

Flash Note

Wednesday, February 26, 2025

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Power Generation & Distribution

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced 2QFY25 result. The Company reported consolidated 2QFY25 earnings attributable to HUBC of PKR 4.21bn (EPS PKR 3.25), down by 72%/y/y compared to PKR 15.28bn (EPS PKR 11.78) in the similar period last year. On quarterly basis, profitability is down by 78%q/q during 2QFY25. This brings total profitability for 1HFY25 to PKR 23.34bn (EPS PKR 17.99), down by 28%/y/y, compared to PKR 32.36bn (EPS PKR 24.95) in the same period last year.

Dividend/Payout: The Company announced cash dividend of PKR 5/share along with the result. 1HFY25 dividend stands at PKR 5/share compared to PKR 9/share in the corresponding period last year.

Operating Performance: During the period under review, HUBC's revenue declined by 48%/y/y during 2QFY25 likely on the back of termination of Hub plant from Oct-2025. Company's gross profit dropped by 62%/y/y likely due to termination of base plant with gross margins increasing by 14.8%/y/y to 41.2%. HUBC booked other income of PKR 1.31bn during 2QFY25, up by +46%/y/y. The Company booked share of profit from associate of PKR 9.82bn during 2QFY25 compared to PKR 10.57bn in the same period last year. Other expenses augmented by +22.4x/y/y to PKR 3.62bn during 2QFY25 compared to PKR 0.16bn in the similar period last year likely due to provision of LPS disallowance for Narowal. Finance cost declined by 41%/y/y to PKR 4.10bn during 2QFY25 likely owing to substantial decline in interest rates and borrowings. Effective tax stood at 38.7% during 2QFY25 (1QFY25: 12.8%) compared to 15.7% in the similar period last year.

Exhibit: HUBC Financial Highlights For the period 2QFY25								
PKRmn	2QFY25	2QFY24	y/y	1QFY25	q/q	1HFY25	1HFY24	y/y
Turnover	15,498	29,913	-48%	32,038	-52%	47,536	63,643	-25%
Gross Profit	6,380	16,751	-62%	18,049	-65%	24,429	33,488	-27%
General & Admin expenses	542	692	-22%	496	9%	1,038	1,038	0%
Other Income	1,310	900	46%	1,022	28%	2,333	1,181	97%
Other Expenses	3,620	162	22.4x	(4)	n/m	3,617	312	11.6x
Profit from Operations	3,528	16,798	-79%	18,580	-81%	22,107	33,319	-34%
Financing Cost	4,096	6,977	-41%	5,461	-25%	9,557	14,046	-32%
Share of profit/(loss) from associates	9,824	10,565	-7%	10,338	-5%	20,163	22,600	-11%
PBT	8,926	20,386	-56%	23,291	-62%	32,217	41,911	-23%
PAT	5,475	17,183	-68%	20,310	-73%	25,785	35,501	-27%
PAT - Attributable to HUBC	4,209	15,278	-72%	19,125	-78%	23,335	32,360	-28%
EPS (PKR)	3.25	11.78		14.74		17.99	24.95	
DPS (PKR)	5.00	4.00		0.00		5.00	9.00	

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

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