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Lower opex, forex gains lift Tenaga's 1Q performance

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KUALA LUMPUR (May 27): Tenaga Nasional Bhd (KL:TENAGA) posted a strong start to the financial year 2025, supported by foreign exchange gains and lower operating expenses, though partially offset by higher tax expenses.

Net profit for the three months ended March 31, 2025 (1QFY2025), rose nearly 48% to RM1.1 billion from RM715.7 million a year earlier, the utility giant said in a filing with Bursa Malaysia.

The utility firm powered up 21 data centres in Malaysia in the quarter, it said in a separate statement. A total of 43 supply agreements were secured, with a total committed load of 6.4 gigawatts, it added.

The group, which is in the midst of expanding its renewable energy portfolio, also highlighted the commissioning of its maiden greenfield solar projects in the UK this quarter, located in Eastfields and Bunkers Hill.

In 1QFY2025, Tenaga's performance was partly supported by a forex gain of RM38.9 million — comprising a RM32.2 million translation gain and a RM6.7 mil-

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lion transaction gain — versus a net forex loss of RM171.3 million in 1QFY2024.

Operating expenses dipped 3% to RM13.7 billion from RM14.1 billion a year earlier.

Revenue for the quarter grew 17.6% to RM16 billion from RM13.64 billion last year, driven by a 17.5% increase in electricity sales, which was attributed to regulatory adjustments under the incentive-based regulation (IBR) framework.

The group also recorded an imbalance cost pass-through over-recovery of RM175.2 million, compared to an under-recovery of

RM2.35 billion a year ago, thanks to lower fuel prices. The two components translated to sales of RM15.86 billion, down from RM15.99 billion a year ago.

No dividend was declared for the quarter.

Looking ahead, Tenaga expects the roll-out of IBR Period 4 (RP4 2025-2027) — which underlines benchmarks for its tariff charges, fuel cost projections and capital expenditure — to further strengthen its financial position, without elaborating.

On its balance sheet, Tenaga's receivables, deposits and prepayments stood at RM7.05 billion as of end-March, down from RM10.9 billion at end-December 2024. Its cash and cash equivalents expanded 3% year-on-year to RM16.8 billion from RM16.3 billion.

Shares in Tenaga ended unchanged at RM14 on Thursday, giving the group a market capitalisation of RM81.6 billion. Year-to-date, the stock has fallen over 6%.



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