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Nishat Power Limited

Annual Report Key Takeaways

REP-300

NPL published its FY26 Annual Report today. Below are the key takeaways:

- **Earnings turnaround:** The Company posted PBT of PKR 3.04bn and PAT of PKR 2.48bn, versus losses of PKR 0.38bn and PKR 0.75bn, respectively, in FY25. The prior-year loss was largely due to a PKR 3.8bn adjustment payable to CPPA-G under the revised tariff arrangement.
- **Margin pressure:** Gross profit declined to PKR 1.4bn, primarily due to a sharp reduction in delayed payment mark-up to PKR 109mn from PKR 1.1bn, following the revised PPA mechanism and settlement of outstanding receivables.
- **Higher plant utilization:** Power dispatch increased to 193 GWh in FY26 from 87 GWh SPLY, lifting the average capacity factor to 11.29% from 5.07%, amid RLNG supply constraints that increased reliance on RFO-based generation.
- **Stable other income:** Other income remained broadly unchanged at ~PKR 1.5bn, despite lower surplus funds following investments in NexGen and RMPL.
- **RMPL investment:** The Company acquired a 14.36% stake in Rafhan Maize Products Company Limited (RMPL) for ~PKR 13bn, adding a stable dividend-income stream and potential for long-term capital appreciation.
- **NexGen contribution:** The Company's 33.33% stake in NexGen Auto generated PKR 1.3bn in share of profit during FY26, providing a meaningful contribution to overall profitability.
- **FESCO participation:** Post year-end, the Board approved participation in the FESCO privatization process through a consortium, although no binding obligation had been assumed as of the review date.
- **Higher receivables:** Receivables from the Power Purchaser increased to PKR 6.5bn as of Jun'26, from PKR 1.7bn in Jun'25 (amid seasonality), however remain low following the settlement of overdue receivables in the previous year under the PPA Amendment Agreement.

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