

TNB

Q1 FY2023

PERFORMANCE

REPORT CARD



1 Group Performance Highlights

2 Delivering RT Aspirations

3 Accelerating Responsible Energy Transition

1 GROUP PERFORMANCE HIGHLIGHTS

FINANCIAL | TNB recorded good financial performance in Q1 FY2023 contributed by OPEX optimization and lower depreciation

EBIT
RM2.08 bn

PAT
RM0.93 bn

ROE
7.7%

Q1 Target: RM1.91 - 2.02 bn

Q1 Target: RM0.64 - 0.78 bn

FY2023 Target : 6.2 - 6.9%

FY2023 Target: RM7.64 - 8.08 bn

FY2023 Target: RM2.57 - 3.12 bn

EBIT CONTRIBUTION BY BUSINESSES

FUTURE GENERATION SOURCES

GENCO

NED

RM0.21 bn

RM0.03 bn

GRID OF THE FUTURE

GRID

DISTRIBUTION NETWORK

RM0.65 bn

RM0.78 bn

WINNING THE CUSTOMER

RETAIL

RM0.14 bn

OTHERS**

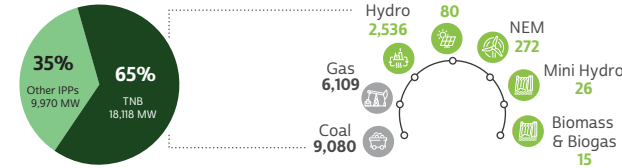
RM0.27 bn

Note: **EBIT contributed by subsidiaries and financial adjustment

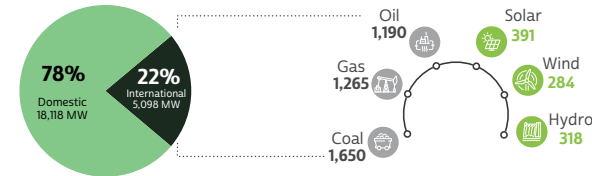
ASSET GROWTH | TNB's assets from regulated and non-regulated businesses are continuously growing in line with our RT aspirations

GENERATION ASSET
(23,216 MW)

TNB Domestic Capacity: 18,118 MW



TNB International Capacity: 5,098 MW



REGULATED ASSET
(RM61.5 bn)

RM27.4 bn

Grid Regulated Asset
FY2022 : RM27.4 bn

RM33.9 bn

DN Regulated Asset
FY2022 : RM33.7 bn

RM0.16 bn*

Retail Regulated Asset

FY2022 : RM0.18bn

*reduced by higher depreciation

DISTRIBUTED GENERATION

272 MW

Retail Rooftop

FY2022 : 241 MW

CUSTOMER | TNB continues delivering exceptional services to all customers with Q1 Customer Experience Index recorded at 94%

Customer Acquisition

10.7 mn
customers

Q4 2022: 10.6 mn customers
(Including SESB)

Customer Experience Index

94%

FY2022: 95%
FY2023 Target: 91 - 93%

Mainstream Media Impact Score

4.1%

FY2022: 4.1%
FY2023 Target: 3.6 - 4.0%

OPERATIONAL | TNB has steadily delivering world class technical performance in regulated business

EAF



Q1

Q1 Target: 82.77 - 85.84%

FY2023 Target: 81.78 - 84.85%

System Minutes



Q1

Q1 target: 0.38 - 0.25 mins

FY2023 Target: 1.5 - 1.0 mins

SAIDI



Q1

Q1 Target: 13.2 - 12.0 mins

FY2023 Target: 53.0 - 48.0 mins

ORGANISATIONAL | Aligned with ESG aspirations, TNB remains committed in upholding excellent safety management and developing future leaders

Safety Excellence

No. of Fatality

Zero
Fatality

FY2023 Target: 0 fatality

Lost Time Injury Frequency (LTIF)

0.89



Q1

FY2023 Target: 1.50 - 1.00

Ready Successor for C-suites

75%



Q1

FY2023 Target: 75% - 90%

● Exceed Target

● Meet Target

● Below Target

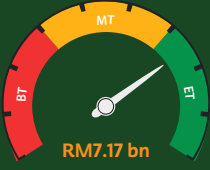
2 DELIVERING RT ASPIRATIONS

FUTURE GENERATION SOURCES

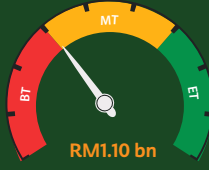
Concerted efforts are in place to address the challenges in Genco and NED

GENCO

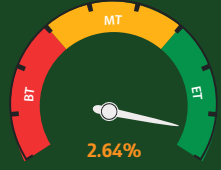
Revenue



Capacity Payment



EUOF



NEW ENERGY DIVISION

REVENUE (RM mn)

YTD revenue of **RM152 mn** is impacted by lower wholesale market price trend and lower wind performance

PROJECT IN PIPELINE (OPERATIONAL & LATE STAGE ASSETS)

12 operational / brown field projects were explored including 1.6 GW Vantage and 1.0 GW TRE's projects

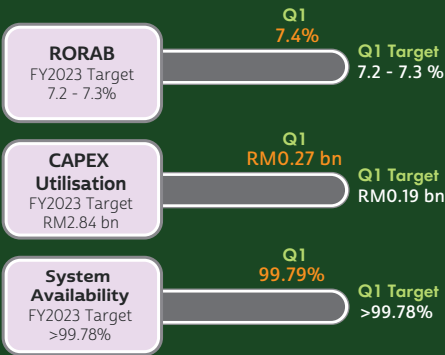
PROJECT IN PIPELINE (EARLY-STAGE PROJECTS)

6 green field projects were explored including 270 MW Vantage and 7.6 GW TRE's projects

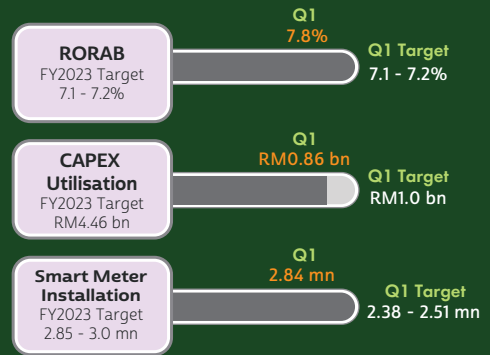
GRID OF THE FUTURE

Grid and DN deliver strong financial and technical performance in line with business and regulatory targets

GRID



DISTRIBUTION NETWORK

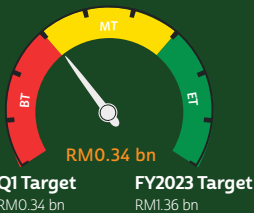


WINNING THE CUSTOMERS

Retail maintained good performance in regulated business

RETAIL

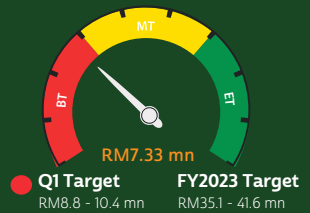
Regulated Revenue (RM bn)



Collection Revenue Parameter (%)



Beyond kWh Revenue (RM mn)



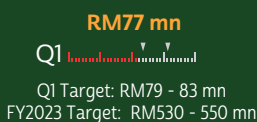
SUBSIDIARIES AS GROWTH CATALYST

Challenges in disruptions of global supply chain is still apparent and impacting Subsidiaries performance

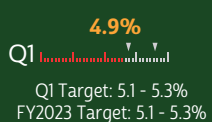
Revenue



EBIT



ROIC



FUTURE PROOF REGULATION

TNB consistently drives and shapes for reliable, affordable and sustainable Malaysia electricity supply industry landscape

Incentive Based Regulation (IBR)



As of Q1 FY2023, TNB has recovered RM7.8 bn (Claim Jan-Apr 2023) out of RM10.4 bn additional generation cost for 1H2023. The balance outstanding of RM2.6 bn (May & June 2023) is expected to be recovered by end June 2023

Malaysia Electricity Supply Industry (MESI)



The outcome of Future Proofing MESI Study by MyPower is aligned with TNB key focus areas:

1. Adoption of emerging technologies to support energy transition
2. Third Party Access to Grid
3. Cross subsidy tariff
4. 5th Generation PPA
5. Security of fuel supply
6. Independence of Single Buyer and Grid System Operator

3

ACCELERATING RESPONSIBLE ENERGY TRANSITION (ET)

ET Strategy	FY2023 Expected Outcome / Output	YTD Q1 Progress
Energy Sources - Future Generation Sources		
1 Increase Renewable Energy	<ul style="list-style-type: none"> • RM400 mn EBIT • 0.47GW - 1.22GW (excl. Hydro) 	<ul style="list-style-type: none"> • 112 MWp (operationalised asset) • 177 MWp (project in pipeline)
2 Reduce coal generation capacity	<ul style="list-style-type: none"> • Capacity Payment Uplift: RM230 mn • EBIT for Turnaround: RM206 mn 	<ul style="list-style-type: none"> • Action Plan for CP & EP improvement has been endorsed by Sustainability & Energy Transition Council (SETC)
3 Carbon Management	<ul style="list-style-type: none"> • Carbon management strategy approved for business decisions 	<ul style="list-style-type: none"> • Proposal in progress to appoint solution provider on carbon management system solution
Energy Vector - Grid of the Future		
1 Smart Grid	<ul style="list-style-type: none"> • SGI score 73% 	<ul style="list-style-type: none"> • SGI Score 71.4%
2 Green Hydrogen	<ul style="list-style-type: none"> • Approval on Hydrogen venture strategy 	<ul style="list-style-type: none"> • For all potential value chain, to rank according to CO2 cost avoidance and overall pricing
3 Energy Storage	<ul style="list-style-type: none"> • Approval on Energy Storage strategy • Award for 2 MWh BESS & Energy Management System at PTH 	<ul style="list-style-type: none"> • Strategy on energy storage will be deliberated in the next upcoming SETC
Energy Usage - Winning the Customer		
1 Electrification of EV	<ul style="list-style-type: none"> • EV Cust adoption: 414 BEVs • Total EV Charging Station: 40 	<ul style="list-style-type: none"> • 3 EV Charging station operationalised at RSA Ayer Keroh, RSA Paka, and RSA Tapah • TNBX appointed as the Charge Point Operator (CPO)
2 Energy Efficiency	<ul style="list-style-type: none"> • 8.1-8.5 CSI 	<ul style="list-style-type: none"> • 8.7 CSI 2022
3 Prosumers	<ul style="list-style-type: none"> • 145MWp installed • RM71 mn revenue 	<ul style="list-style-type: none"> • 271 MWp secured • 70 MWp installed
4 Digital Platform	<ul style="list-style-type: none"> • myTNBijo incubated • myTNBijo Go-to-market Q1 FY2024 	<ul style="list-style-type: none"> • Tech fund for myTNB Ijo approved in Feb 2023 • Partnership agreement with Accenture myTNBijo Platform in final stage
5 Smart Cities	<ul style="list-style-type: none"> • 80% progress of Property Master Plan development (UNITEN and Prai) 	<ul style="list-style-type: none"> • UNITEN Master Layout Plan (MLP) approved by Majlis Perbandaran Sepang on 7 February 2023

Q1 FY2023 KEY EVENTS

18 Jan 23

TNB amongst the top five Gold winners for National Integrity, Governance and Anti - corruption Award (AIGA) 2022

10 Feb 23

TNB Genco signed a MoU with B.Grimm Power Public Co. Ltd (B.Grimm) for exploring any opportunities for collaborations, participation and development of RE power projects in the Southeast Asia Region

10 Feb 23

TNB Renewables Sdn Bhd (TRe) signed a MoU with Planet Utility Co. Ltd to explore potential RE and power generation technologies opportunities in Thailand

10 Feb 23

TNB signed a MoU with the EGAT to set up a Joint Working Committee to study the feasibility of a proposed enhancement of the interconnection capacity between Peninsular Malaysia and Thailand

10 March 23

Through SARE, GSPARX collaborates with Seng Hin Rubber Sdn Bhd to install 1.3MWp rooftop solar at their factory

19 March 23

TNB and Sunway Group have signed a MoU to expand sustainability energy solutions in Malaysia, paving the way for future collaboration

26 March 23

TNB-GDS collaboration for data centre market in Malaysia