

# KAPCO – 26 Years of Excellence & Way Forward!


27 October 2022



# KAPCO - A Symbol of Successful Public Private Partnership



# KAPCO - Brief History

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- A vertical strip of images on the left side of the slide shows various industrial scenes, including power plant structures, smokestacks, and large storage tanks, all in a slightly faded, artistic style.
- KAPCO Power Complex was built by WAPDA in 5 phases (1985-96) by WAPDA.
  - In Apr, 1996, ("KAPCO") was incorporated as a public limited company
  - In Jun, 1996, KAPCO was privatized through International Competitive Bidding by offloading 36% shares to strategic investor, National Power UK.
  - KAPCO was listed on stock exchange in 2005
  - Strategic investor sold its shareholding to banks and individuals in 2013.
  - PPA for 25 years, Jun-1996 to Jun-2021. Extended for 16 months under settlement, with expiry on 24-Oct-22.
  - Generation License expired on 21-Sep-21. NEPRA has renewed the license till Sep 2024.
  - Name-plate Capacity 1600 MW & Annual Dependable Capacity 1345 MW. (Actual ADC always higher than contractual ADC).
  - Supporting Energy Security of the Country with the option to run on 3 fuel (RLNG, LSFO, HSD). 10 multi fuel fired Gas Turbines & 5 Steam Turbines.
  - Total dividend payment since 1996: **Rs. 146.9 billion (Rs. 166.8/share)**
  - KAPCO has paid **Rs. 111.2 billion (Rs. 126.4/share)** as dividend to Shareholders since listing in 2005
  - KAPCO paid around **Rs. 70 billion** of tax to Govt of Pakistan
  - The equity of KAPCO is **Rs. 68.6 billion** (Breakup Value - **Rs. 78/share**) as of 30-Jun-22

*KAPCO is the best example of Public Private Partnership being managed and operated according to best international practices since its privatization in 1996.*





## KAPCO - An Overview

# Overview of KAPCO

Largest Combined Cycle  
Plant in Corporate Sector

Only Tri-Fuel Power Plant

~4% of Country's Generation  
Capacity

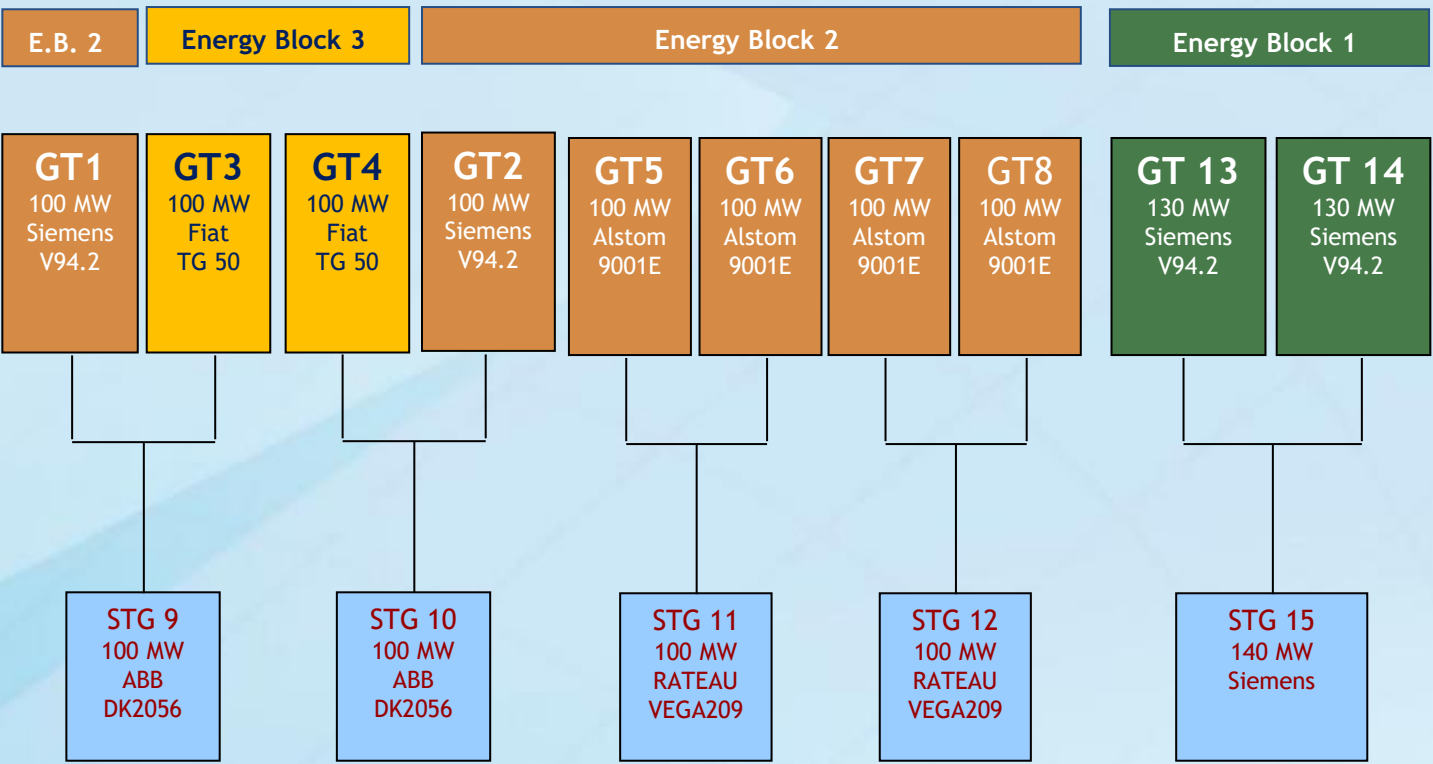
No of shareholders > 64,000

Self Managed O&M

Ability to self start in  
country wide blackout

Ownership of 132 kV and  
220 kVA grid stations

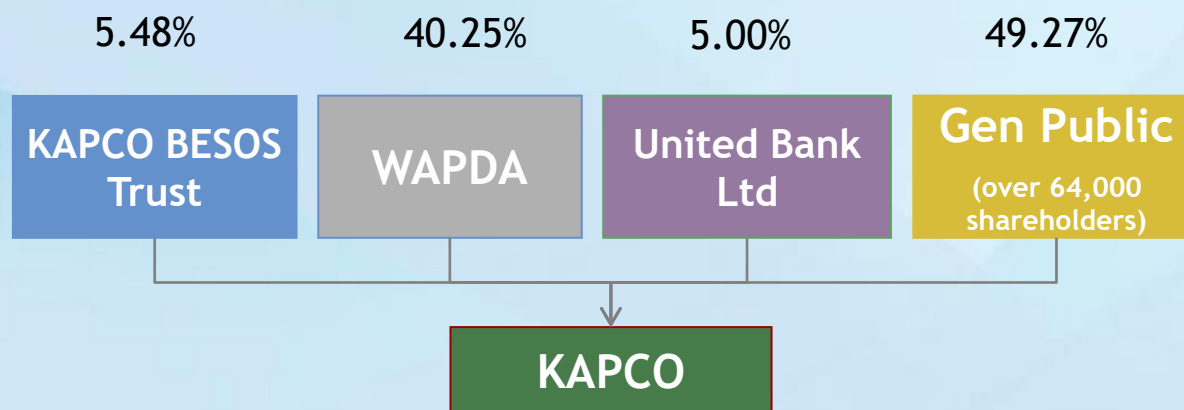
Highly reliable plant



The **Power Plant** is located in the district of **Muzaffargarh**, 90 km from Multan in the province of Punjab

# Committed and Strong Shareholder Base

## Current shareholding structure



### WAPDA

- Provides knowledge and experience in Pakistan power industry
- Responsible for development and utilization of hydel resources & electricity generation in Pakistan
- Foreign shareholders including corporate entities hold **6.03%** shares of the Company.
- Total shareholders of the Company as on 30-Jun-22 are 64,180.

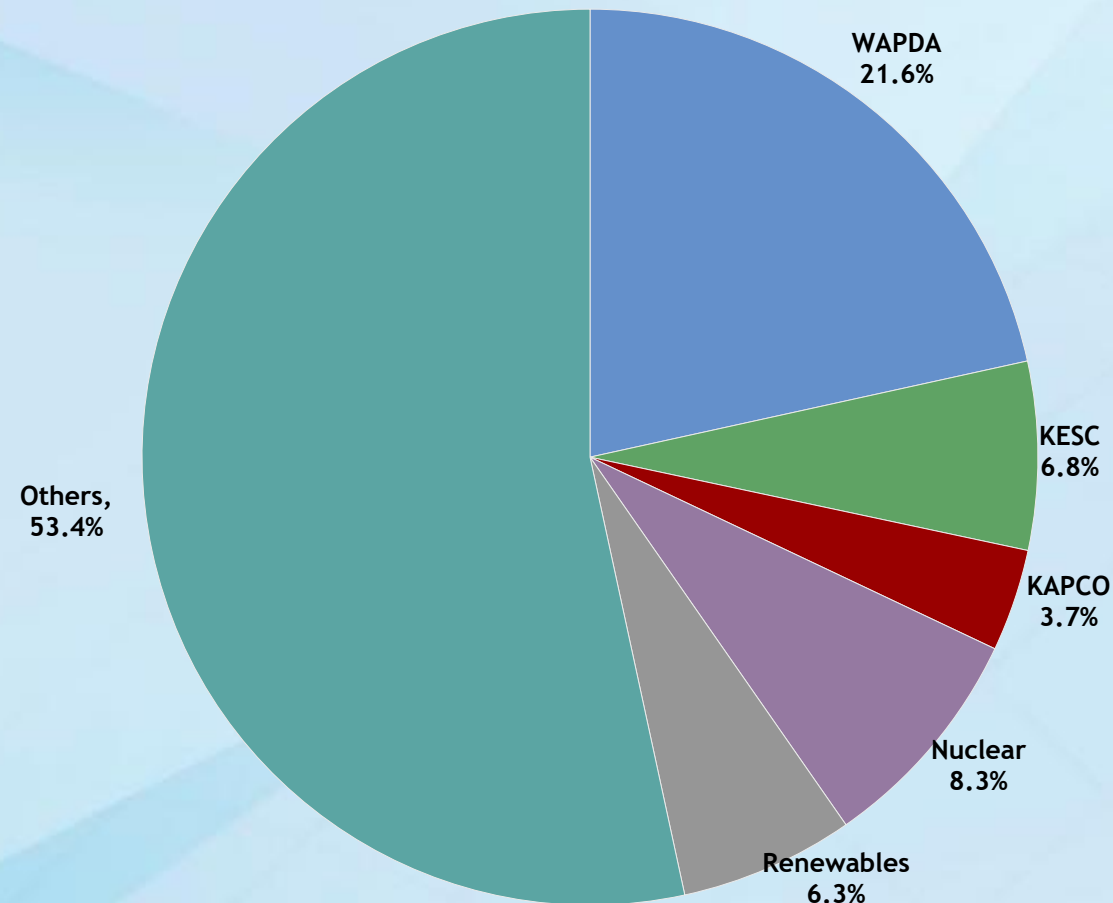
## Pattern of Shareholding

Category	No of shareholders	%age holding
Directors, CEO, Spouse & Children	7	0.0098
Associated Companies	2	45.7327
Banks, DFIs & NBFIs	26	13.5221
Insurance Companies	15	1.9073
Mutual Funds	17	0.3528
General Public (Local)	60,290	26.4633
General Public (Foreign)	3,557	3.4754
Others	204	4.4173
Foreign Companies	16	2.5543
Pension, Provident & other funds	46	1.5651
<b>Total</b>	<b>64,180</b>	<b>100.0000</b>



# Pakistan's Largest IPP - Contracted Capacity

KAPCO installed capacity is approximately 3.7% of Pakistan's total electricity generation capacity



Source: State of Industry Report 2022

## Key highlights

- Accounts for a significant portion of Pakistan's overall power capacity installed
  - 3.7% of total power generation of Pakistan
  - 7.8% of all thermal IPPs (CPPA-G System)
- Largest IPP in Pakistan
  - Installed capacity of 1,600MW
  - Contracted capacity of 1,345MW
  - 10 Multi-Fuel fired Gas Turbines
  - 5 Steam Turbines

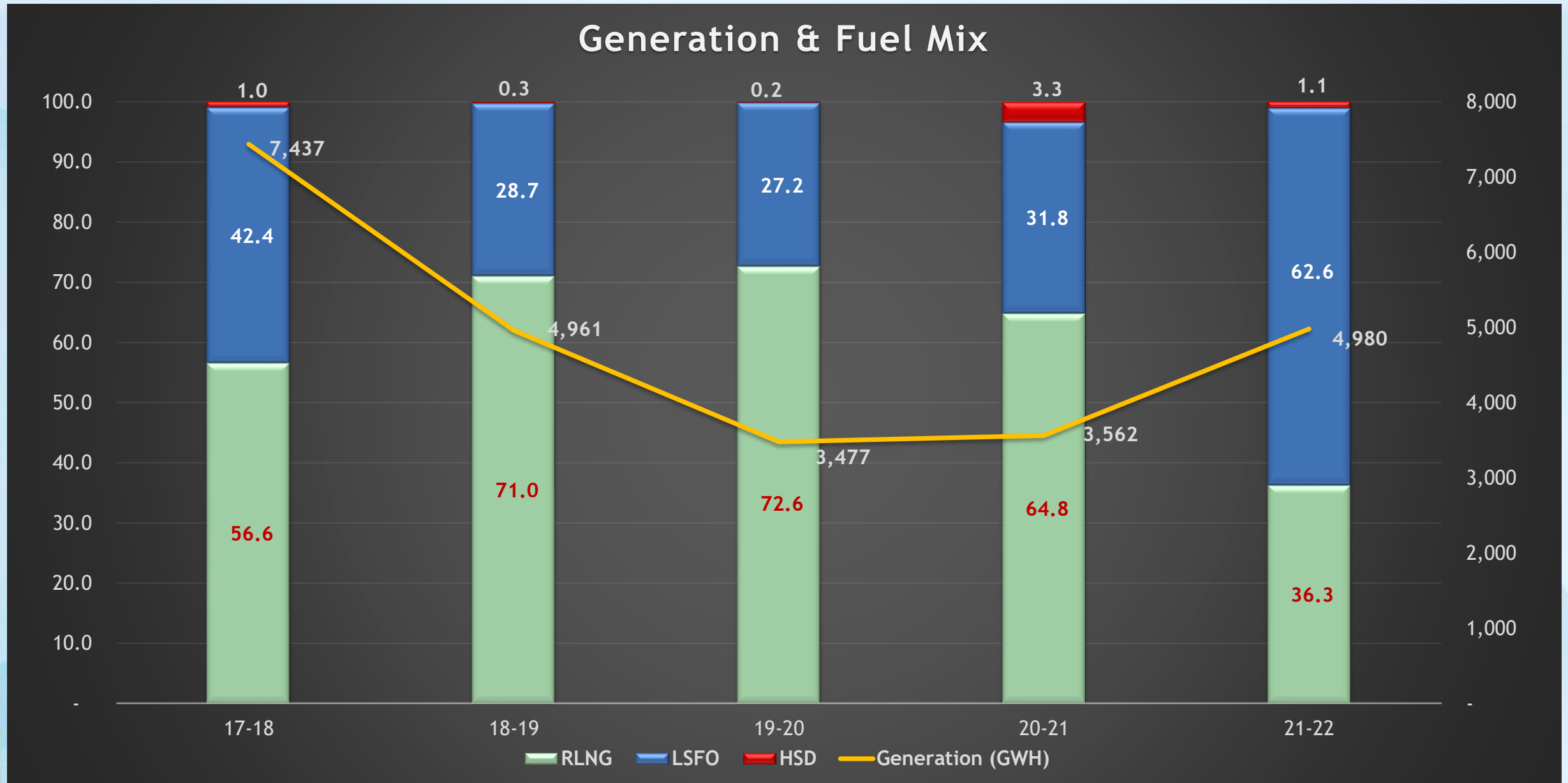




# KAPCO - Operating Profile & Industry Comparison



# KAPCO - Recent Operating Profile



# KAPCO - Share in Overall Generation



	Total Generation	KAPCO Generation	%age
2022	143,193	4,980	3.48%
2021	130,223	3,562	2.74%
2020	121,867	3,477	2.85%
2019	122,708	4,961	4.04%
2018	120,719	7,437	6.16%

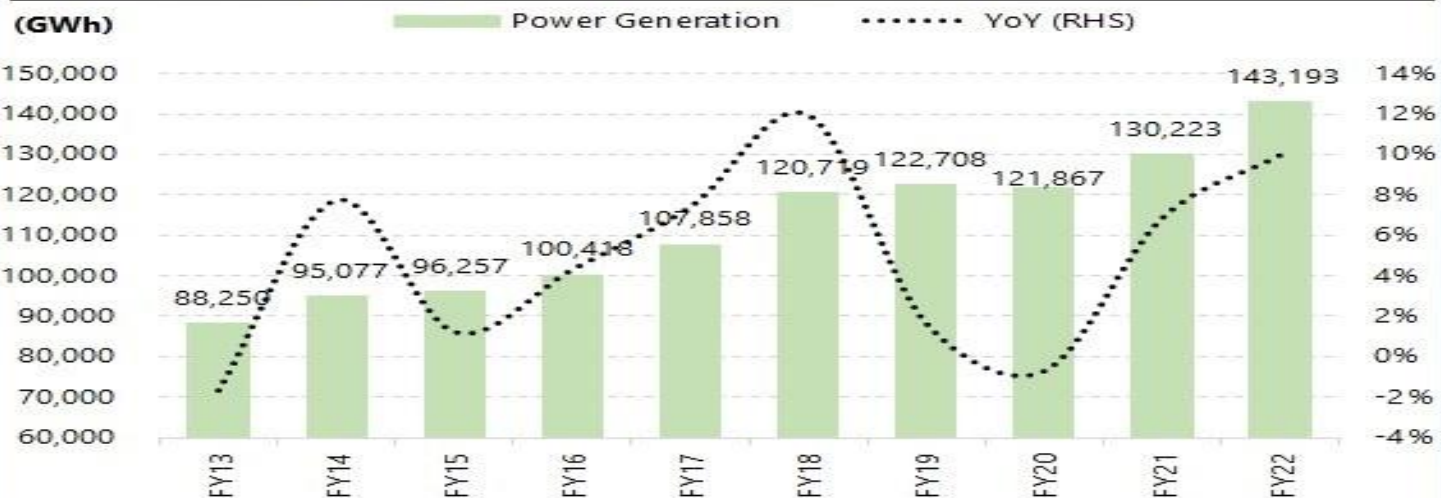
*KAPCO Plant generated around 12.4% of the total LSFO & RLNG Generation of the Country*

Exhibit: Historical Trend of Source wise Power Mix



GWh	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	10Y Avg
Hydel	25%	32%	29%	23%	26%	33%	33%	34%	35%	32%	30%
RLNG	19%	20%	23%	22%	10%	3%	0%	0%	0%	0%	10%
Coal	19%	21%	17%	13%	4%	0%	0%	0%	0%	0%	7%
Nuclear	13%	8%	7%	7%	7%	5%	4%	5%	4%	5%	6%
Gas	10%	11%	15%	18%	20%	25%	28%	21%	21%	25%	20%
RFO	9%	4%	5%	12%	27%	30%	30%	36%	37%	34%	22%
Wind	3%	2%	3%	2%	2%	1%	1%	0%	0%	0%	1%
HSD	1%	0%	0%	0%	2%	1%	2%	2%	1%	2%	1%
Baggass	1%	1%	0%	1%	1%	1%	0%	0%	0%	0%	0%
Solar	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%
Others	0%	1%	1%	1%	1%	1%	1%	2%	2%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Highest ever Power Generation during FY22, up by 10% to 143,193 GWh



Source (s): NEPRA, AHL Research



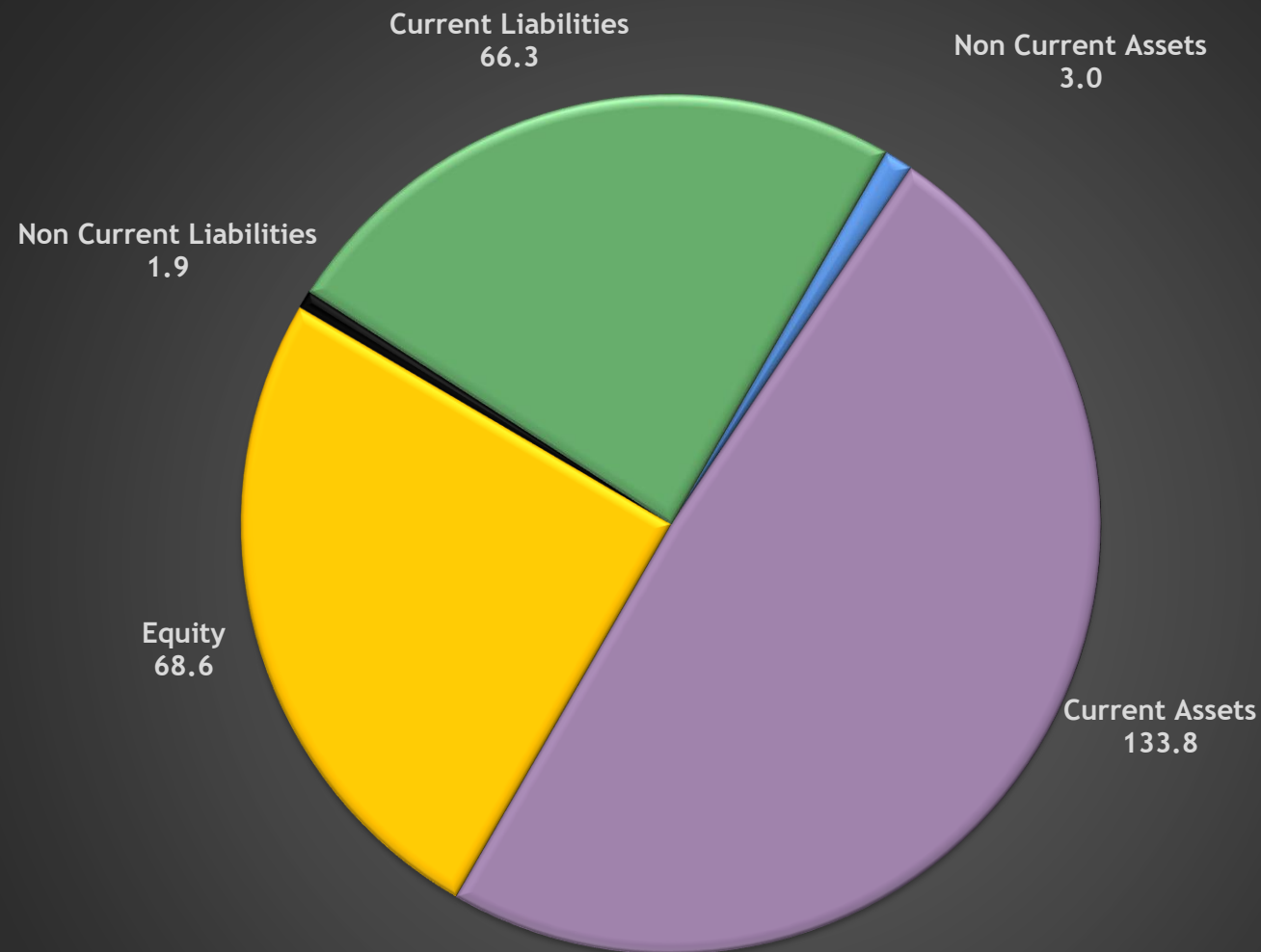


# KAPCO - Financial Performance 2021-22



# Balance Sheet - Breakup 30 Jun 2022

Rs in Billion

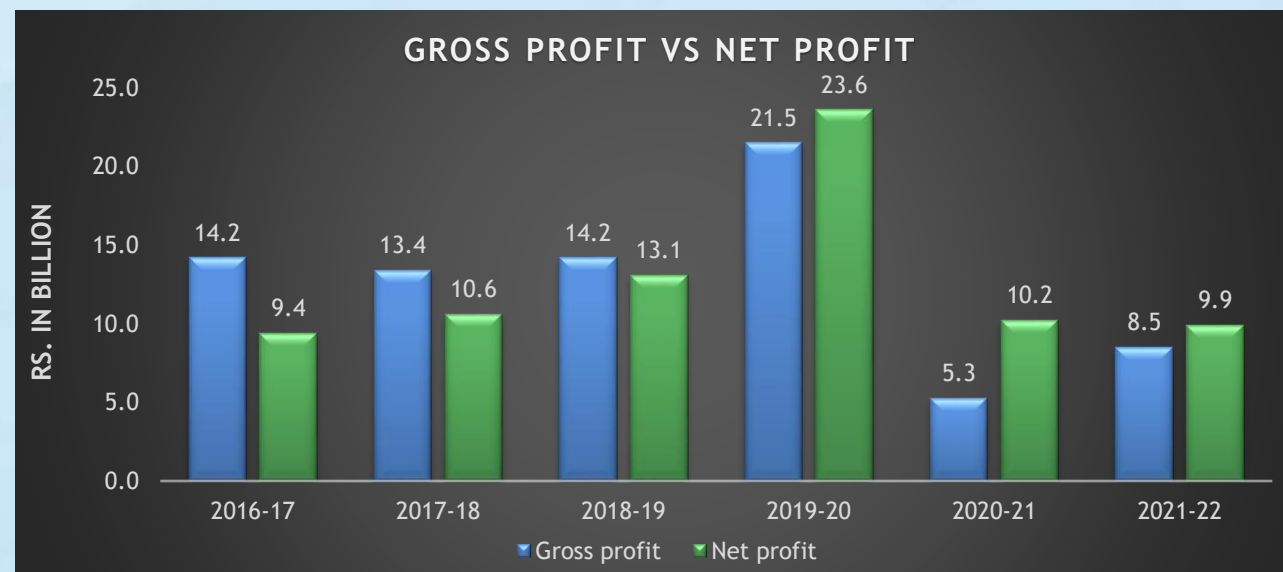
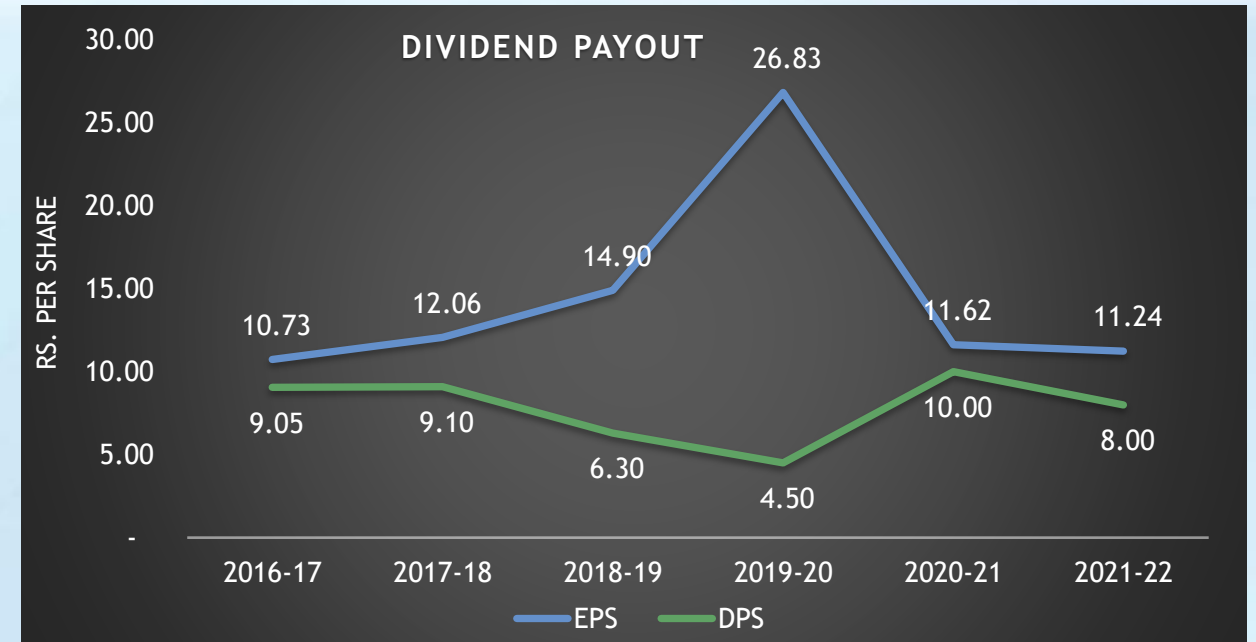
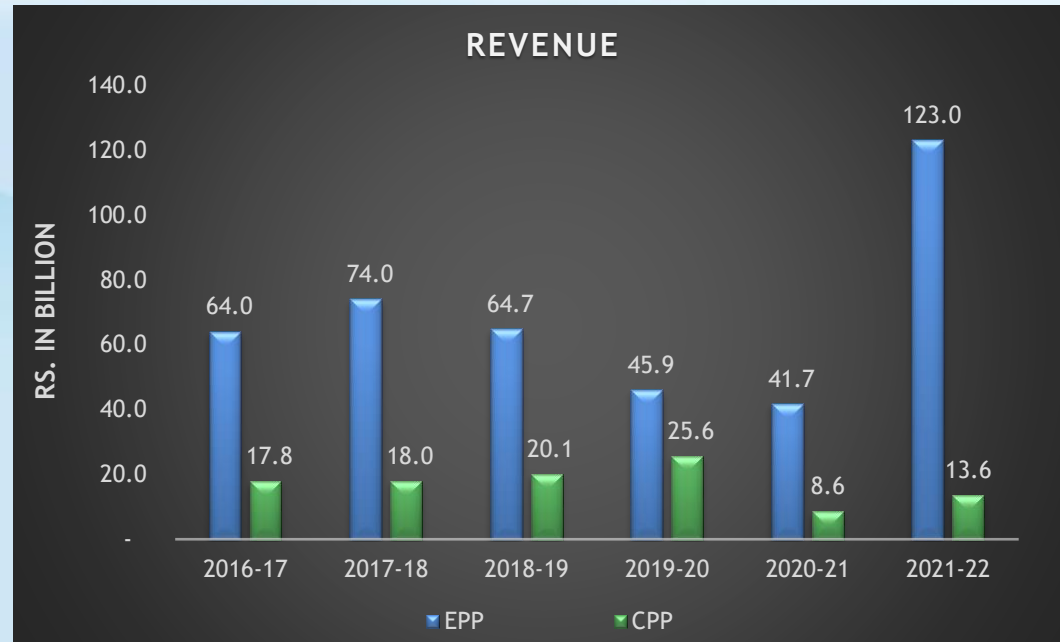


## Current Assets

Description	2022	2021
Trade Receivables	62.2	104.6
PIB/Sukuk	54.1	25.7
Fuel Inventory & Stores	9.9	9.1
Advances, deposits, Tax	6.6	8.0
Cash & Bank	1.0	1.3
	133.8	148.7

Description	2022	2021
Bank Finances	37.4	36.3
Trade & other payables	21.5	17.2
Contract liability	4.6	14.5
Tax, Others	1.9	0.0
Dividend	1.0	5.2
	66.3	73.2

# Financial Performance



# Financial Performance: 2022 vs. 2021

Rs. in Billion	2021-22	2020-21	% Change
<b>Generation (GWh)</b>	<b>4,980</b>	<b>3,562</b>	<b>40%</b>
Revenue - EPP	123.0	41.7	195%
Revenue - CPP	13.6	8.6	58%
Gross Profit	8.5	5.3	60%
Net Finance Income	7.5	6.0	25%
<b>Net Profit</b>	<b>9.9</b>	<b>10.2</b>	<b>-3%</b>
<b>EPS (Rs / Share)</b>	<b>11.24</b>	<b>11.62</b>	<b>-3%</b>

## Reasons for Variance in net profit:

- ✓ Lesser True Up income: Rs. 3.1 billion
- ✓ Higher Net Finance Income: Rs. 1.5 billion
- ✓ Higher Tax due to super tax: Rs. 1.5 billion
- ✓ Other Adjustments relating to heat rate/ GT startups





## KAPCO - Strategic Significance

# KAPCO's Critical Strengths

- KAPCO is providing **ENERGY SECURITY** to National Grid having
  - **Fuel Flexibility**, Multi fuel fired Gas Turbine Burning
  - Utilizing **Indigenous LSFO** produced by ARL
  - 9 Units on **220KV** NTDC System & 6 units on **132KV** System MEPCO System
  - **156 K Tonne LSFO storage, 40 Million litre HSD storage**
  - PSO Oil Pipe line with Capacity of 3800 TPD
  - 2 Gas pipe line from SNGPL Network, 1 Gas pipeline from Dhodak
  - **Black Start Generator Facility** in case of country wide blackout
- Excellent plant conditions owing to Best Maintenance and Operation practices / Upgrades.
- **More than 10 years Remaining Useful Life** of the Facility based on the technical assessment carried out by Ramboll UK.
- It has **540 MW Generation** Capacity on 132 KV System.
- It has **805 MW Generation** Capacity on 220 KV System.
- It has **500 MVA Auto Transformers 220 /132 KV**.
- **822 MVA Power is dispersed** to MEPCO, FESCO & PESCO.
- It has a very significant role in supply of power to the **MEPCO** local region of Multan, Muzaffargarh, DG Khan, Layyah Districts through 220 KV and 132 KV feeders emanating from KAPCO.
- KAPCO Gas Turbines have optimum size and capable of quick start/stop both on Gas & Liquid Fuel.
- It is highlighted that during the peak summer months, the KAPCO complex runs as a base load plant.
- During winter canal closure, KAPCO units are operated for peaking on Liquid Fuel ( Maximum Load 1525 MW dated 13-Jan-2022.
- KAPCO has the largest oil storage capacity by any IPP. KAPCO is **key national & strategic asset** and can play its role in the fuel/ energy security of the Country.
- **Key Stakeholders (NPCC, MEPCO) has supported the extension**



## IGCEP & KAPCO



- Historic step by NEPRA/GoP in approval of first ever IGCEP (2021-30)
- KAPCO Plant was retired in first IGCEP from Oct-2022

## KAPCO Load Factor - IGCEP vs Actual (%)

Energy Block	IGCEP 2020-21	Actual 2020-21
Block 1	14.68%	53.65%
Block 2	3.11%	27.89%
Block 3	0.00%	5.84%
Complex	5.38%	30.30%

Energy Block	IGCEP 2021-22	Actual 2021-22
Block 1	16.63%	65.50%
Block 2	4.96%	42.45%
Block 3	0.00%	11.13%
Complex	6.91%	42.36%

- NTDC submitted the revised IGCEP 2022-31 and NEPRA had public hearing on 19 Oct 2022.
- Revised IGCEP has included KAPCO Plant till 2026.

## Revised Load Factor: IGCEP 2022-31

Year	EB 1	EB 2	EB 3	Complex *
2022-23	35.31%	11.86%	0.0%	19.02%
2023-24	35.38%	11.83%	0.0%	19.02%
2024-25	35.25%	11.89%	0.0%	19.02%

\* Excluding EB 3

*THANK YOU*

