KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NEW STRAITS TIMES			
TARIKH	:	27/11/2021 (SABTU)	MUKA SURAT	:	19
JABATAN	:	TNB			

NST 27.11.2021_19

RECOVERY IN ELECTRICITY DEMAND

RHB Research keeps 'buy' call on TNB with RM11.50 target price

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) stands to benefit from the recovery in electricity demand and this may continue next year due to the group's commitment to energy transition via its ambitious renewable energy (RE) targets in fuelling medium to long-term growth.

RHB Investment Bank Bhd (RHB Research) analyst Sean Lim said TNB was in the final phase of discussions with the Energy Commission on the third regulatory period 2022-2024, and TNB should know the outcome in the near term.

"Generation coal mix was up quarter-on-quarter to 60.9 per cent in the third quarter, but still lower compared with financial year 2020's 65.8 per cent," wrote Lim in a research note yesterday.

While the overall RE target of 8.3GW by 2025 remained unchanged, he said the recent acquisition of a 49 per cent stake in United Kingdom-based offshore wind farm company, Blyth Offshore Demonstrator Ltd, marked TNB's maiden entry into the international offshore wind market.

RHB Research has retained its "buy" call on TNB but with a lower target price of RM11.50 from RM12.49 previously

It maintained the utility's financial year 2021's earnings forecast but cut next year's forecast by five per cent after factoring in the higher tax expenses from a one-time prosperity tax.