

Success Story:

Powering the Future - Financial Advisory for a Sustainable Hydel Power Project at Suki Kinari

The Client:

Privatisation Holding Company (PHC) Kuwait was established in 1994. PHC is a listed company on the Kuwait Stock Exchange, and is a member firm of National Industries Group having 40.28% shareholding. PHC's investments are diversified across a wide array of sectors including industrial, oil field services, financial services, power and utilities, infrastructure, transportation, healthcare and technology.



The Project:

Abacus was engaged by Kuwait Privatisation Projects Holding Company (KPPHC) to provide buy-side financial advisory and equity placement for SK Hydro Power Project, Pakistan's first hydro-powered IPP being constructed at Suki Kinari, on Konhar River in Khyber Pakhtunkhwa. The project cost for the 884 MW, run-of-river power plant, was initially estimated at USD 1.14 Billion, with a 75:25 Debt-Equity split. As part of services performed, Abacus carried out a market and financial due diligence, as well as a valuation exercise which was cognizant of local economic conditions, power sector dynamics, demand and supply, along with key risks. Designed to produce 3,050 GWh annually, this mega project is expected to significantly enhance Pakistan's existing renewable power generation capacity. The project poses minimal environmental and social impacts and due to its high design head of 900 meters and relatively short intake structure crest, it is considered one of the most cost effective hydropower schemes in the region.

Being developed by internationally renowned and financially and technically established Sponsors, this landmark project is poised to set a new precedent in private sector hydropower development in Asia. It is currently at an advanced stage of development and is expected to be operational by November 2024.

Project Highlights:

- Market & financial due diligence
- Financial model & project valuation

Benefits to the Client:

- Independent third party valuation of investment / debt placement in a renewable power sector project
- Assessment of demand and supply characteristics and project risks for KPPHC to make informed acquisition decision

