

Result announcement: 3QFY22

Power Generation & Distribution

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced its 3QFY22 result. The Company reported 3QFY22 earnings of PKR 9.24bn (EPS PKR 7.12), up by +8%/y compared to PKR 8.58bn (EPS PKR 6.61) in the similar period last year. This brings total profitability for 9MFY22 to PKR 21.45bn (EPS PKR 16.54), down by 14%/y, compared to PKR 24.92bn (EPS PKR 19.21) in the corresponding period last year.

Operating performance: During the period under review, HUBC reported an incline of +56%/y in revenue on the back of a substantial increase in FO prices, PKR depreciation and higher generation from Hub plant and Narowal. Company's gross profit increased by +6%/y likely on account of PKR depreciation and higher penal income in our view. The Company booked share of profit from associate of PKR 4.17bn, up by +2%/y, during 3QFY22 likely on account of higher income from China Power Hub Generation Company Limited (CPHGC). Finance cost increased by +4%/y to PKR 2.0bn during 3QFY22 likely owing to a hike in interest rates. Effective tax stood at 11.0% during 3QFY22 compared to 11.6% in the same period last year bringing total effective tax rate for 9MFY22 to 7.0% compared to 11.0% in the corresponding period last year.

Exhibit: HUBC Financial Highlights (Consolidated)								
For the period 3QFY22								
PKR mn	3QFY22	3QFY21	y/y	2QFY22	q/q	9MFY22	9MFY21	y/y
Turnover	18,785	12,023	56%	19,928	-6%	65,052	38,815	68%
Operating Costs	10,137	3,883	161%	11,918	-15%	40,597	14,796	174%
Gross Profit	8,648	8,141	6%	8,009	8%	24,456	24,018	2%
General & Admin expenses	311	332	-6%	233	34%	768	1,084	-29%
Financing Cost	2,000	1,928	4%	1,738	15%	5,397	5,659	-5%
Share of profit/(loss) from associates	4,165	4,078	2%	(1,462)	-385%	4,996	11,683	-57%
PBT	10,631	9,974	7%	4,817	121%	23,849	28,895	-17%
PAT	9,463	8,818	7%	5,020	88%	22,179	25,706	-14%
PAT - Attributable to HUBC	9,241	8,576	8%	4,796	93%	21,453	24,918	-14%
EPS (PKR) @ 1,297.15mn shares	7.12	6.61		3.70		16.54	19.21	
DPS (PKR)	-	-		6.50		6.50	7.00	

Source: IGI Research, Company Financials No of Shares: 1,297.15

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