



CONFIDENTIAL | December 2019

# Trinidad Generation Unlimited

## Investor Update Presentation



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**Nigel Chinapoo**

*Acting Chief Executive Officer*



**Hardeo Bahall**

*Plant Manager*

- 20+ years of experience in finance
- In May 2019, Mr. Chinapoo was appointed Acting CEO <sup>(1)</sup>. Mr. Chinapoo currently also holds the position of COO and previously held the position of CFO
- Before joining TGU, Mr. Chinapoo managed the Mergers and Acquisitions Group for Citibank's Caribbean office in Port of Spain, Trinidad
- Mr. Chinapoo holds a bachelor's degree in Economics and Mathematics from the University of the West Indies and is a fellow of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants of Trinidad and Tobago

- 30+ years of experience in the power generation industry
- Plant Manager since September 2015; before that held the position of Planning and Logistics Team Leader
- Mr. Bahall holds a bachelor's degree in Mechanical engineering from The University of the West Indies, St. Augustine and a master's degree in Business Administration from the Heriot Watt University of Scotland

Source: Company information.

1) In May 2019, Mr. Namdeo Boodram, previous Chief Executive Officer retired



# Company Snapshot



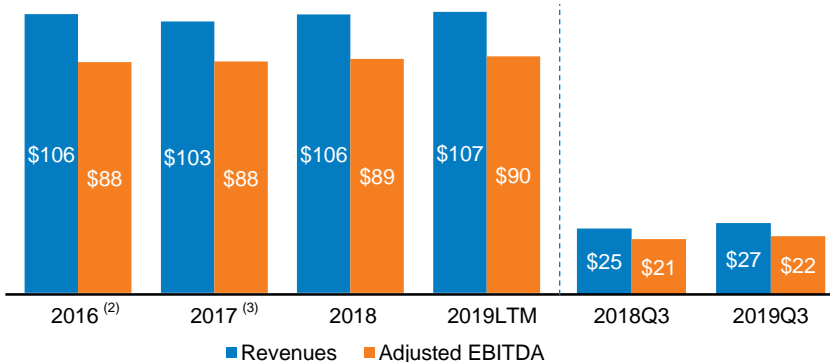
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## TGU overview

- **Largest energy supplier in Trinidad & Tobago**, delivering over 50% of the country's average electricity demand compared to 45% last year
  - Accounts for 39% of T&TEC total contracted capacity
- State-of-the-art fully operational **720MW combined cycle gas fired plant**
- **Lowest cost thermal generation in the country** in terms of heat rate, supplying reliable base load power
- Owned by the National Investment Fund Holding Company (NIF) which is itself owned by the Government of the Republic of Trinidad and Tobago (GoRTT)
- 30 year Power Purchase Agreement ("PPA") with T&TEC
  - **22 years remaining**
  - All payments under PPA are fully **guaranteed by GoRTT**
  - **Favorable terms for TGU** including a tolling arrangement and stable capacity payments which continue to be made after certain defaults by TGU (as long as the PPA is not terminated by T&TEC upon such defaults) and during certain force majeure events
  - T&TEC as offtaker is responsible for the supply and payment of fuel
  - PPA considered a finance lease on balance sheet

## Revenues and Adjusted EBITDA<sup>(1)</sup>

(US\$ in millions)



Source: Company information.

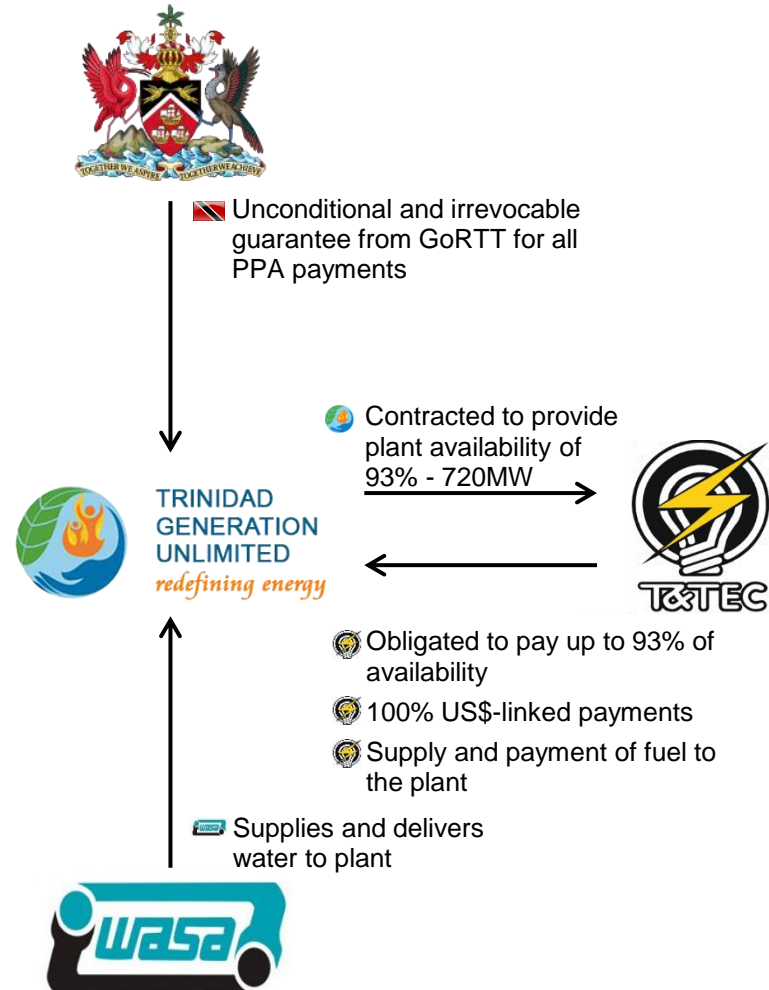
LTM: Last twelve months, calculated by subtracting information through the third quarter ended September 30, 2018 from the information for the year ended December 31, 2018, and adding information through the third quarter ended September 30, 2019.

(1) Adjusted EBITDA is calculated as operating profit plus depreciation, finance lease collections, and liquidated damages.

(2) Certain figures as shown here do not correspond to the 2016 financial statements and reflect the adjustments made as detailed in Note 5 in 2017 financial statements

(3) 2017 was a Major Maintenance year with a contracted equivalent availability of 91% in accordance to the PPA.

## Simplified PPA structure

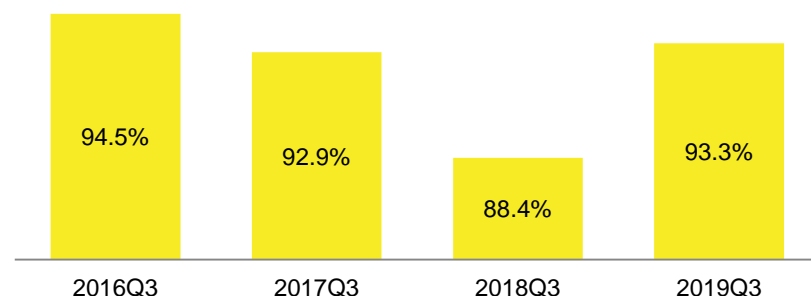


# Operational Performance Update

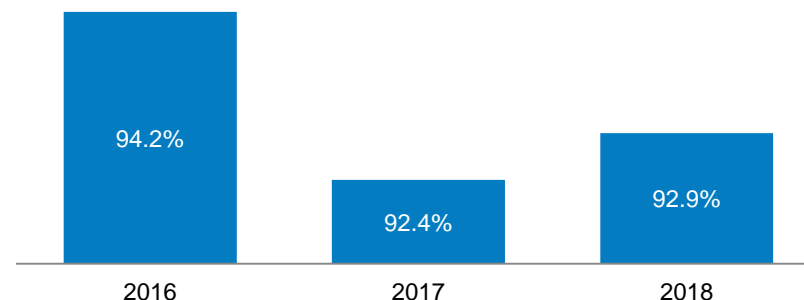
## Maintenance Program Update

2018 Completed Maintenance	2019 Completed Maintenance	2020 Planned Maintenance
ST 10 & 20 Minor Inspection inclusive of Generator inspections (Planned 20-day outage)	Gas Turbine 11 Major Inspection	Gas Turbine 12, 13 and 21 Major Inspection
Steam Cycle equipment maintenance and inspections	Annual Maintenance on all GTs	Annual Maintenance on all GTs
Water Treatment Plant Major Maintenance	Statutory Inspection of all 6 HRSGs	Statutory Inspection of all 6 HRSGs
Hydrostatic Testing and Statutory Inspection of all 6 Heat Recovery Steam Generators	ST 10 and ST 20 Major Overhaul and Last Stage Bucket Repairs	ST 10 and 20 Annual Outages
Annual Maintenance on all 6 Gas Turbines		

## 2016-2019 Q3 historical availability



## 2016-2018 year to date performance <sup>(1)(2)</sup>



**TGU has been able to consistently operate at or near the required availability under its PPA**

Source: Company information.

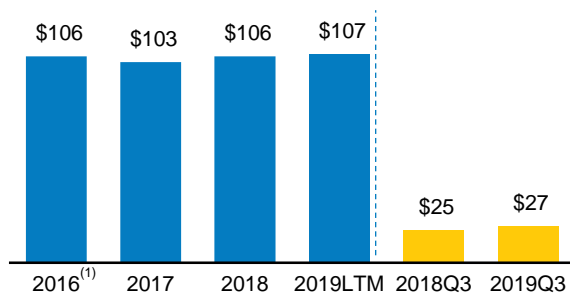
(1) 2017 was a Major Maintenance year with a contracted equivalent availability of 91% in accordance to the PPA. TGU was able to achieve a 92.4% availability.

(2) 2018 was a Regular Maintenance year where TGU fell just short of the 93% required annual availability by .15% as a result of performing additional inspections recommended by General Electric

# Financial Performance Update

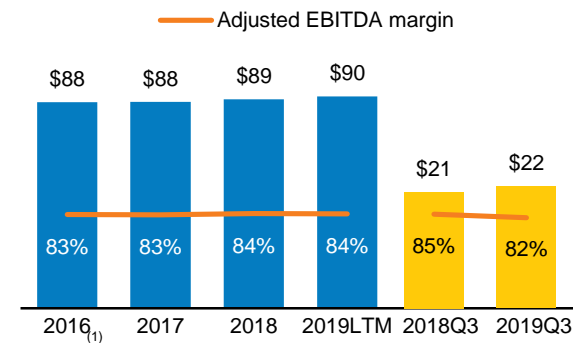
## Revenues

(US\$ in millions)



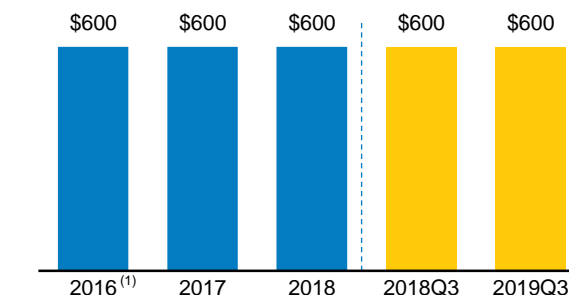
## Adjusted EBITDA

(US\$ in millions)

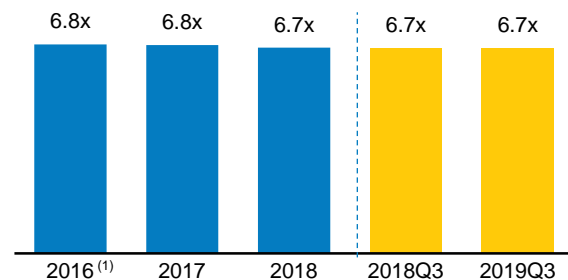


## Total Debt <sup>(2)</sup>

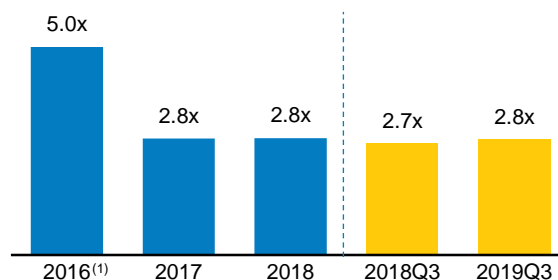
(US\$ in millions)



## Debt-to-Adjusted EBITDA

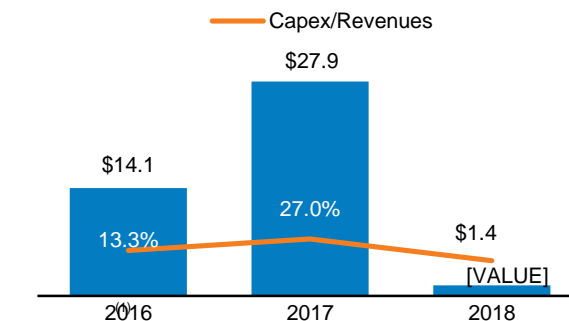


## Interest Coverage Ratio<sup>(3)</sup>



## Capex <sup>(4)</sup>

(US\$ in millions)



Source: Company information.

LTM: Last twelve months, calculated by subtracting information through the third quarter ended September 30, 2018 from the information for the year ended December 31, 2018, and adding information through the third quarter ended September 30, 2019

Note: Annual information presented in blue and quarterly information in yellow

(1) Certain figures as shown here do not correspond to the 2016 financial statements and reflect the adjustments made as detailed in Note 5 in 2017 financial statements

(2) The only debt TGU has is its US\$600M 5.25% International Bond

(3) Interest coverage ratio is defined as Adjusted EBITDA divided by interest expense

(4) Q32018 and Q32019 had no Capex expenditure



## Appendix

# Complete audited historical financials



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## Balance Sheet

(in US\$ millions)

	(1)				
	2016A	2017A	2018A	3Q18	3Q19
<b>Assets</b>					
<b>Non current assets</b>	<b>841.1</b>	<b>849.3</b>	<b>818.8</b>	<b>831.9</b>	<b>806.1</b>
Property, plant and equipment	35.3	55.9	46.8	50.5	42.1
Net investment in leased assets	724.3	719.1	713.1	714.9	708.1
Right of use assets	-	-	-	-	7.2
Deferred tax assets	81.5	74.3	58.9	66.5	48.7
<b>Current assets</b>	<b>211.0</b>	<b>178.7</b>	<b>224.4</b>	<b>216.8</b>	<b>256.1</b>
Cash and short-term deposits	174.0	121.7	126.4	130.0	120.5
Net investment in leased assets	4.7	5.3	5.9	5.8	6.8
Trade and other receivables	20.5	38.5	77.7	66.6	112.9
Tax recoverable	1.0	0.1	0.1	0.1	0.1
Inventories	10.8	13.1	14.3	14.3	15.8
<b>Total assets</b>	<b>1,052.1</b>	<b>1,028.0</b>	<b>1,043.2</b>	<b>1,048.7</b>	<b>1,062.2</b>
<b>Liabilities</b>					
<b>Non current liabilities</b>	<b>800.4</b>	<b>807.1</b>	<b>805.8</b>	<b>806.9</b>	<b>812.4</b>
Deferred tax liabilities	219.8	225.2	222.6	224.1	221.0
Lease liabilities	-	-	-	-	7.1
Long-term bond	580.6	581.9	583.2	582.8	584.3
<b>Current liabilities</b>	<b>52.5</b>	<b>15.4</b>	<b>13.7</b>	<b>24.5</b>	<b>19.6</b>
Trade and other payables	12.4	15.4	13.0	24.5	19.6
Provisions	-	-	0.7	-	-
Due to related parties	0.1	-	-	-	-
Dividends payable	40.0	-	-	-	-
<b>Total liabilities</b>	<b>852.9</b>	<b>822.5</b>	<b>819.5</b>	<b>831.4</b>	<b>832.0</b>
<b>Equity</b>					
Stated capital	189.4	189.4	189.4	189.4	189.4
Retained earnings/(accumulated losses)	9.8	16.1	34.3	27.9	40.8
<b>Total Equity</b>	<b>199.2</b>	<b>205.5</b>	<b>223.7</b>	<b>217.3</b>	<b>230.2</b>
<b>Total Equity and Liabilities</b>	<b>1,052.1</b>	<b>1,028.0</b>	<b>1,043.2</b>	<b>1,048.7</b>	<b>1,062.2</b>

Source: Company financials.

Note: 2016A, 2017A and 2018A represent audited numbers

(1) Certain figures as shown here do not correspond to the 2016 financial statements and reflect the adjustments made as detailed in Note 5 in 2017 financial statements.





## Income statement

(in US\$ millions)

	2016A <sup>(1)</sup>	2017A	2018A	3Q18	3Q19
<b>Revenue</b>					
Financial lease income	101.1	100.6	100.0	25.0	24.8
Other revenue	5.0	2.7	5.9	0.1	1.8
<b>Total revenue</b>	<b>\$106.1</b>	<b>\$103.3</b>	<b>\$105.9</b>	<b>\$25.1</b>	<b>\$26.6</b>
<b>Expenses</b>					
Administrative expenses	16.1	19.4	20.2	4.8	5.0
Operating expenses	9.8	7.3	9.9	2.8	3.4
Finance expenses /(income)	27.7	37.0	34.1	9.5	9.5
<b>Total expenses</b>	<b>53.6</b>	<b>63.7</b>	<b>64.2</b>	<b>17.1</b>	<b>17.9</b>
<b>Profit before taxes</b>	<b>52.5</b>	<b>39.6</b>	<b>41.7</b>	<b>8.0</b>	<b>8.7</b>
Taxation charge / (credit)	45.0	13.3	13.5	0.1	3.9
<b>Net profit for the year</b>	<b>7.5</b>	<b>26.3</b>	<b>28.2</b>	<b>7.9</b>	<b>4.8</b>
Other comprehensive income	—	—	—	—	—
<b>Total comprehensive income</b>	<b>7.5</b>	<b>26.3</b>	<b>28.2</b>	<b>7.9</b>	<b>4.8</b>

Source: Company financials.

Note: 2016A, 2017A and 2018A represent audited numbers

(1) Certain figures as shown here do not correspond to the 2016 financial statements and reflect the adjustments made as detailed in Note 5 in 2017 financial statements.

# Complete audited historical financials (cont'd)



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## Cash flow

(in US\$ millions)

	2016A <sup>(1)</sup>	2017A	2018A	3Q18	3Q19
<b>Cash flow from operating activities</b>					
Operating profit before taxation	52.5	39.6	41.7	8.0	8.7
Adjustment for:					
Depreciation	3.1	6.6	8.1	2.0	1.8
Foreign exchange gains	(5.7)	(0.3)	(0.2)	—	(0.0)
Unamortized discount and transaction costs	(9.3)	—	—	—	—
Amortized discount and transaction costs	0.2	1.3	1.3	0.3	0.4
Interest income net of interest expense	33.2	36.3	34.2	9.3	8.7
Other movements	0.5	0.6	2.4	(0.2)	(0.6)
<b>Operating profit before changes in working capital</b>	<b>74.5</b>	<b>84.1</b>	<b>87.5</b>	<b>19.4</b>	<b>18.9</b>
<b>Working capital changes:</b>					
Increase/(decrease) in trade and other receivables	(8.8)	(17.8)	(38.1)	(4.3)	(12.5)
Increase/(decrease) in provision	—	—	0.7	—	(0.7)
Increase/(decrease) in inventories	(1.3)	(2.3)	(1.2)	(0.1)	0.3
Increase/(decrease) in trade and other payables	0.6	2.9	(2.4)	(1.1)	(4.1)
<b>Cash (used in)/generated from operations</b>	<b>65.0</b>	<b>66.9</b>	<b>46.5</b>	<b>13.9</b>	<b>1.9</b>
Interest received	0.8	1.3	2.0	1.0	1.6
Interest paid	(15.2)	(37.5)	(37.1)	—	0.3
Financing fees paid	(14.2)	—	—	—	—
Finance lease collections	4.5	4.7	5.3	1.5	1.7
Tax paid	(0.7)	0.2	(0.7)	(0.2)	(0.1)
<b>Net cash (used in)/generated from operations</b>	<b>40.2</b>	<b>35.6</b>	<b>16.0</b>	<b>16.2</b>	<b>5.4</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant & equipment	(14.1)	(27.9)	(1.4)	0.3	0.3
Investment in short-term deposits	(12.8)	60.0	0.9	—	—
<b>Net cash used in investing activities</b>	<b>(26.9)</b>	<b>32.1</b>	<b>(0.5)</b>	<b>0.3</b>	<b>0.3</b>
<b>Cash flows from financing activities</b>					
Dividends paid	(4.0)	(60.0)	(10.0)	—	—
Repayment of financing contributions due to parent company	(238.3)	—	—	—	—
Proceeds from short-term loans	600.0	—	—	—	—
Repayment of short-term loans	(894.7)	—	—	—	—
Proceeds from long-term bonds	590.0	—	—	—	—
Principal payments of lease liabilities	—	—	—	—	0.3
<b>Net cash generated from financing activities</b>	<b>53.0</b>	<b>(60.0)</b>	<b>(10.0)</b>	<b>—</b>	<b>0.3</b>
<b>Net increase in cash and cash equivalents</b>	<b>66.3</b>	<b>7.7</b>	<b>5.5</b>	<b>16.5</b>	<b>6.0</b>
<b>Cash and cash equivalents</b>					
At the beginning of the period / year	31.8	98.1	105.8	98.5	99.5
At the end of the period / year	98.1	105.8	111.3	115.0	105.5

Source: Company financials.

Note: 2016A, 2017A and 2018A represent audited numbers

(1) Certain figures as shown here do not correspond to the 2016 financial statements and reflect the adjustments made as detailed in Note 5 in 2017 financial statements.



## Nigel Chinapoo

*Acting Chief Executive Officer*

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