

Flash Note

Wednesday, October 30, 2024

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Power Generation & Distribution

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced 1QFY25 result. The Company reported consolidated 1QFY25 earnings attributable to HUBC of PKR 19.13bn (EPS PKR 14.74), up by +12%/y compared to PKR 17.08bn (EPS PKR 13.17) in the similar period last year. On quarterly basis, profitability is down by 7%q/q during 1QFY25.

Dividend/Payout: The Company did not announce any cash dividend along with the result, which is likely due to early termination of Hub plant and cash requirement for ongoing project.

Operating Performance: During the period under review, HUBC's revenue declined by 5%/y during 1QFY25 likely on the back of lower generation from Thar Energy Limited (TEL) and Narowal. Company's gross profit improved by +8%/y likely due to higher contribution from TEL with gross margins increasing by 670bps to 56.3%. HUBC booked other income of PKR 1.03bn during 1QFY25, up by +3.7x/y. The Company booked share of profit from associate of PKR 10.34bn during 1QFY25. Finance cost declined by 23%/y to PKR 5.46bn during 1QFY25 likely owing to decline in interest rates and borrowings. Effective tax stood at 12.7% during 1QFY25 (4QFY24: 17.9%) compared to 14.9% in the similar period last year.

Exhibit: HUBC Financial Highlights For the period 1QFY25					
PKRmn	1QFY25	1QFY24	y/y	4QFY24	q/q
Turnover	32,038	33,730	-5%	35,091	-9%
Gross Profit	18,049	16,736	8%	18,468	-2%
General & Admin expenses	496	346	43%	571	-13%
Other Income	1,026	281	265%	1,346	-24%
Other Expenses	0	150	-100%	2,090	-100%
Profit from Operations	18,580	16,521	12%	17,153	8%
Financing Cost	5,461	7,069	-23%	6,101	-10%
Share of profit/(loss) from associates	10,338	12,035	-14%	14,657	-29%
Profit Before Tax	23,457	21,525	9%	25,969	-10%
Profit After Tax	20,475	18,318	12%	21,328	-4%
Profit After Tax - Attributable to HUBC	19,125	17,082	12%	20,472	-7%
EPS (PKR)	14.74	13.17		15.78	
DPS (PKR)	0.00	5.00		8.50	

Source: IGI Research, PSX No of Shares: 1,297.15mn

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