



NPL 3QFY26 Result Review: Auto segment delivers maiden profit



AKD Securities Limited

Nishat Power Ltd (NPL) announced its 3QFY26 financial results, wherein the company posted NPAT of PkR691mn (EPS: PkR2.0), down 49%YoY but up by +80% QoQ, below our expectations of earnings PkR839mn (EPS: PkR2.4) due to lower than expected other income. Company also announced interim cash dividend of PkR1.50/sh during 3QFY26, taking cumulative 9MFY26 payout to PkR1.5/sh (vs. PkR6.0/sh in 9MFY25).

- Net revenues surged to PkR2.3bn (+27%YoY/+104%QoQ), with the recovery driven by uptick in generation to 44GWh during 3QFY26 (utilization: 11%) from 21GWh (5% utilization) in 3QFY25. The YoY improvement is due to elevated RFO-based dispatch as RLNG cargo disruptions stemming from the Iran-US standoff pushed power purchaser toward available RFO capacities.
- Gross margins compressed to 12.4% (vs. 20.6% in SPLY and 23.2% in 2QFY26). Opex charges stood at PkR160mn (+6%YoY), while other income compressed to PkR238mn (-51%YoY), led by lower cash balance and declining investment yields during the period.
- Company's share in profit from associated investments clocked in at PkR394mn, stemming from company's 33.3% stake in NextGen Autos Ltd. Company is estimate to have delivered ~3,000units during 3Q, mostly led by J7 and Omoda E5 during the period.
- We reiterate our 'HOLD' stance on Nishat Power Limited with a Dec'26 target price of PkR87/sh.

NPL: Income Statement

(PKRmn)	3QFY26	3QFY25	YoY	2QFY26	QoQ	9MFY26	9MFY25	YoY
Net Sales	2,333	1,842	27%	1,142	104%	5,147	5,216	-1%
Gross Profit	289	380	-24%	265	9%	944	2,278	-59%
Opex	160	151	6%	140	14%	430	393	9%
Finance Cost	12	1	1372%	13	-11%	31	43	-26%
Other Income	238	484	-51%	455	-48%	1,130	987	14%
Share of Profit	394	0	-	3		391	0	-
PAT	691	1,366	-49%	384	80%	1,659	-2,113	-179%
EPS	2.0	3.9	-49%	1.1	80%	4.7	-6.0	-179%
DPS	1.5	0.0	-	0.0	-	1.5	6.0	-75%

Source: PSX & AKD Research

Muhammad Ali
ali.muhammad@akdsl.com
+92-21-111253111 EXT:637

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Valuation Methodology

To arrive at our period end target prices, AKDS uses different valuation techniques including:

- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

New Rating Definitions

BUY	> 25% expected total return (Rf: 16% + Rp: 9%)
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SELL	< 16% expected total return (Rf: 16%)

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AKD Securities Limited

602, Continental Trade Centre,
Clifton Block 8, Karachi, Pakistan.
research@akdsi.com