KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NEW STRAITS TIMES			
TARIKH	:	16.08.22	MUKA SURAT	:	16
JABATAN	:	TNB			



Tenaga Nasional Bhd is planning a US$1 billion initial public offering of its power generation unit TNB Power Generation Sdn Bhd next year, a Reuters report quoted sources as saying. PIC BY MOHD YUSNI ARIFFIN

RM10.81 TARGET PRICE

Kenanga Research keeps 'outperform' stance on TNB

KUALA LUMPUR: The planned listing of Tenaga Nasional Bhd's (TNB) power generation unit TNB Power Generation Sdn Bhd (TNB Genco) will be positive for the group's share price, said Kenanga Investment Bank Bhd (Kenanga Research) in a note.

It said TNB's share price had been impacted over the past years due to the environmental, social, and governance (ESG) concerns over coal-fired power plants.

"By carving out the ESG-deficient genco business, valuations of the ESG-compliant non-genco business should see an upwards re-rating," said the research firm.

TNB was planning a US$1 billion initial public offering (IPO) for Tenaga Genco next year, a Reuters report quoted sources close to the matter as saying.

In what would be the country's largest IPO in a decade, TNB Genco could be valued at about US$4 billion, said the sources.

The report said proceeds from the offering would be used to grow TNB Genco's renewable energy portfolio.

Kenanga Research said it was not surprised such an IPO would materialise in the future given that TNB had completed its reorganisation by decoupling the generation and retail businesses from the group

"When TNB announced its reorganisation plan in 2019, it guided for its TNB Genco's gross earnings to grow to RM2.6 billion in 2025 from RM1.6 billion in 2018."

The research firm has maintained its "outperform" call on TNB with an unchanged target price of RM10.81.

NST 160822_16