KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	STAR BIZ			
TARIKH	:	26/11/2021 (JUMAAT)	MUKA SURAT	:	2
JABATAN	:	TNB			

TNB Q3 earnings at RM1bil

Revenue jumps 16.83% to RM12.98bil

CORPORATE

PETALING JAYA: Tenaga Nasional Bhd (TNB) recorded a flattish bottom line in the third quarter ended Sept 30, despite selling more electricity to its customers.

The utility giant recorded a net profit of RM1bil as compared to RM1.01bil in the previous corresponding quarter.

A higher share of profit attributable to non-controlling interests resulted in a flattish net profit for the group.

However, TNB's profit after tax in the latest third quarter was higher by 4.7% year-on-year (y-o-y) to RM1.05bil.

This was mainly due to higher operating profit, offset by a foreign-exchange translation loss and lower tax provisions recognised in the current quarter.

Revenue, on the other hand, jumped 16.83% y-o-y to RM12.98bil.

"The movement in revenue resulted from the imbalance cost pass-through (ICPT) of an under-recovery position of RM1.31bil as compared to an over-recovery position of RM956.8mil," according to the company.

"The group will continue to take prudent measures in terms of its operational and financial requirements to ensure it remains resilient."

Tenaga Nasional Bhd

The ICPT is an adjustment of the electricity tariff based on current electricity generation costs, fuel prices and exchange rates, to be updated every six months.

"Operating expenses increased from RM9.56bil to RM10.82bil mainly due to higher generation cost, resulting in an increase in the operating profit of RM201.1mil or 10.8%," added TNB.

Cumulatively, for the first nine months of financial year 2021, TNB registered a net profit of RM2.78bil, which represents an increase of 16.94% y-o-y from RM2.38bil a year earlier.

Revenue improved by 9.64% y-o-y to RM36.89bil in the nine-month period.

TNB benefited from a higher operating profit mentioned above, coupled with the increase in accounting gain on fair value of the financial instruments of RM87.5mil, offset by lower finance income and higher finance costs.

The utility giant saw a higher sales of electricity of RM3.13bil, up 9.5% from RM33.08bil compared to the previous corresponding period.

"Included in this higher sales of electricity, the ICPT which was in an under-recovery position of RM1.3bil as compared to an over-recovery position of RM1.48bil reported in the last corresponding period, was mainly due to higher generation cost.

"The impact of the prolonged Covid-19 pandemic affected customers' payment behaviour as longer outstanding debts become more challenging to recover.

"Hence, higher net loss on impairment of financial instruments of RM906.9mil was recognised during the current period," stated TNB in a stock exchange filing yesterday.

Despite the continued challenges caused by the Covid-19 pandemic, TNB said the demand for electricity has started to show improvements, growing at 0.6% against a contraction of 6.2% in the same period of the last financial year.

The group believes that the improvement in the overall economy will result in higher electricity demand and support the positive momentum seen across its operation.

"Amid the encouraging developments, the group foresees a stable performance for the remaining quarter of the financial year.

"Nonetheless, the group will continue to take prudent measures in terms of its operational and financial requirements to ensure it remains resilient," it said.