## **KERATAN AKHBAR**

**TARIKH** : 16 DISEMBER 2022 **AKHBAR** : NEW STRAITS TIMES

**MUKA SURAT** : 17

## HLIB Research maintains 'buy' stance on TNB with RM11.65 target price

TARIFF RESTRUCTURING

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KUALA LUMPUR: The new potential electricity tariff restructuring will positively impact Tenaga Nasional Bhd (TNB) and the power sector, said Hong Leong Invest-ment Bank Bhd (HLIB Research).

The research firm said Prime Minister Datuk Seri Anwar Minister Datuk Seri Anwar Ibrahim had indicated a potential electricity tariff restructuring in the first half of next year, which could mean a higher tariff rate for multinational companies and profitable "giant" companies while remaining unchanged for domestic users, small and medium enterprises small and medium enterprises,

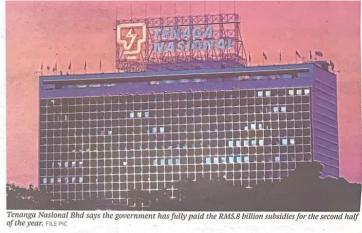
and agriculture and food product

It said the move this would ensure the long-term sustainability of the power sector and lower the government's high subsidy commitments.

"The news also indicates the

new government's commitment to the Imbalance Cost Pass-Through (ICPT) framework, pro-

cently updated that the govern-ment had fully paid the RM5.8 billion subsidies for the second



 $Tenanga\ Nasional\ Bhd\ says\ the\ government\ has\ fully\ paid\ the\ RM5.8\ billion\ subsidies\ for\ the\ second\ half\ of\ the\ year.\ {\it FILE\ PIC}$ 

Intrough (ICF) trainework, pro-tecting TNB's earnings from fuel and energy cost volatility."

HLIB Research said TNB re-cently updated that the govern-ment had fully paid the RMS.8

"Based on the RMI6.4 billion ICPT in the first half of next year, we estimate a surcharge of circa 277 sen/kilowatt per hour (kWh), "Based on the RMI6.4 billion ICPT in the first half of next year, we estimate a surcharge of circa 27.7 sen/kilowatt per hour (kWh), which we expect to burden eveniched by the supporting economic recovery. The supporting economic recovery if the government decides not to subsidise that amount. The supporting economic recovery. "We also maintain our 'buy' rating on TNB with an unchanged target price of RMI1.65," said HLIB Research.

eryone and pose a risk to inflation

to protect the end users while