

Flash Note

Tuesday, April 29, 2025

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Power Generation & Distribution

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced 3QFY25 result. The Company reported consolidated 3QFY25 earnings attributable to HUBC of PKR 11.03bn (EPS PKR 8.50), down by 36%/y compared to PKR 17.19bn (EPS PKR 13.25) in the similar period last year. On quarterly basis, profitability is up by +2.6xq/q during 3QFY25. This brings total profitability for 9MFY25 to PKR 34.37bn (EPS PKR 26.49), down by 31%/y, compared to PKR 49.55bn (EPS PKR 38.2) in the same period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result. 9MFY25 dividend stands at PKR 5/share compared to PKR 11.5/share in the corresponding period last year.

Operating Performance: During the period under review, HUBC's revenue declined by 46%/y during 3QFY25 likely on the back of termination of Hub plant. Company's gross profit dropped by 57%/y likely due to termination of base plant with gross margins declining by 10.6%/y to 40.9%. HUBC booked other income of PKR 1.62bn during 3QFY25, up by +2.1x/y. The Company booked share of profit from associate of PKR 10.20bn during 3QFY25 compared to PKR 12.10bn in the same period last year. Other expenses declined to PKR 0.01bn during 3QFY25 compared to PKR 0.05bn in the similar period last year. On a quarterly basis, other expense is down likely due to provision of LPS disallowance for Narowal booked in preceding quarter. Finance cost declined by 56%/y to PKR 2.90bn during 3QFY25 likely owing to substantial decline in interest rates and borrowings. Effective tax stood at 18.8% during 3QFY25 (2QFY25: 38.7%) compared to 16.3% in the similar period last year bringing total effective tax rate during 9MFY25 to 19.6% compared to 15.7% in the corresponding period last year.

Exhibit: HUBC Financial Highlights - Consolidated For the period 3QFY25								
PKRmn	3QFY25	3QFY24	y/y	2QFY25	q/q	9MFY25	9MFY24	y/y
Turnover	17,060	31,791	-46%	15,498	10%	64,596	95,434	-32%
Gross Profit	6,979	16,390	-57%	6,380	9%	31,407	49,878	-37%
General & Admin expenses	275	574	-52%	542	-49%	1,313	1,612	-19%
Other Income	1,616	778	2.1x	1,310	23%	3,949	1,959	2.0x
Other Expenses	12	50	-76%	3,620	-100%	3,628	362	10x
Profit from Operations	8,308	16,544	-50%	3,528	2.4x	30,415	49,863	-39%
Financing Cost	2,895	6,597	-56%	4,096	-29%	12,453	20,643	-40%
Share of profit/(loss) from associates	10,195	12,104	-16%	9,824	4%	30,357	34,703	-13%
PBT	15,607	22,074	-29%	8,926	75%	47,824	63,985	-25%
PAT	12,669	18,468	-31%	5,475	2.3x	38,454	53,970	-29%
PAT - Attributable to HUBC	11,032	17,186	-36%	4,209	2.6x	34,366	49,547	-31%
EPS (PKR)	8.50	13.25		3.25		26.49	38.20	
DPS (PKR)	0.00	2.50		5.00		5.00	11.50	
Source: IGI Research, PSX						No of Shares: 1,297.15mn		

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