

Sector**Property**Chase Research

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Symbol: **TPLP**

Current Price: **PKR 12.28**

Market Cap (PKR bn): **6.997**

Total Shares (mn): **569.807**

Free Float (mn): **227.923**

52 Week Low: **PKR 11.40**

52 Week High: **PKR 22.71**

TPL Properties Limited (TPLP)

On a consolidated basis, TPLP reported a profit of PKR 2.967 billion (EPS: PKR 5.29) in FY23, marking a steep decline of 45% compared to the previous year's profitability of PKR 5.343 billion (EPS: PKR 9.62).

During the same period, gross profit plummeted by 14% to PKR 5.466 billion in FY23. The cost of sales significantly increased to PKR 42.6 million in FY23 from PKR 7.134 million in SPLY.

Similarly, the Company's overall revenue declined by 14% YoY to PKR 5.508 billion in FY23. TPL REIT Fund I showed an 82% YoY growth in NAV in FY23, boasting total assets worth PKR 32.1 billion.

Segment-wise revenue was recorded as follows: TPL property management (PKR 4.311 million), TPL RMC (PKR 1.073 million), TPL Development (PKR 120 million) in FY23.

On a standalone basis, the company achieved an unrealized gain of PKR 875 million from the sale of TPL Technology Zone (TTZ) in FY23. Furthermore, the company earned a revaluation gain (PKR 4.3bn) from REIT Fund Units and received a dividend of PKR 100 million from its subsidiary.

Long-term investments of TPLP increased by PKR 5.9 billion, primarily driven by unrealized gains of PKR 4.3 billion and additional investment of PKR 1.6bn in TPL REIT Fund I.

Accrued interest also rose by PKR 76 million due to markup on advances given to subsidiaries. On the other hand, trade and other payables increased by PKR 294

million due to an additional HKC equity purchase of PKR 250 million. TPLP's net debt stood at PKR 837 million in FY23.

TPLP's flagship project, One Hoshang, under TPL REIT Fund I, is expected to complete piling work next week, with structure works to commence by November this year. The entire project will be delivered by mid 2026.

Additionally, the master plan for another venture, Mangrove, under TPL Fund REIT 1, has been approved. An international consultant is currently working on detailed infrastructure design. Infrastructure work is expected to initiate before 4QFY24, with the first phase of the project set to launch by mid-2024.

TPLP's three subsidiaries, TPL RMC & IMC, TPL Developments, and TPL Property Management, have actively contributed to the company's endeavors. TPL RMC managed TPL REIT FUND I, earning PKR 1.048 million in management fee in FY23.

The company is actively working on expanding its international presence with projects like Telecom Tower REIT (Acquisition of 10,500 towers in process) and Regional Hospitality Funds.

Similarly, TPL Development contributed PKR 120 million in fees through developing projects like One Hoshang, despite incurring losses due to the projects' early stages.

TPL Property Management successfully completed the first year of its new contract with BAHF for Centrepont while an auto-renewal for the second year is in place.

Going forward, TPLP's management highlighted the undervaluation of the stock and shared their future outlook. The company anticipates stable, recurring, and contractual revenue streams from all its subsidiaries and

an expansion through multiple acquisitions in and outside Pakistan.

This strategic shift is projected to generate revenue of PKR 22.7 billion by FY28, up from PKR 5 billion in FY23. The company's growth plan follows a strategy of thrity for three and fifty for five, indicating a 30% growth in three years and a 50% growth in five years.

Financial Highlights			
PKR 000	2023	2022	YoY Change
Revenue	5,508,494,800	6,397,111,167	-14%
Cost of Sales	42,600,000	7,134,473	497%
Gross Profit	5,465,894,800	6,389,976,694	-14%
Admin Exp	2,098,159,019	1,288,279,122	63%
Finance Cost	170,771,140	334,488,173	-49%
Other Income	116,438,807	255,878,908	-54%
Other Exp	5,246,000	6,735,176	-22%
PBT	3,308,157,448	5,016,353,131	-34%
Taxation	212,588,858	102,062,373	108%
Profit After Taxation	2,966,562,089	5,342,855,002	-44%
EPS	5.29	9.62	-45%
*Source: TPL Properties Limited, PSX			

Important Disclosures

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