

# Flash Note

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## Power Generation & Distribution

### The Hub Power Company Limited

**Earnings:** The Hub Power Company Limited (HUBC) announced 3QFY24 result. The Company reported consolidated 3QFY24 earnings attributable to HUBC of PKR 17.19bn (EPS PKR 13.25), up by +53%/y/y compared to PKR 11.25bn (EPS PKR 8.67) in the similar period last year. On quarterly basis, profitability is up by +12%q/q during 3QFY24. This brings total profitability for 9MFY24 to PKR 49.55bn (EPS PKR 38.20), up by +47%/y/y, compared to PKR 33.65bn (EPS PKR 25.94) in the similar period last year.

**Dividend/Payout:** The Company announced cash dividend of PKR 2.5/share along with the result bringing total cash payout for 9MFY24 to PKR 11.5/share.

**Operating Performance:** During the period under review, HUBC's revenue inclined by +17%/y/y during 3QFY24 on the back of higher generation and contribution from subsidiary. Company's gross profit improved by +25%/y/y likely due to PKR depreciation, higher penal income and higher contribution from Thar Energy Limited (TEL). HUBC booked other income of PKR 0.8bn during 3QFY24. The Company booked share of profit from associate of PKR 12.1bn during 3QFY24 likely owing to higher profit from China Power Hub Generation Company Limited (CPHGC), profit contribution from Prime International and Thal Nova (TNTPL). Finance cost increased by +40%/y/y to PKR 6.60bn during 3QFY24 likely owing to hike in interest rates and borrowings. Effective tax stood at 16.3% during 3QFY24 (2QFY24: 15.7%) compared to 13.9% in the similar period last year bringing total effective tax rate for 9MFY24 to 15.7% compared to 14.5% during 9MFY23.

Exhibit: HUBC Financial Highlights								
For the period 3QFY24								
PKRmn	3QFY24	3QFY23	y/y	2QFY24	q/q	9MFY24	9MFY23	y/y
Turnover	31,791	27,231	17%	29,913	6%	95,434	81,918	16%
Gross Profit	16,390	13,133	25%	16,751	-2%	49,878	35,717	40%
General & Admin expenses	574	342	68%	692	-17%	1,612	974	65%
Other Income	778	159	4.9x	900	-14%	1,959	1,067	84%
Other Expenses	50	75	-34%	162	-69%	362	516	-30%
Profit from Operations	16,544	12,875	28%	16,798	-2%	49,863	35,293	41%
Financing Cost	6,597	4,721	40%	6,977	-5%	20,643	11,845	74%
Share of profit/(loss) from associates	12,104	6,476	87%	10,565	15%	34,703	19,553	77%
PBT	22,074	14,630	51%	20,386	8%	63,985	43,002	49%
PAT	18,468	12,596	47%	17,183	7%	53,970	36,750	47%
PAT - Attributable to HUBC	17,186	11,249	53%	15,278	12%	49,547	33,647	47%
<b>EPS (PKR)</b>	<b>13.25</b>	<b>8.67</b>		<b>11.78</b>		<b>38.20</b>	<b>25.94</b>	
DPS (PKR)	2.50	2.75		4.00		11.50	24.00	

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

#### Analyst

Abdullah Farhan

[Abdullah.Farhan@igi.com.pk](mailto:Abdullah.Farhan@igi.com.pk)

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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# Contact Details

## Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

## Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

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Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
 Fax: (+92-21) 35309169, 35301780

### Lahore Office

Shop # G-009, Ground Floor,  
 Packages Mall  
 Tel: (+92-42) 38303560-69  
 Fax: (+92-42) 38303559

### Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
 Block- B, Jinnah Avenue, Blue Area  
 Tel: (+92-51) 2604861-2, 2604864, 2273439  
 Fax: (+92-51) 2273861

### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
 Regency International 949, The Mall  
 Faisalabad  
 Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
 Model Town, Town Hall Road  
 Tel: (+92-68) 5871652-3  
 Fax: (+92-68) 5871651

### Multan Office

Mezzanine Floor, Abdali Tower,  
 Abdali Road  
 Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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