4,495.0	5,541.7	(1,046.7)	(18.9)

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

Note: Fuel Costs exclude solar

**Table B**

TNB & IPP Units Generated for Peninsula (Gwh)				
Fuel Type	1QFY'20	1QFY'19	Variance	
			Gwh	%
Coal	20,626.7	17,176.8	3,449.9	20.1
Gas & LNG	9,721.3	13,167.7	(3,446.4)	(26.2)
Dist.	-	20.7	(20.7)	(100.0)
Oil	0.1	23.9	(23.8)	(99.6)
Hydro	1,333.7	914.7	419.0	45.8
Solar	226.0	140.3	85.7	61.1
Total	31,907.8	31,444.1	463.7	1.5

**Table C**

Fuel Cost Related Data	1QFY'20	1QFY'19
Daily Average Piped Gas Volume (mmscfd)	755	961
Daily Average LNG Volume (mmscfd)	0	98
Average LNG Price (RM/mmbtu)	26.86**	36.59
Average Piped Gas Price (RM/mmbtu)		27.20
Average Coal Price Delivered (USD/MT)(CIF)	68.6	91.8
Average Coal Price Delivered (RM/MT)(CIF)	289.3	375.3
Coal Consumption (mn MT)	8.8	7.3
Generation cost per unit (sen/kWh)	14.1	17.7

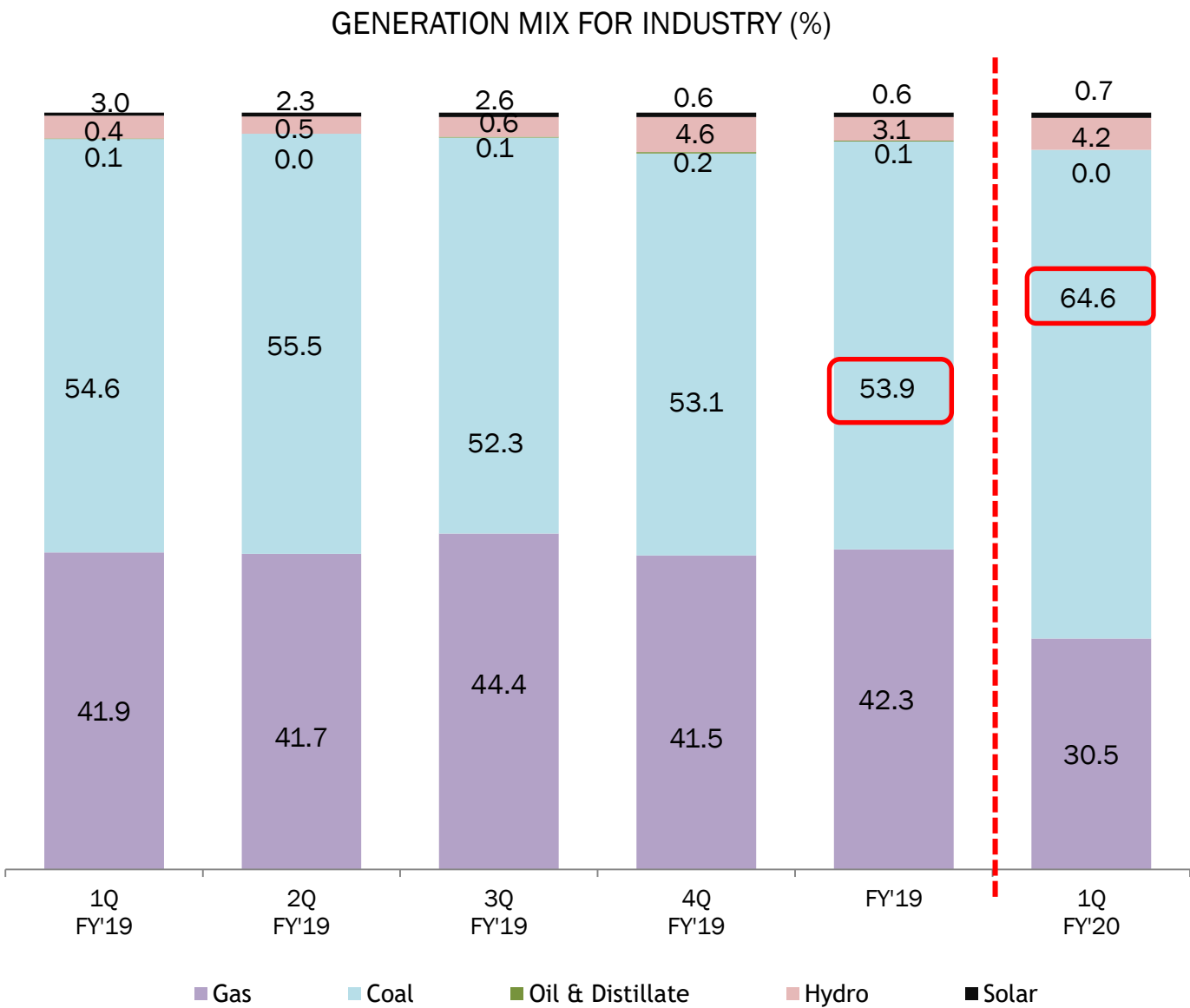
\*\*Reference Market Price (RMP) starting January 2020

**Table D**

Average Coal Price Delivered (USD/MT)				
	1QFY'20	1QFY'19	Variance	
			USD	%
FOB	60.9	83.7	(22.8)	(27.2)
Freight	7.2	7.6	(0.4)	(5.3)
Others	0.6	0.5	0.1	20.0
CIF	68.7	91.8	(23.1)	(25.2)



# Higher Units Generated from Coal in 1QFY'20 with the Full Operation of JEP U1 & U2







## Continuous Effective ICPT Implementation

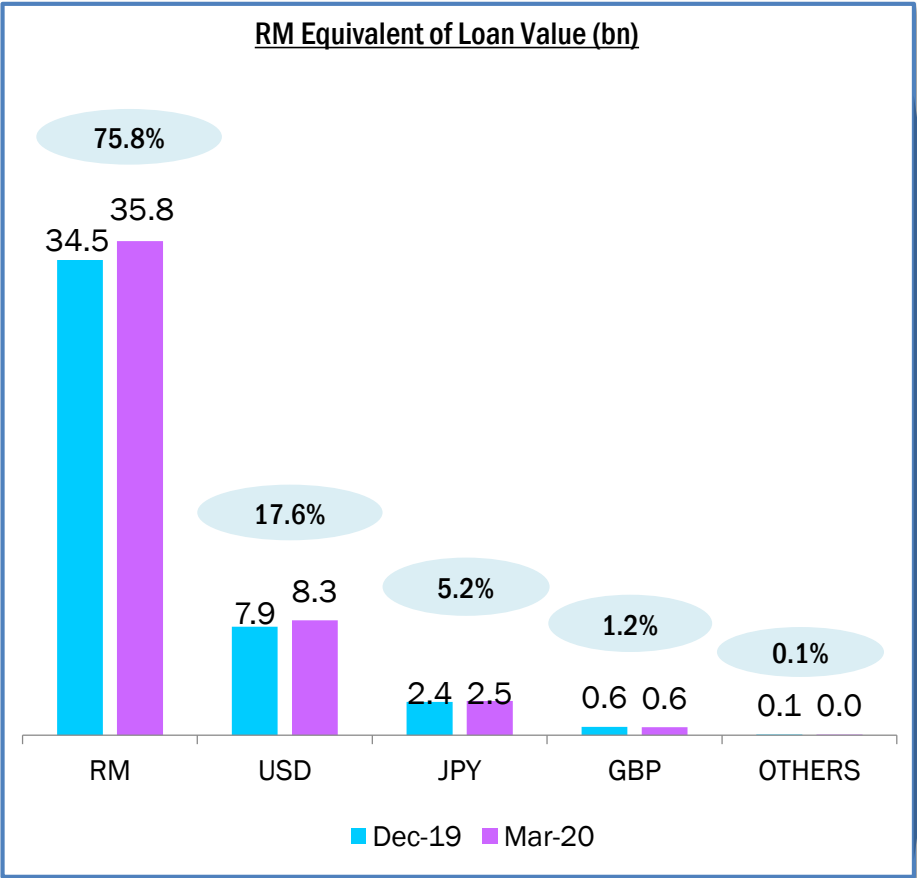
	1QFY'19 (RM mil)	2QFY'19 (RM mil)	3QFY'19 (RM mil)	4QFY'19 (RM mn)	1QFY'20 (RM mn)
Reported Total Cost of Generation (with MFRS16)	6,092.3	6,302.6	5,903.4	5,844.1	5,019.7
Adjustment not related to IBR:	1,671.6	1,107.7	1,263.1	800.0	1,008.7
<i>Fuel Price Adjustment</i>	592.0	64.8	311.6	(90.5)	49.1
<i>MFRS16 &amp; 117 (Capacity payment)</i>	1,254.5	1,286.3	1,210.1	1,121.9	1,102.4
<i>SESB Net Generation Cost</i>	(122.8)	(118.8)	(154.4)	(157.0)	(117.6)
<i>LPL Fuel Cost</i>	(52.1)	(124.6)	(104.2)	(74.4)	(25.2)
TNB Capacity and VOR: SLA & SPV	1,306.1	1,143.5	943.5	1,058.0	1,220.8
<b>Total Generation Costs (Related to IBR)</b>	<b>9,070.0</b>	<b>8,553.8</b>	<b>8,110.0</b>	<b>7,702.1</b>	<b>7,249.2</b>

	1QFY'19 (RM mil)	2QFY'19 (RM mil)	3QFY'19 (RM mil)	4QFY'19 (RM mn)	1QFY'20 (RM mn)
Single Buyer Actual Generation Costs: <b>(A)</b>	9,070.0	8,553.8	8,110.0	7,702.1	7,249.2
Actual Sales (Gwh)	28,471.1	30,050.0	29,230.4	28,773.9	27,938.2
Single Buyer Tariff (RM/kwh)	0.2705	0.2705	0.2705	0.2705	0.2705
Actual Gen Cost Recovered (RM mn) <b>(B)</b>	7,701.4	8,127.4	7,906.3	7,782.9	7,556.7
<b>ICPT Surcharge / (Rebate) (C)</b> <b>(C = A - B)</b>	1,368.6	426.3	203.8	(80.8)	(307.5)
(+) Prior Year Accounting Adjustment	0.5	(0.5)	0.0	0.0	0.0
<b>ICPT</b>	<b>1,369.1</b>	<b>425.8</b>	<b>203.8</b>	<b>(80.8)</b>	<b>(307.5)</b>



# New drawdown of RM1bil increases Gearing Level



Note:  
1. Debt consists of Principal + Accrued Interest

Statistics		31 <sup>st</sup> Mar'20	31 <sup>st</sup> Dec'19
1	Total Debt (RM' Bil)	47.3	45.4
	Net Debt (RM' Bil)*	31.3	31.2
1	Gearing (%)	45.8	43.4
	Net Gearing (%)	30.3	29.8
	Fixed : Floating	98:2	98:2
	Final Exposure	98:2	98:2
2	Effective Average Cost of Borrowing (based on exposure) **	5.01	5.06

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

\*\* Inclusive of interest rate swap

- 1
- New drawdown of RM1bil for working capital purposes
- 2
- Reduced due to lower interest rate of the new drawdown.

Closing FOREX	31 <sup>st</sup> Mar'20	31 <sup>st</sup> Dec'19
USD/RM	4.29	4.09
100YEN/RM	3.96	3.77
GBP/RM	5.30	5.37
USD/YEN	108.24	105.40

# CONTENT OVERVIEW



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KEY HIGHLIGHTS

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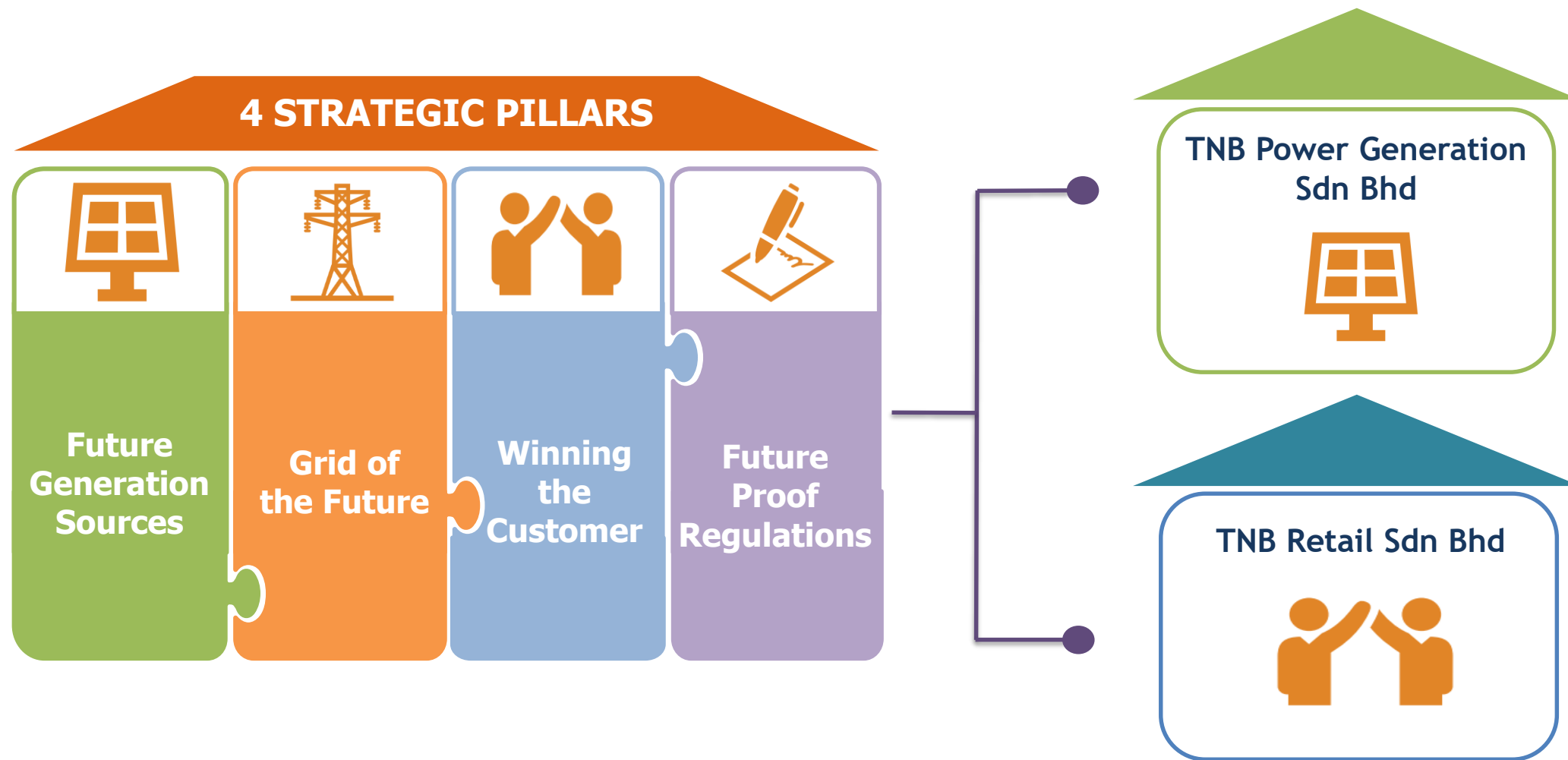
**STRATEGY & OUTLOOK**

04

APPENDIX



## Continuing Our Efforts to Achieve Reimagining TNB 2025 Despite COVID-19 Lockdown Challenges



**Our internal reorganization exercise will continue as planned**



## ELECTRICITY DEMAND



- Demand contraction of 1.9% recorded in 1QFY'20.
- Due to the Covid-19 pandemic and implementation of MCO, demand for May'20 fell by 10.6% as compared to May'19.
- Moving forward, we expect the overall electricity consumption to drop between 7-15% Y-o-Y this year, mainly due to slowdown of activities in the commercial sector.
- However, earnings of our regulated revenue cap entities are guaranteed at demand growth of 1.8% - 2.0% as stipulated by the IBR guidelines in RP2.

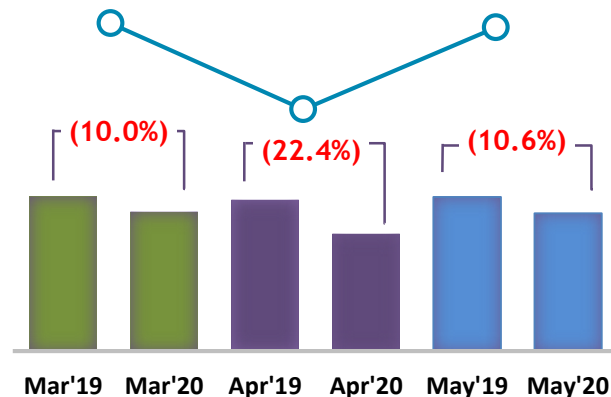
## CASH FLOW



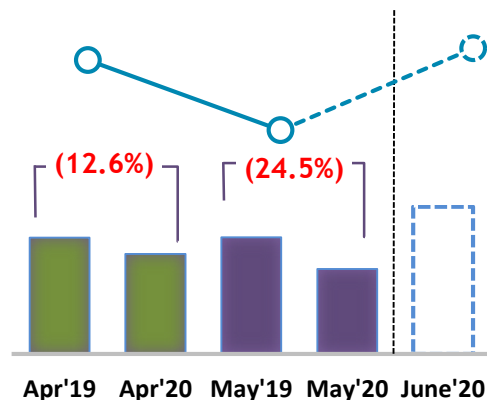
- Our cash flow is still resilient supported by the recent capital drawdown. Furthermore, we commanded good rates in the exercise due to our robust and strong balance sheet.
- For 1QFY'20, the allowance for doubtful debt is RM99.1 mil.
- We expect continued challenges on our collection based on the prolonged impact of COVID-19 pandemic & prediction by the Department of Statistics Malaysia (DOSM) that the country is heading into an economic recession in the next four to six months. This is indicated by the drop of our sales collection by 29.9% for May'20 as compared to May'19. However, the trend in early days of June seems to be improving and we will continue to monitor the collection on a regular basis.

## SNAPSHOT OF DEMAND, SALES AND COLLECTION

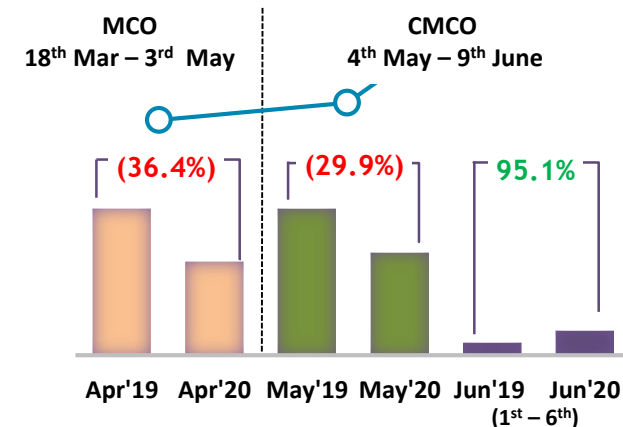
### DEMAND/UNIT GENERATED (GWh)



### SALES (GWh)



### COLLECTION (RM)



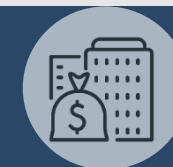


## INTERNATIONAL



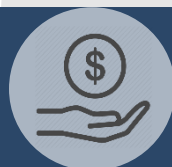
- The COVID-19 pandemic is impacting the progress of our initiatives to reduce the current exposure, including the restructuring & turnaround exercise, and sale of investment in particular for GAMA & GMR. However, UK assets are insulated by the long-term subsidy scheme.
- TNB had acquired the remaining 20% stake of TWV in March 2020. We will use our UK Investments & Assets as a platform to grow our Renewable Energy portfolio due to its huge growth potential as the world shifts towards sustainable energy sources.

## CAPEX



**RM9.5 – 10.0bil**

- Regulated Recurring : RM5.0 – 5.5bil
- Others : RM4.0 - 5.0bil



## DIVIDEND POLICY

We will continue to honour our dividend policy of **30% to 60%** dividend payout ratio, based on the reported Consolidated Net Profit Attributable to Shareholders After Minority Interest, excluding Extraordinary, Non-Recurring items.

# CONTENT OVERVIEW



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**APPENDIX**



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

RM mn	1QFY'20	1QFY'19	Variance	
			RM mn	%
Revenue	11,654.5	13,244.8	(1,590.3)	(12.0)
Operating expenses (without depreciation)	(6,954.6)	(8,223.2)	1,268.6	(15.4)
Net loss on impairment of financial instruments	(101.6)	(279.7)	178.1	(63.7)
Other operating income	215.5	221.5	(6.0)	(2.7)
<b>EBITDA</b>	<b>4,813.8</b>	<b>4,963.4</b>	<b>(149.6)</b>	<b>(3.0)</b>
EBITDA Margin (%)	41.3%	37.5%		
Depreciation	(2,590.0)	(2,457.5)	(132.5)	5.4
<b>EBIT</b>	<b>2,223.8</b>	<b>2,505.9</b>	<b>(282.1)</b>	<b>(11.3)</b>
<b>Foreign exchange:</b>				
- Transaction loss	(14.8)	(56.0)	41.2	(73.6)
- Translation gain / (loss)	(388.0)	263.5	(651.5)	>(100.0)
Share of results of joint ventures	6.3	5.8	0.5	8.6
Share of results of associates	9.4	(11.9)	21.3	>(100.0)
<b>Profit before finance cost</b>	<b>1,836.7</b>	<b>2,707.3</b>	<b>(870.6)</b>	<b>(32.2)</b>
Fair value changes of financial instrument	(26.0)	(57.5)	31.5	(54.8)
Finance income	103.7	128.3	(24.6)	(19.2)
Finance cost	(898.0)	(704.5)	(193.5)	27.5
<b>Profit from ordinary activities before taxation</b>	<b>1,016.4</b>	<b>2,073.6</b>	<b>(1,057.2)</b>	<b>(51.0)</b>
<b>Taxation and Zakat:</b>				
- Company and subsidiaries	(479.0)	(513.8)	34.8	(6.8)
- Deferred taxation	199.3	(38.6)	237.9	>(100.0)
<b>Profit for the period</b>	<b>736.7</b>	<b>1,521.2</b>	<b>(784.5)</b>	<b>(51.6)</b>
<b>Attributable to:</b>				
- Owners of the Company	717.9	1,556.8	(838.9)	(53.9)
- Non-controlling interests	18.8	(35.6)	54.4	>(100.0)
<b>Profit for the period</b>	<b>736.7</b>	<b>1,521.2</b>	<b>(784.5)</b>	<b>(51.6)</b>





## Net MFRS16 Impact of RM163.4 million to the Group PAT

As of 1QFY'20, the net impact of MFRS 16 is negative to the PAT by **RM163.4 mil**

Profit & Loss Items 1QFY'20			
RM mil	With MFRS 16	Without MFRS 16	Variance
<b>Revenue</b>	<b>11,654.5</b>	<b>11,654.5</b>	<b>0.0</b>
Capacity Payment	(21.6)	(967.8)	946.2
<b>EBITDA</b>	<b>4,813.8</b>	<b>3,867.6</b>	<b>946.2</b>
Depreciation	(2,590.0)	(1,806.2)	(783.8)
Finance Cost	(898.0)	(572.2)	(325.8)
<b>Profit After Tax</b>	<b>736.7</b>	<b>900.1</b>	<b>(163.4)</b>

### Net Impact of MFRS 16

	1QFY'20 (RM mil)	1QFY'19 (RM mil)	Variance (RM mil)	Remarks
Capacity Payment	946.2	1,090.1	(143.9)	Reducing EBITDA and PAT in 1QFY'20
Depreciation	(783.8)	(824.7)	40.9	Increasing PAT in 1QFY'20
Finance Cost	(325.8)	(242.6)	(83.2)	Reducing PAT in 1QFY'20
Net Impact	(163.4)	22.8	(186.2)	Reducing PAT in 1QFY'20



## Other Regulatory Adjustment (Part 1)

Components of Other Regulatory Adjustment	1QFY'19 (RM mil)	1QFY'20 (RM mil)
Excess Revenue for Revenue Cap & Price Cap	218.7	99.9
Refund of Excess Single Buyer Working Capital	15.9	18.9
Refund of Interests on Customer Deposits	15.5	16.0
Refund of Other Income Related to Regulated Business	93.5	30.9
Capex ECS (Efficiency Carryover Scheme)	51.1	-
OPEX ECS (Efficiency Carryover Scheme)	129.2	-
<b>TOTAL</b>	<b>523.9</b>	<b>165.7</b>

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

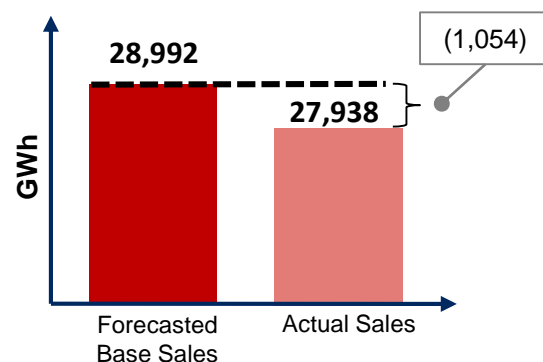


## Other Regulatory Adjustment (Part 2)

### 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 1QFY'20, lower actual sales leads to lower revenue earned by the revenue cap entities

1QFY'20 Variations in Sales  
(in GWh)

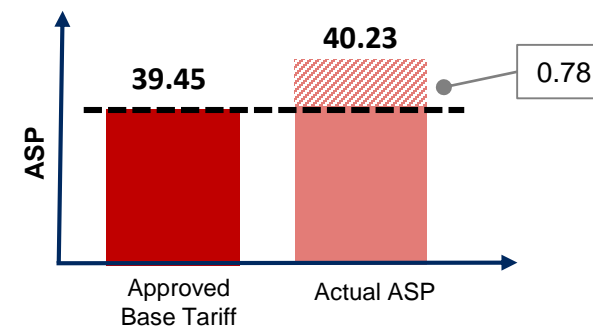


Business Entities	Allowed Tariff (sen/kWh)	Variations in Sales (GWh)	Adjustment (RM mil)
Revenue Cap Entities	11.36	(1,054)	(119.8) *

### 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 1QFY'20, the ASP is recorded higher than the Base Tariff

1QFY'20 Variations in ASP  
(sen/kWh)



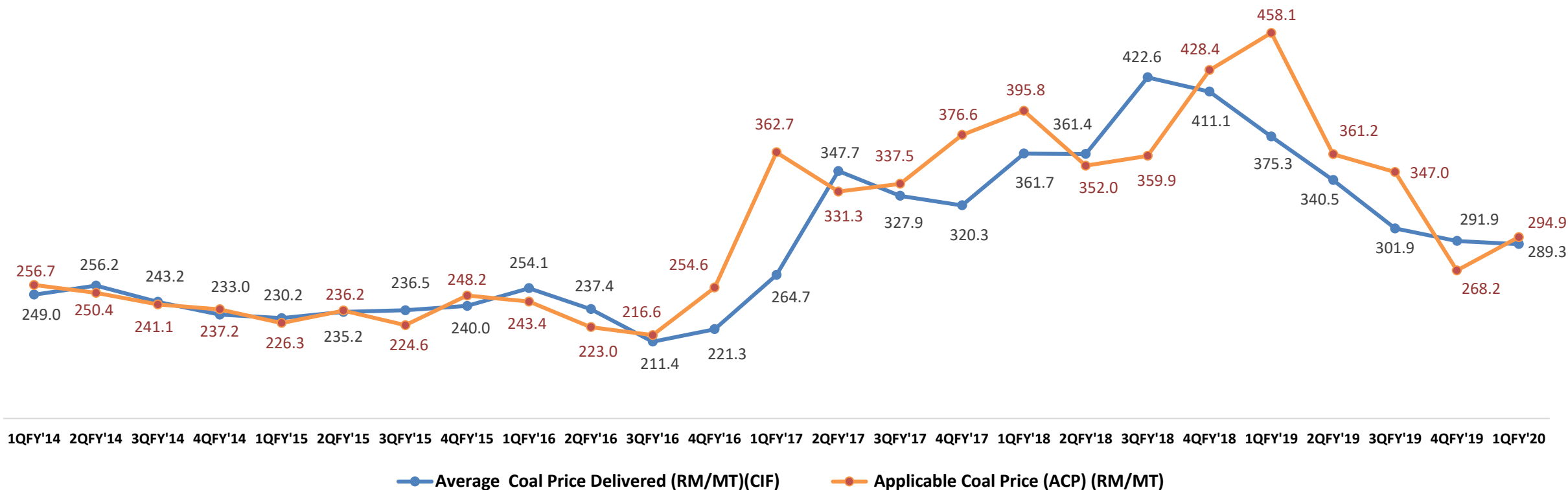
Business Entities	Actual Sales (GWh)	Variations in ASP (sen/kWh)	Adjustment (RM mil)
Price Cap Entity	27,938	+ 0.78	219.7 *

\* Numbers manually computed will not match due to decimal variance



## Continuous Downward Trending of Coal Price will Relieve Pressure on Future ICPT

### Coal Price Trending



#### Coal price & Applicable Coal Price (ACP) comparison

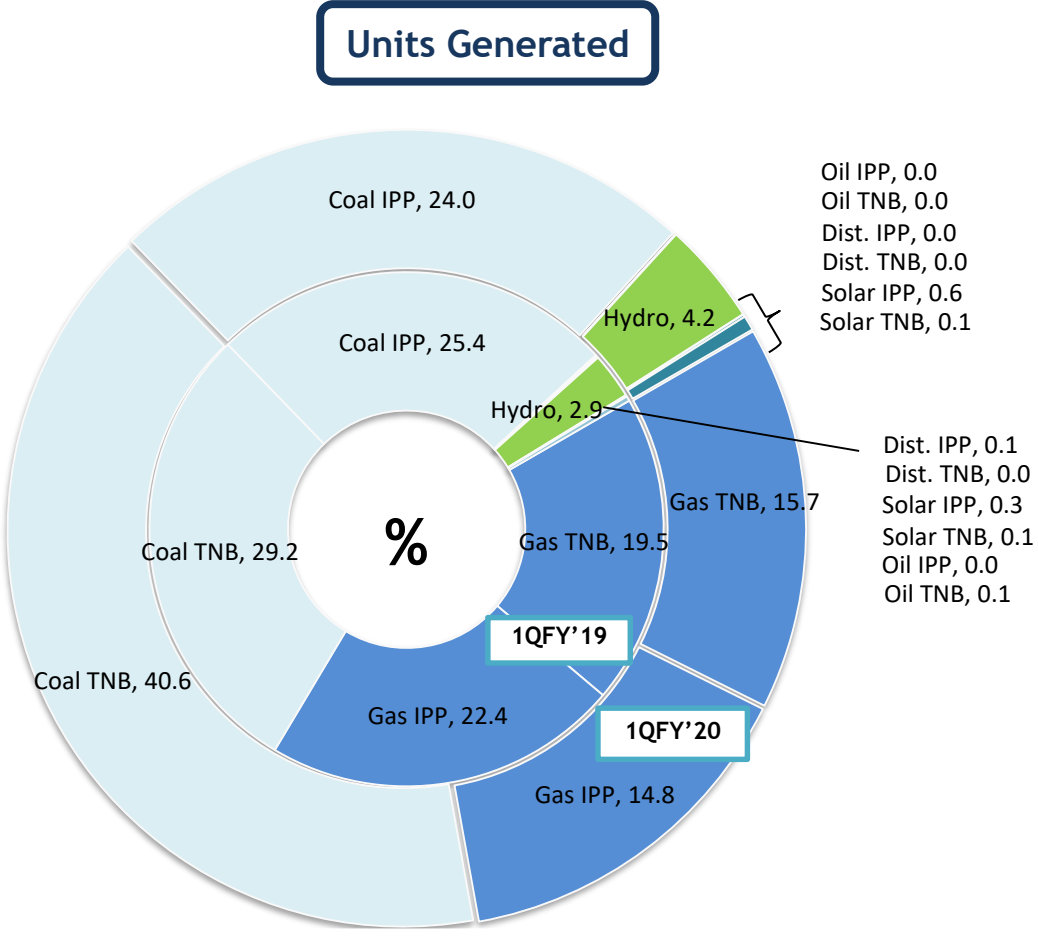
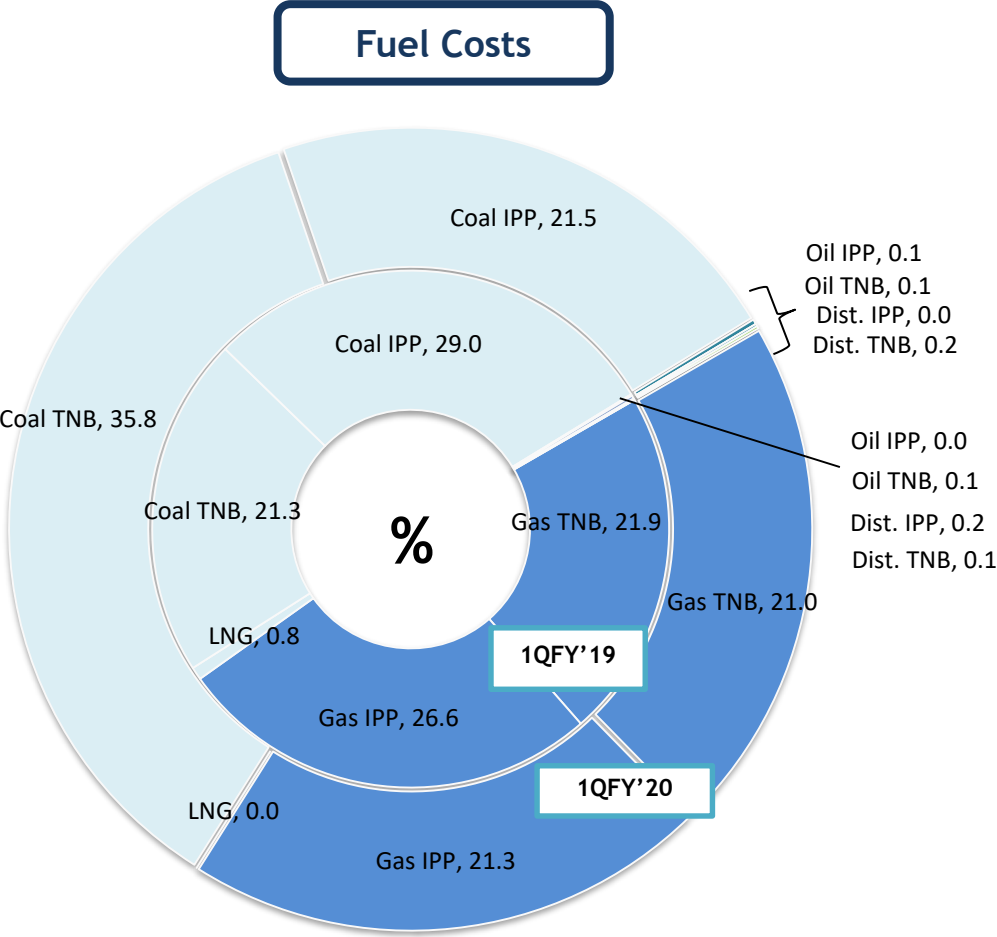
	4QFY19	1QFY20
Average Coal Price Delivered (RM/MT)	291.87	289.33
Average Coal Price Delivered (RM/mmBtu) *	13.16	13.48
ACP (RM/mmBtu)	12.29	13.51

In 1QFY'20, the base ACP (RM13.51/mmBtu) used for billing the generators is higher than the coal price paid to supplier (RM13.48/mmBtu).

\* Based on internal conversion



# Fuel Costs (TNB & IPPs - Peninsula)



% indicates generation market share

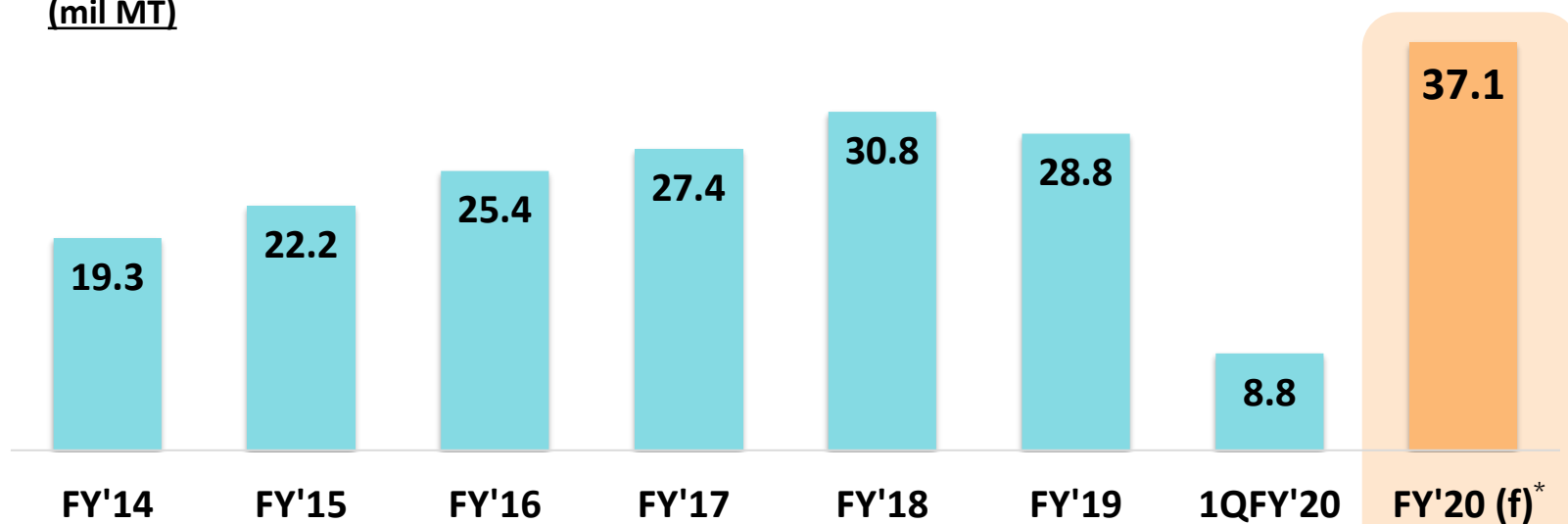
Note: Fuel Costs exclude solar



## Higher Coal Requirement Expected for 2020 with the Full Operation of Jimah East Power

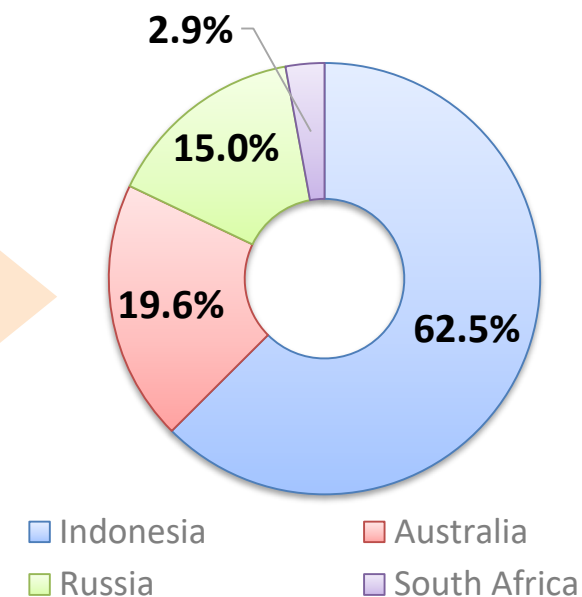
Average Coal Price (CIF)	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	1QFY'20
USD/metric tonne (MT)	75.4	66.0	55.7	72.7	95.9	79.3	68.6
RM/metric tonne (MT)	244.6	236.0	231.1	314.7	388.1	326.3	289.3

Coal Consumption  
(mil MT)



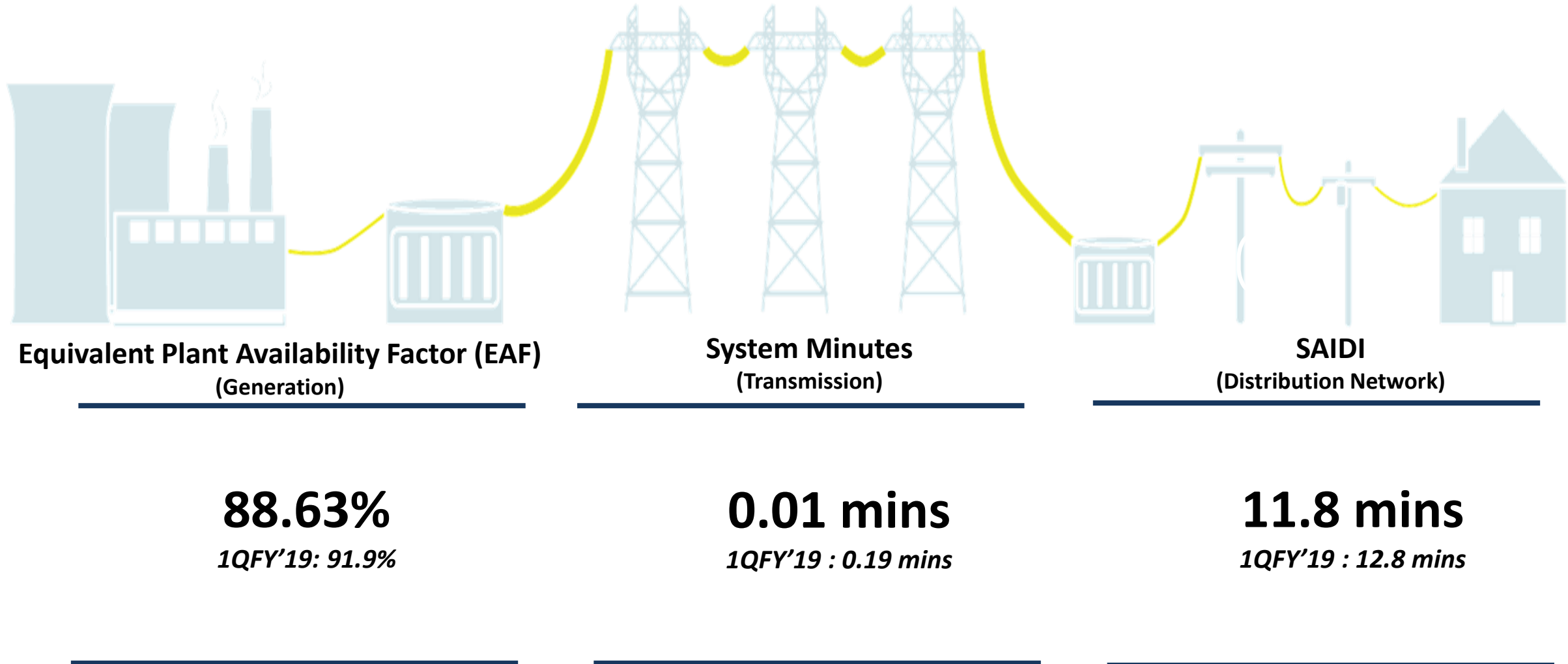
\* Based on tonnage planned for delivery in FY'20

**Country Mix**



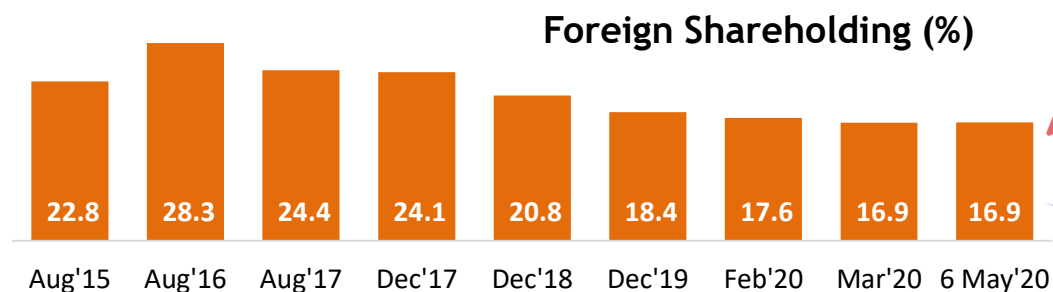
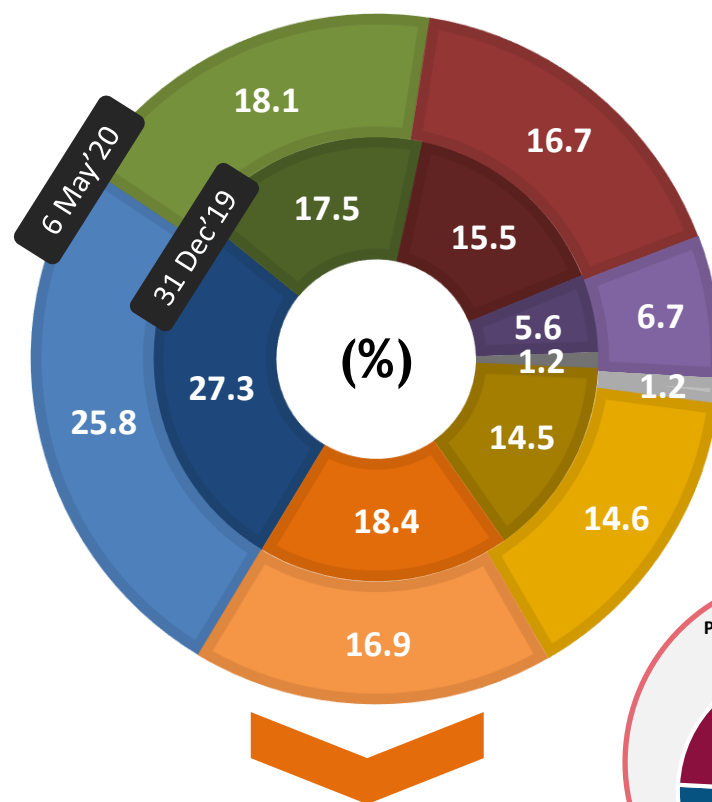


## Improved Technical Performance for Grid Business



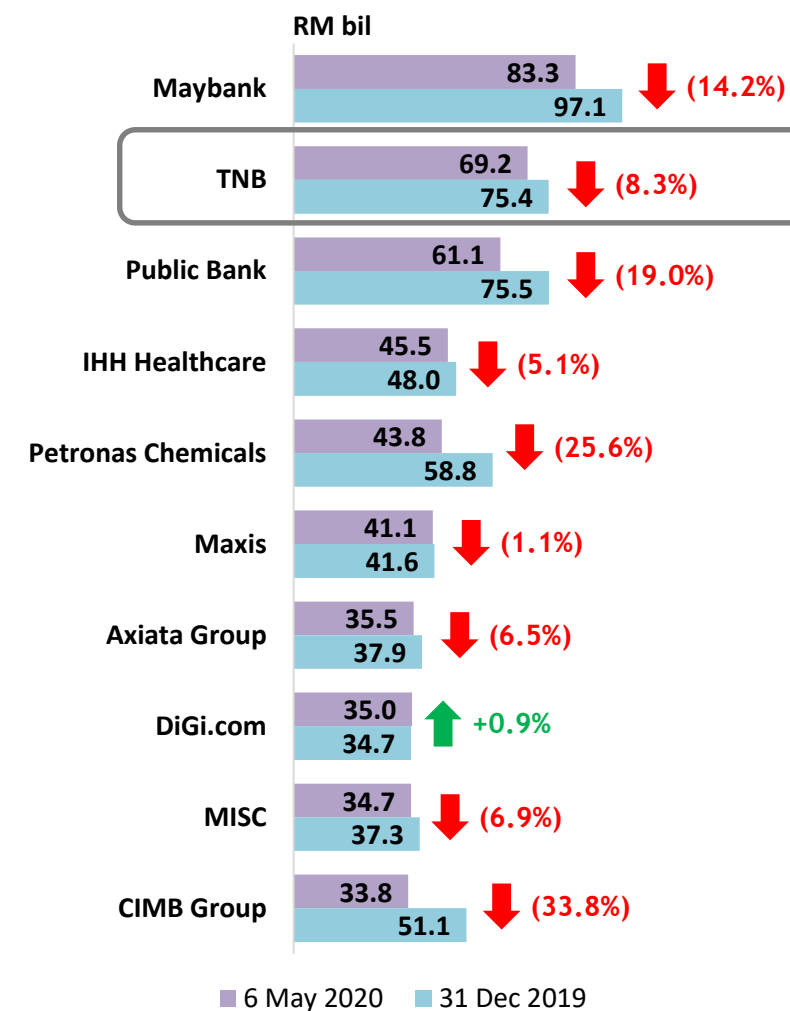


## TNB Shareholding



Institutional: 16.92%  
Individual: 0.02%

## Top 10 KLCI Stocks by Market Capitalization



## Note:

- Top 10 KLCI ranking by Market Capitalization as at 6<sup>th</sup> May 2020
- TNB Latest Market Cap: RM68.2bil (2<sup>nd</sup>), as at 5<sup>th</sup> June 2020



# THANK YOU

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# SALAM AIDILFITRI

Tangan dihulur maaf dipinta,  
Erat silaturrahim sesama kita.

Maaf zahir dan batin.