

RESULT REVIEW

The Hub Power Company Limited (HUBC) – 3QFY25

Tuesday, April 29, 2025

The Hub Power Company Limited (HUBC) announced its 3QFY25 results, reporting a consolidated profit after tax (PAT) of PKR 12.48bn (EPS: PKR 8.50), up 128% q/q but down 32% y/y. The rebound in earnings was mainly driven by the absence of one-off other operating expenses booked in the previous quarter, along with a moderation in finance costs and improved revenue stemming from increased power generation during the quarter. However, the absence of a dividend, compared to an interim payout of PKR 5.0/share in 2QFY25, possibly reflects the company's focus on capital preservation amid ongoing investments in its EV charging network and the recently launched BYD vehicle assembly plant.

Key Financial Highlights:

- Revenue stood at PKR 17.06bn, showing a 10% q/q increase, driven by improved operational throughput. However, it remained 46% lower y/y mainly due to the absence of capacity payments following the early expiry of the base plant's contract.
- Gross profit rose by 9% q/q to PKR 6.98bn, in line with topline improvement. However, it declined 57% y/y, primarily on account of the reduced revenue base.
- Operating profit grew significantly by 161% q/q to PKR 8.33bn, largely due to the absence of the one-off trade debt written-off of PKR 2.6bn related to the Narowal plant's contract shift, which was booked in 2QFY25.
- Share of profit from associates & JV clocked in at PKR 10.19bn, up 4% q/q but down 16% y/y, likely due to softer contribution from CPHGC.
- Finance cost dropped by 29% q/q and 56% y/y to PKR 2.90bn, reflecting reduced borrowing and lower interest rates.
- Taxation stood at PKR 2.94bn, translating to an effective tax rate of 19%, down from 39% in the previous quarter, offering a boost to net earnings.
- Loss from discontinued operations amounted to PKR 210mn, a new entry for this quarter, possibly linked to restructuring or asset disposals.

Financials (PKR '000)	3QFY25	2QFY25	QoQ	3QFY24	YoY
Revenue	17,059,999	15,498,328	10%	31,791,032	-46%
Cost of revenue	(10,081,273)	(9,118,755)	11%	(15,400,601)	-35%
Gross profit	6,978,726	6,379,573	9%	16,390,431	-57%
General and admin expense	(275,148)	(542,245)	-49%	(574,003)	-52%
Distribution and marketing exp.	-	(330,104)		-	
Other income	1,615,718	1,310,480	23%	777,818	108%
Other operating expense	11,768.00	(3,620,263)	-100%	(49,890)	-124%
Operating profit	8,331,064	3,197,441	161%	16,567,186	-50%
Finance cost	(2,895,483)	(4,096,346)	-29%	(6,596,989)	-56%
Share profit from associates & JV	10,194,826	9,824,448	4%	12,103,566	-16%
Profit before taxation	15,630,407	8,925,543	75%	22,073,763	-29%
Taxation	(2,937,567)	(3,450,142)	-15%	(3,605,449)	-19%
Loss from discont. operations	(210,459)	-		-	
Profit for the year	12,482,381	5,475,401	128%	18,468,314	-32%
EPS	8.50	3.25		13.25	
DPS	0.00	5.00		2.5	

Source: Company Financials, HMFS Research

* Consolidated Financials



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