

Flash Note

Tuesday, February 24, 2026

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Power Generation & Distribution

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced 2QFY26 result. The Company 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. On quarterly basis, profitability is down by 9%q/q during 2QFY26. This brings total profitability for 1HFY26 to PKR 22.26bn (EPS PKR 17.16), down by 5%/y/y, compared to PKR 23.34bn (EPS PKR 17.99) in the same period last year.

Dividend/Payout: The Company announce cash dividend of PKR 5/share along with the result bringing total cash payout for 1HFY26 to PKR 10/share compared to PKR 5/share in the same period last year.

Operating Performance: During the period under review, HUBC's revenue increased by +8%/y/y during 2QFY26 likely on the back of higher load factors. Company's gross profit increased by +16%/y/y with gross margins increasing by 3.3%/y/y to 44.4% during 2QFY26 against 41.2% in the similar period last year. HUBC booked other income of PKR 1.35bn during 2QFY26, up by +3%/y/y. Other charges declined by 97%/y/y to PKR 0.11bn against PKR 3.62bn in the same period last year mainly due to LPI write offs booked post PPA amendment. The Company booked share of profit from associate of PKR 10.49bn during 2QFY26 compared to PKR 9.82bn in the same period last year likely owing to contribution from Mega Motors. Finance cost declined by 44%/y/y to PKR 2.29bn during 2QFY26 likely owing to substantial decline in interest rates and borrowings. Effective tax stood at 23.8% during 2QFY26 (1QFY26: 19.3%) compared to 38.7% in the same period last year bringing total effective tax rate for 1HFY26 to 21.6% against 20.6% in 1HFY25.

Exhibit: HUBC Financial Highlights For the period 2QFY26								
PKRmn	2QFY26	2QFY25	y/y	1QFY26	q/q	1HFY26	1HFY25	y/y
Turnover	16,724	15,498	8%	17,397	-4%	34,121	47,536	-28%
Gross Profit	7,428	6,380	16%	7,586	-2%	15,014	24,429	-39%
General & Admin expenses	657	542	21%	623	5%	1,280	979	31%
Other Income	1,348	1,310	3%	1,319	2%	2,667	2,360	13%
Other Expenses	108	3,620	-97%	119	-9%	228	3,620	-94%
Profit from Operations	8,011	3,528	2.3X	8,163	-2%	16,174	22,189	-27%
Financing Cost	2,291	4,096	-44%	2,501	-8%	4,792	9,557	-50%
Share of profit/(loss) from associates	10,492	9,824	7%	10,794	-3%	21,287	20,163	6%
PBT	16,212	8,926	82%	16,456	-1%	32,668	32,464	1%
PAT	12,346	5,475	125%	13,279	-7%	25,625	25,784	-1%
PAT - Attributable to HUBC	10,629	4,209	152%	11,628	-9%	22,257	23,335	-5%
EPS (PKR)	8.19	3.25		8.96		17.16	17.99	
DPS (PKR)	5.00	5.00		5.00		10.00	5.00	

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

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