

Power Generation & Distribution Companies

HUBC: 1HFY26 Management Call Takeaways

- The Hub Power Company Limited (HUBC) held a corporate briefing session to discuss the 1HFY26 financial results and provide key insights on the future outlook for the Company.
- HUBC reported consolidated 2QFY26 earnings attributable to HUBC of PKR 10.63bn (EPS PKR 8.19), up by +2.5xy/y compared to PKR 4.21bn (EPS PKR 3.25) in the similar period last year. This was supported by higher share of profit from associates, lower finance cost and other expense as HUBC wrote off LPI post PPA amendment. The Company announce cash dividend of PKR 5/share along with the result bringing total cash payout for 1HFY26 to PKR 10/share.
- Under the BYD brand, Mega Motors launched Atto 2 and Sealion 7 in Jan-26 with management highlighting positive response in terms of bookings.
- BYD CKD assembly plant is under construction in Ghara and under Phase 1 the capacity will be at 25,000 units per annum which will be expanded to 50,000 units. Project cost is estimated at US\$ 150mn with 60:40 debt equity

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Key highlights from Corporate Briefing

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- Load factors for 1HFY26 stood at 3% for Narowal, 6% for China Power Hub Generation Company Limited (CPHGC), 32% for Laraib Energy, 60% for Thal Nova Power Thar Limited (TNPTL) and 68% for Thar Energy Limited (TEL). The management highlighted that TEL and TNPTL continue to rank as most efficient plants in Merit Order List.

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- Unconsolidated earnings increased due to higher dividend income. After achieving Project Completion Date (PCD), TEL and TNPTL announced and paid their maiden dividends during the period. HUBCO received PKR 1bn from TEL and PKR 12bn from TNPTL in 2QFY26.
- The Company's total consolidated capacity stands at 2,289MW along with 7.6mton per annum of mining operations and growing EV footprint through Mega Motor Company and Hub Power Green Energy. The Management highlighted that HUBC is transitioning from a power utility company to a diversified conglomerate. Sindh Engro Coal Mining Company (SECMC) is currently operating at 7.6Mtpa and Phase 3 is expected to be completed by end of 2026 further enhancing the capacity.
- Under the BYD brand, Mega Motors launched Atto 2 and Sealion 7 in Jan-26 with management highlighting positive response in terms of bookings.
- The BYD CKD assembly plant is under construction in Gharo and under Phase 1 the capacity will be at 25,000 units per annum which will be expanded to 50,000 units. Project cost is estimated at US\$ 150mn with 60:40 debt equity ratio. Debt of US\$ 90mn has been financed through multiple facilities AFD (US\$ 22mn), HBL (23mn), BII (US\$ 22mn) and BOP-HBL (US\$ 22mn). Project is expected to start operations in 2H of 2026 and management remains optimistic as the same experienced team which completed Thar Projects is overseeing the construction to ensure Commercial Operations Date (COD).
- Hubco Green Energy operates 16 DC Fast Chargers (60KW -120KW) at OMC retails outlets and major commercial centers forming energized network spreading from Karachi-Multan and plans to complete Peshawar-Karachi by Feb-26. The Company is also in discussions with GO/Aramco to install chargers at selected premium outlets while also exploring other national highways with OMC partners.
- HUBC plans to leverage its Hub Brownfield site after PPA termination and plans to build an oil terminal in partnership with PSO and Asia Petroleum Limited (APL). MoU has already been signed with PSO to move ahead with the project. The terminal will transfer oil from Hub to white oil pipeline at Zulfikarabad using existing SPM, storage tanks and APL's pipeline connections. A large

scale aluminum shelter is also under evaluation at Hub site has high energy requirement.

- Ark Metals has completed nearly 6,000 meters of drilling and is awaiting its first resource report. According to Management the report indicates promising Copper and Gold reserves and could lead to a pre-feasibility study.
- On exploration front, Prime International has secured working interest in 4 offshore blocks namely Bin Qasim South, Zarar, Sapat Bander and Keti Bander. HUBC holds 50% in the JV.
- CPHGC is undergoing its six year major maintenance cycle involving longer outages than normal.
- Load factor for Laraib Energy Limited (LEL) was lower due to high river flows from Chenab and Jhelum reducing irrigation related discharge from Mangla.

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