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KUALA LUMPUR (Feb 27): Tenaga Nasional Bhd's net profit fell 27.83% to RM583.9 million in the fourth quarter ended Dec 31, 2023 (4QFY2023) from RM809.1 million a year ago, on the back of lower imbalance cost pass-through (ICPT) under-recovery and lower forex gains.

Quarterly earnings per share fell to 10.12 sen, from 14.1 sen in 4QFY2022. It declared a dividend of 28 sen per share, bringing FY2023 dividends to 46 sen per share, unchanged from the previous year.

In the quarter, the group recorded a foreign exchange gain of RM151 million, down from RM360.8 million the year before, its filing showed.

Revenue rose 5.7% to RM13.65 billion in 4QFY2023 from RM12.92 billion a year ago. However, ICPT under-recovery fell to RM2.11 billion, from RM6.4 billion in the same quarter the prior year.

As a result, operating profit fell 7.8% to RM1.38 billion from RM1.5 billion, although operating margin, taking into account ICPT under-recovery, improved to 8.8% from 7.8%.

For FY2023, Tenaga's net profit fell 20.01% year-on-year (y-o-y) to RM2.77 billion or 48 sen per share, from RM3.46 billion or 60.35 sen per share.

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This was despite lower taxes of RM770 million compared to RM1.79 billion in FY2022.

While full-year revenue rose 4.32% y-o-y to RM53.07 billion from RM50.87 billion, ICPT under-recovery however more than halved to RM10.6 billion from RM22.32 billion.

Operating profit fell 21.8% y-o-y to RM7.36 billion from RM9.41 billion. Operating profit margin, taking into account ICPT under-recovery, slipped to 11.6% from 12.9%.

“For FY2023, the group reported a fair performance mainly underpinned by electricity demand growth of 3.8%, consistent with the country's gross domestic product (GDP) growth of 3.7%,” Tenaga said on its prospects.

While the non-regulated segment was impacted by negative fuel margin, it sees improved receivables and working capital position on stabilising coal prices and improved electricity tariffs.

The group “is committed to play an integral role to support the National Energy Transition Roadmap”, it said.

Shares of Tenaga rose six sen or 0.53% to close at RM11.42, giving the group a market capitalisation of RM66.09 billion. It currently trades at a FY2023 price-earnings ratio of 23.8 times, with a dividend yield of 4.03%.