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TNB earnings outlook steady

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2026 FORECAST DOWN 3.4pc

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KUALA LUMPUR: CIMB Securities has maintained its core earnings per share projections for Tenaga Nasional Bhd (TNB) in the financial years 2025 and 2027.

However, it lowered its financial year 2026 forecast by 3.4 per cent to account for a higher effective tax rate of 28 per cent compared with 24 per cent earlier.

The research house said at current valuations, TNB is trading at 6.7 times its projected financial year 2026 enterprise value-to-earnings before interest, taxes, depreciation and amortisation and is expected to deliver dividend yields of between 3.4 and



CIMB Securities says Tenaga Nasional Bhd is trading at 6.7 times its projected financial year 2026 enterprise value-to-earnings before interest, taxes, depreciation and amortisation. NSTP FILE PIC

4.1 per cent over financial years 2025 to 2027.

“For the first half of 2025, commercial demand rose 6.5 per cent year-on-year, boosted by robust data centre usage.

“TNB’s generation arm also recorded stronger operating performance, with its equivalent plant availability factor improving to 86.1 per cent from 78.7 per cent a year ago.”

CIMB Securities said the utility company maintained its profit after tax guidance of RM250 million for the generation division

this year and sees no immediate risk to dividend payments despite its ongoing Inland Revenue Board tax case.

It said TNB has revised its capital expenditure (capex) for financial year 2025 to RM18 billion from RM20 billion earlier, with non-regulated spending reduced to RM6 billion.

The research house added that contingent capex for the regulated business reached RM250 million in the first half and is expected to rise to as much as RM2 billion by year-end.