



KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NEW STRAITS TIMES			
TARIKH	:	03.11.22	MUKA SURAT	:	16
JABATAN	:	TNB			



NST031122_16

POSITIVE OUTLOOK

'Buy' rating maintained on TNB

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) will be able to recover its outstanding Imbalance Cost Pass-Through (ICPT) of RM4.8 billion by year end, Hong Leong Investment Bank Bhd (HLIB Research) said.

The research firm said since fuel energy prices remained relatively stable from July until yesterday, it expected the gap between the estimated and actual fuel energy prices to narrow significantly for the upcoming first half of financial year 2023 ICPT review.

Previously, the energy and natural resources minister has indicated a potential RM20 billion for the upcoming ICPT re-



Hong Leong Investment Bank Bhd has kept Tenaga Nasional Bhd's target price at RM11.65.
FILE PIC

view.

"Despite the high fuel energy costs and the outstanding ICPT, we remain positive on TNB's earnings outlook.

"We believe the government remains committed to the ICPT framework in instilling long-term investors' confidence and ensuring the long-term sustainability of the power sector.

"TNB's short-term cash flow mismatch will be addressed in the upcoming ICPT review by year end, given the current stable fuel energy prices," HLIB Re-

search said yesterday.

It added that there was a huge difference of RM9.4 billion ICPT (recognised in TNB's result for the first half of financial year 2022) combined with the outstanding RM2.4 billion ICPT from the second half of financial year 2021, as compared to the approved RM7 billion ICPT due to a mismatch of timing recognition."

HLIB Research has kept a "buy" call on TNB with an unchanged target price of RM11.65 as earnings are expected to remain stable in financial year 2022.