

# Power Generation: The Hub Power Company Limited

## Result Review: Company reported earnings of PKR 35.6/share in FY25

**4QFY25 earnings arrived at PKR 9.16/share; 4QFY25 DPS at PKR 10.00/share**

REP-300

- The Hub Power Company Ltd (HUBC) has released its financial results for FY25, posting a net profit of PKR 46.1bn (EPS: PKR 35.56/share), reflecting a 34% YoY decline. This drop is primarily attributed to the termination of the PPA for the Hub base plant.
- In 4QFY25, profitability also decreased by 42% YoY to PKR 11.9 bn (EPS: PKR 9.16/share) due to the same reason. However, on a QoQ basis, earnings increased by 8% mainly due to increase in revenue by 10% QoQ and higher Share of profit from associates. Alongside the result, company announced a DPS of PKR 10.00/share which takes total FY25 DPS to PKR 15.00/share.

### Result Highlights

- Sales during FY25 declined by 36% YoY, again largely due to the Hub plant PPA termination. In 4QFY25, sales dropped 47% YoY due to the same reason.
- Other expenses rose sharply to PKR 3.85bn in FY25, a 57% increase compared to the same period last year, mainly due to the provision of PKR 2.6bn related to a trade debt write-off at the Narowal plant.
- The company's share of profit from associates fell 16% YoY to PKR 41.3bn in FY25, mainly due to reduced earnings from Prime International, in our view. In 4QFY25, this profit also declined by 25% YoY.
- On a positive note, finance costs dropped by 43% YoY to PKR 15.2bn in FY25, primarily due to a decline in interest rates. In 4QFY25, finance costs fell 54% YoY and 4% QoQ, helped by lower interest rates.
- HUBC reported an effective tax rate of 19.5% in FY25, compared to 16.3% in the same period last year.

### Exhibit: Financial Highlights (Consolidated)

(PKR mn)	FY25	FY24	YoY	4QFY25	4QFY24	YoY	QoQ
<b>Income statement</b>							
Net Revenue	83,351	130,526	-36%	18,755	35,091	-47%	10%
Gross Profit	39,824	68,346	-42%	8,417	18,468	-54%	21%
Admin and Dist. Exp.	1,961	2,162	-9%	152	550	-72%	-45%
Other Income	4,021	3,625	11%	73	1,605	-95%	-96%
Other Expense	3,849	2,452	57%	244	2,090	-88%	nm
Share of profit	41,310	49,361	-16%	10,953	14,657	-25%	7%
Finance Cost	15,231	26,744	-43%	2,778	6,101	-54%	-4%
PBT	64,115	89,974	-29%	16,268	25,990	-37%	4%
Taxation	12,503	14,656	-15%	2,923	4,641	-37%	-7%
PAT*	46,131	70,018	-34%	11,883	20,472	-42%	8%
EPS (PKR)	35.56	53.98		9.16	15.78		
DPS (PKR)	15.00	20.00		10.00	8.50		

### Ratio Analysis

Gross Margins	47.8%	52.4%		44.9%	52.6%		
Net Margins	61.9%	57.7%		71.2%	60.8%		
Effective Tax Rate	19.5%	16.3%		18.0%	17.9%		

Source (s): Company Financials, AHL Research, \*Profit attributable to Hubco

### AHL Research

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In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has a shareholding in HUBC.