

# Power Generation: Kot Addu Power Company Limited

## Result Review: EPS arrived at PKR 0.01/share in 1QFY26

REP-300

### 1QFY26: EPS at PKR 0.01, no dividend declared

Kot Addu Power Company (KAPCO) announced its financial results for 1QFY26, wherein the EPS arrived at PKR 0.01 (-96.3% QoQ / -99.6% YoY). KAPCO's PPA expired in Jun-21. However, it entered into a 3-year Tri-Partite PPA with CPPA-G and NGPCL.

### Result Highlights

- In 1QFY26, revenue reached PKR 4.2bn, (vs. PKR 1.6bn in the prior quarter and PKR Nil SPLY), with no PPA in place. The gross loss for the quarter stood at PKR 831mn, likely due to the absence of capacity payment recognition during the period. KAPCO's Tripartite Power Purchase Agreement (TPPA) became effective on September 13, 2025, and revenue for last quarter only reflected reimbursement of the fuel cost component for generation, recorded as a contract asset, with no capacity payments recognized. However, further clarity on this matter is awaited.
- The company announced no dividend, consistent with KAPCO's historical payout trend.
- The company earnings were primarily driven by interest income as well as penal income (PKR 1.5/share in 1QFY26).
- KAPCO resumed operations after an 18-month gap, with expected utilization of 10.9% (Sep'25) 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.

### AHL Research

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### Exhibit: Financial Highlights

(PKR mn)	1QFY26	1QFY25	YoY	4QFY25	QoQ
<b>Income statement</b>					
Net Revenue	4,156	-	nm	1,563	166%
Gross Profit / (Loss)	(831)	-	nm	11	nm
Admin and Dist. Exp.	221	141	57%	147	50%
Other Income	1,291	2,622	-51%	1,381	-7%
Other Expense	22	1,211	-98%	979	-98%
Share of profit	-	-	nm	-	nm
Finance Cost	5	205	-98%	6	-9%
PBT	211	1,064	-80%	260	-19%
Taxation	206	(98)	nm	130	59%
PAT*	5	1,162	nm	130	-96%
EPS (PKR)	0.01	1.32		0.15	0%
DPS (PKR)	-	-		2.50	
<b>Ratio Analysis</b>					
Gross Margins	nm	nm		nm	
Net Margins	nm	nm		nm	
Effective Tax Rate	98%	nm		50%	
Source (s): Company Financials, AHL Research					

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