

THE KENYA POWER AND LIGHTING COMPANY PLC

AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2025

The Board of Directors of The Kenya Power and Lighting Company Plc is pleased to announce the audited financial results of the Company for the year ended 30 June 2025 as follows:

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	2025 Kshs Million	2024 Kshs Million
Revenue from contracts with customers	219,285	231,124
Cost of sales	(144,664)	(150,606)
Gross Margin	74,621	80,518
Other income	7,267	7,250
Operating costs	(42,421)	(46,278)
Operating Profit	39,467	41,490
Interest income	625	1,494
Finance costs	(4,717)	682
Profit Before Tax	35,375	43,666
Income tax expense	(10,908)	(13,586)
Profit After Tax	24,467	30,080
Other comprehensive income/(loss)	(1,105)	391
Total comprehensive income for the year	23,362	30,471
Basic and diluted earnings per share (Kshs)	12.54	15.41

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	2025 Kshs Million	2024 Kshs Million
Assets		
Property, plant and equipment	287,477	275,775
Other Non-current assets	3,345	4,256
Current assets	98,217	78,055
	389,039	358,086
Equity and Liabilities		
Shareholders' equity	109,335	87,314
Non-current liabilities	162,278	165,278
Current liabilities	117,426	105,494
	389,039	358,086

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	2025 Kshs Million	2024 Kshs Million
Cash generated from operating activities	39,768	28,374
Net Cash used in investing activities	(29,597)	(24,837)
Net Cash generated from financing activities	(12,869)	(11,208)
Change in cash and cash equivalents	(2,698)	(7,671)
Cash and cash equivalents at beginning of year	10,353	18,430
Effect of foreign exchange rate changes on cash and cash equivalents	30	(406)
Cash and cash equivalents at close of year	7,685	10,353

PERFORMANCE OVERVIEW

Trading Performance

Kenya Power is pleased to present its audited financial results for the year ended 30 June 2025, reflecting strong operational progress, improved efficiency, and prudent cost management. In the period, profitability was constrained by revenue pressures arising from lower tariff yield in the period implemented to ease energy costs for customers, and higher finance costs mainly occasioned by unrealised foreign exchange impact on loans.

Operational Performance

Electricity demand remained resilient, with total electricity sales increasing by 887 GWh, supported by higher customer uptake. Unit purchases also grew by 787 GWh, reflecting sustained demand growth. Distribution and transmission efficiency improved to 78.79% from 76.84% the previous year, driven by ongoing grid upgrades, system reinforcement, and loss reduction initiatives. New peak demand levels were achieved during the period, highlighting network resilience, although temporary supply constraints led to isolated load shedding during peak hours.

Revenue

Electricity revenue decreased by KShs.11.84 billion from KShs.231.12 billion FY2023-24 to KShs.219.29 billion. This decline was mainly due to reduced foreign exchange recoveries following the sustained stability of the Kenya Shilling and the application of a lower base tariff aligned to the approved tariff reduction path.

Power Purchase Costs

The stability of the local currency, while reducing forex recoveries, had a positive offsetting impact on costs. As most power purchase agreements are denominated in foreign currencies, power purchase costs decreased by KShs.5.94 billion compared to the prior year, despite higher volume uptake.

Operating Expenses

Operating expenses decreased by KShs.3.86 billion, mainly due to lower expected credit losses. This followed refinements to the IFRS 9 provisioning model to reflect prevailing macroeconomic conditions, debt collection trends, and customer payment histories. Staff costs, depreciation, and other operating expenses rose during the year, but overall cost prudence contributed to improved operational efficiency.

Profitability

Profit before tax closed at KShs.35.38 billion compared to KShs.43.67 billion in the previous year. Profitability remained strong despite the impact of the foreign exchange rates shift over the two comparative periods which led to lower revenues and corresponding cost of sales. This also resulted in higher financing costs as the unrealised forex gains reversed on the strengthening of the local currency.

Finance Costs

Finance costs increased to KShs.4.72 billion compared to a net gain of KShs.683 million in FY2023-24, mainly due to the reversal of unrealised foreign exchange gains. Specifically, exchange gains on loan revaluations of KShs.7.89 billion recorded in the prior year reversed to an exchange loss of KShs.794 million in the year under review, reflecting the impact of a stable local currency.

On a positive note, interest expenses reduced by KShs.2.58 billion as the Company accelerated repayment of its commercial loans. This strategy contributed to an 11 per cent reduction in the loan book to KShs.87.64 billion, supporting long term financial resilience.

Financial Position

The Company's financial position continued to strengthen with the working capital deficit narrowing significantly to KShs.19.21 billion in FY2024-25 from KShs.27.44 billion in FY2023-24. This improvement was achieved through enhanced liquidity management and more efficient resource utilisation across operations.

Dividend

The Board remains committed to delivering value to shareholders as the Company's financial performance strengthens. In recognition of this continued improvement, an interim dividend of KShs.0.20 per ordinary share was paid during the year. Building on this momentum, the Board is pleased to recommend a final dividend of KShs.0.80 per ordinary share for the year ended 30 June 2025, subject to applicable withholding tax, to shareholders on the register at the close of business on 2 December 2025. If approved by shareholders, the dividend will be paid on or about 30 January 2026.

Future Outlook

Looking ahead, Kenya Power remains steadfast in its commitment to enhancing operational efficiency, strengthening liquidity, and delivering reliable, affordable, and sustainable electricity to all Kenyans. The Company's strategic priorities focus on modernising the grid to improve reliability, reduce losses, accelerating customer connections, and driving digital transformation to enhance customer experience, improve revenue assurance, and support a smarter energy network.

We will continue to reinforce financial sustainability through prudent cost management, optimised capital allocation, and robust revenue growth. By executing these priorities, Kenya Power is well positioned to power the nation's growth and create enduring value for its shareholders.

Pamoja Twang'aa!

We extend our sincere gratitude to our shareholders, customers, management team, employees, and all stakeholders for their continued trust and support. Together, we are energising a sustainable future for Kenya.

BY ORDER OF THE BOARD

I. BORE
COMPANY SECRETARY
6 October 2025