

Power Generation: Kot Addu Power Company Limited

Result Review: EPS arrived at PKR 2.88/share in FY25

FY25: EPS at PKR 2.88, DPS of PKR 7.00/share announced

REP-300

Kot Addu Power Company (KAPCO) announced its financial results for FY25, wherein the EPS arrived at PKR 2.88 (-41% QoQ) for FY25 with the major contribution from other income from conventional and Islamic mutual funds with different AMCs, as KAPCO's PPA expired in Jun-21. However, it entered into a 3-year Tri-Partite PPA with CPPA-G and NGPCL, effective from 04-Jun-25, with only a one-month impact for this quarter.

Result Highlights

- In FY25, revenue reached PKR 1.6bn, entirely recognized in 4QFY25 (vs. PKR Nil in the prior quarter and SPLY), with no PPA in place.
- The company paid dividend of PKR 7.00/share in FY25.
- The company earnings were primarily driven by interest income as well as penal income (PKR 8.03/share in FY25).
- Finance costs amounted to PKR 248mn in FY25 (-52% YoY), as the borrowings have been significantly eliminated (PKR Nil in Jun'25 vs PKR 9.9bn in Jun'24), likely funded by the receipt of trade debts (PKR 1.8bn in Jun'25 vs PKR 10.9bn in Jun'24).
- KAPCO resumed operations in 4QFY25 after an 18-month gap, with 15.1% utilization of its switchyard (SY) LSFO plant. The 500 MW SY plant will operate under a hybrid take-and-pay model, ensuring fixed cost coverage and a 25% minimum ROE, with an upside tied to additional generation. Additionally, KAPCO, along with Fauji Foundation, has issued a PAI to acquire joint control of ACPL, with each expected to hold 42.03%.

Other Information

- It has also bid for two solar projects (150MW & 120MW), pending NEPRA approval. These investments may limit future payouts.

Exhibit: Financial Highlights

(PKR mn)	FY25	FY24	YoY	4QFY25	4QFY24	YoY	QoQ
Income statement							
Net Revenue	1,563	-	nm	1,563	-	nm	nm
Gross Profit / (loss)	(438)	-	nm	11	1,999	-99%	nm
Admin and Dist. Exp.	656	711	-8%	147	264	-44%	20%
Other Income	7,073	14,630	-52%	1,381	2,859	-52%	25%
Other Expense	2,735	4,600	-41%	979	3,410	-71%	nm
Share of profit	-	-	nm	-	-	nm	nm
Finance Cost	248	3,780	-93%	6	719	nm	-40%
PBT	2,995	5,539	-46%	260	466	-44%	-49%
Taxation	459	(1,226)	nm	130	(2,717)	nm	177%
PAT*	2,536	4,314	-41%	130	732	-82%	-72%
EPS (PKR)	2.88	4.90		0.15	0.83	0%	0%
DPS (PKR)	7.00	8.50		2.50	4.00		

Ratio Analysis

Gross Margins	-28.0%	nm	0.7%	nm
Net Margins	162.2%	nm	8.3%	nm
Effective Tax Rate	15.3%	nm	49.9%	nm

Source (s): Company Financials, AHL Research

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