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HUBC | Result Preview | 1QFY27

Improved Utilization Across IPP Portfolio



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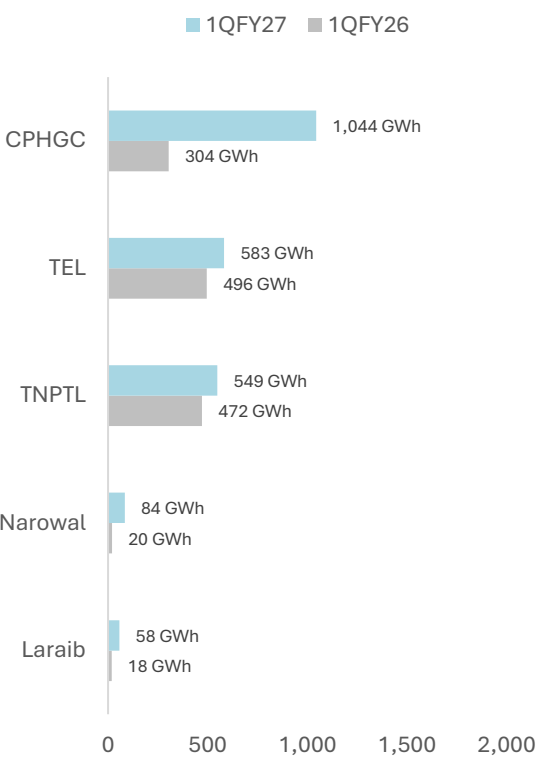
The Hub Power Company Limited (HUBC) is expected to post consolidated earnings attributable to the holding company of PKR 11.7bn (EPS: PKR 9.03) in 1QFY27, up 1% YoY. The increase is primarily attributable to an 8% YoY rise in the share of profit from associates, alongside a 19% YoY decline in financing costs. Revenue is expected to increase 20% YoY to PKR 21.0bn. On the operational front, TEL's load factor improved to 93% (vs. 79% SPLY), while TNPTL's utilization increased to 87% (vs. 75%). NEL's load factor also rose to 19% (vs. 5%), while CPHGC recorded a significant improvement to 36% (vs. 10% in 1QFY26). The higher utilization across HUBC's portfolio comes amid a shift in Pakistan's generation mix, as disruptions to LNG supplies following the Middle East conflict have curtailed RLNG based generation, increasing reliance on coal fired power plants to meet electricity demand.

On the dividend front, we expect HUBC to announce an interim dividend of PKR 5.0/share, with the company likely to maintain its stable payout trend. Meanwhile, BYD's local assembly plant in Gharo is in its final stages of completion, with earnings contribution expected to materialize going forward. However, the recent forced outage of CPHGC's Unit 1 following a fault in its main transformer presents a potential risk to future earnings contributions from the plant, with the duration of the outage and its financial implications remaining key to monitor.

HUBC - Consol. (PKR Mn)	1QFY27E	1QFY26	YoY	4QFY26	QoQ	FY26	FY25	YoY
Revenue	20,950	17,397	20%	20,551	2%	71,126	83,351	-15%
Cost of Revenue	13,446	9,811	37%	12,475	8%	41,438	43,528	-5%
Gross Profit	7,504	7,586	-1%	8,076	-7%	29,688	39,824	-25%
Other Expenses	287	119	x2	505	-43%	997	3,849	-74%
General & Admin	558	623	-10%	290	93%	2,006	1,961	2%
Financing cost	2,032	2,501	-19%	2,271	-11%	9,136	15,231	-40%
Other income	300	1,319	-77%	758	-60%	7,384	4,021	84%
Share of associate	11,605	10,794	8%	13,007	-11%	45,316	41,310	10%
PBT	16,532	16,456	0%	18,775	-12%	70,248	64,115	10%
Taxation	2,796	3,177	-12%	268	x10	13,991	12,503	12%
PAT	13,736	13,279	3%	18,507	-26%	56,257	51,451	9%
Attributable to HoldCo	11,711	11,628	1%	16,567	-29%	49,631	46,131	8%
EPS	9.03	8.96		12.77		38.26	35.56	
DPS	5.00	5.00		5.00		20.00	15.00	
Gross Margin	35.8%	43.6%		39.3%		41.7%	47.8%	
Effective Tax Rate	17%	19%		1%		20%	20%	

Source: Company Reports, IIS Research

Plant Wise Generation



Quarterly EPS & DPS



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Condition	Stance
Total Return > 18%	BUY
Total Return > -10% & <=18%	HOLD
Total Return <-10%	SELL

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Relative Valuation (P/E, P/B, P/Setc.)
Equity & Asset return based methodologies (EVA, Residual Incomeetc.)

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