

Power Generation: Nishat Power Limited / Nishat Chunian Power Limited

Result Review

2QFY26: EPS at PKR 1.08 for NPL, PKR 0.94 for NCPL

REP-300

Nishat Power Limited (NPL) reported 2QFY26 PAT of PKR 384mn, reversing a PKR 4,414mn loss in the same period last year, while Nishat Chunian Power Limited (NCPL) posted PAT of PKR 347, compared to a PKR 5,245mn loss SPLY. The turnaround for both companies was driven by provisioning for late payment surcharge (LPS) and excess profits during the same period last year. NPL provisioned PKR 1.8bn for LPS and PKR 2.9bn for excess profits, while NCPL provisioned PKR 2.3bn and PKR 3.3bn, respectively.

Result Highlights

- In 2QFY26, NPL's revenue rose to PKR 1.1bn from PKR 0.8bn YoY on improved plant utilization of 2.7% in Dec'25 (Dec'24: 0.4%), while NCPL's revenue increased to PKR 948mn from PKR 706mn, driven by utilization of 2.3% (Dec'24: 0.1%); however, both companies' utilization remained low due to weak power demand and high fuel costs, capping ROE entitlement at 35%.
- Both companies didn't declare dividends for 2QFY26, amid ongoing investments in the auto segment and Rafhan, in our view.
- Other income remained a key contributor for both companies, with NPL recording PKR 455mn (PKR 0.96/share post-tax) and NCPL posting PKR 280mn (PKR 0.57/share post-tax) in 2QFY26.
- For both companies, elevated other income was supported by surplus cash and short-term investments in PIBs and Sukuks, (PKR 22bn for NPL and PKR 13.5bn for NCPL as of Dec'25), and is expected to remain a key earnings support.
- We maintain a **Buy** stance on NPL with a Dec'26 target price of PKR 104/share.
- We maintain a **Buy** stance on NCPL with a Dec'26 target price of PKR 83/share.

Exhibit: Financial Highlights (NPL)

(PKR mn)	1HFY26	1HFY25	YoY	2QFY26	2QFY25	YoY	QoQ
Income statement							
Net Revenue	2,814	3,519	-20%	1,142	788	45%	-32%
Gross Profit	655	1,669	-61%	265	258	3%	-32%
Admin and Dist. Exp.	269	250	8%	140	126	11%	8%
Other Income	891	770	16%	455	325	40%	4%
Finance Cost	20	42	-53%	13	37	-65%	84%
PBT	1,188	(2,647)	n.m	498	(4,373)	n.m	-28%
Taxation	220	115	91%	114	41	178%	8%
PAT	968	(2,762)	n.m	384	(4,414)	n.m	-34%
EPS (PKR)	2.73	(7.80)		1.08	(12.47)		
DPS (PKR)	-	4.00		-	2.00		

Source (s): Company Financials, AHL Research

Exhibit: Financial Highlights (NCPL)

(PKR mn)	1HFY26	1HFY25	YoY	2QFY26	2QFY25	YoY	QoQ
Income statement							
Net Revenue	2,314	2,783	-17%	948	706	34%	-31%
Gross Profit	731	1,636	-55%	295	253	44%	-30%
Admin and Dist. Exp.	206	133	55%	108	66	17%	-32%
Other Income	571	426	34%	280	187	63%	9%
Other Expense	46	5,591	-99%	40	5,586	50%	-4%
Finance Cost	6	12	-47%	5	11	-56%	217%
PBT	1,040	(3,674)	n.m	419	(5,224)	n.m	-33%
Taxation	140	59	139%	72	22	231%	5%
PAT*	899	(3,733)	n.m	347	(5,245)	n.m	-37%
EPS (PKR)	2.45	(10.16)		0.94	(14.28)		
DPS (PKR)	-	5.00		-	-		

Source (s): Company Financials, AHL Research

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