

The Hub Power Company Limited

Result Review: 9MFY24 EPS @ PKR 38.20

HUBC: 3QFY24 earnings clock in at PKR 13.25/share, surge of 53% YoY

The Hub Power Company Limited (HUBC) announced its 9MFY24 financial result today where the company posted consolidated earnings of PKR 49,547mn (EPS: PKR 38.20), up by 47% YoY compared to PKR 33,647mn (EPS: PKR 25.94) during 9MFY23. In 3QFY24 profitability increased by 53% YoY arriving at PKR 17,186mn (EPS: PKR 13.25) compared to SPLY. Along with the result, the company also announced a cash dividend of PKR 2.50/share (9MFY24: PKR 11.50/share).

Result Highlights

- During 9MFY24, net sales witnessed an increase of 16% YoY to PKR 95,434mn attributable to higher dispatches from TEL (+76% YoY) as compared to SPLY and the devaluation of PKR against USD. Moreover, in 3QFY24 the topline rose by 17% YoY, due aforementioned reason, to settle at PKR 31,791mn as compared to PKR 27,231mn in SPLY.
- During 9QFY24, the company's gross margins increased by 866bps YoY to 52%, mainly attributable to the zero load factor of the Hub base plant during the period as compared to 196 GwH dispatched during SPLY. In 3QFY24 the gross margins arrived at 52% vis-à-vis 48% in SPLY.
- The company recognized share of profit from associate and joint venture of PKR 34,703mn during 9MFY24 compared to PKR 19,553mn during 9QFY23, a jump of 77% YoY, on the back of devaluation of PKR against the greenback and profitability coming from TNPTL, which achieved CoD on 17th Feb'23. In 3QFY24 share of profit surged by 87% YoY to settle at PKR 12,104mn, amid aforementioned reasons.
- Finance cost during 9MFY24 rose by 74% YoY to PKR 20,643mn due to higher interest rates and the addition of TEL's finance cost. In 3QFY24 finance cost jumped by 40% YoY, amid higher borrowing costs.

Exhibit: Financial Highlights

(PKR mn)	9MFY24a	9MFY23a	YoY	3QFY24a	3QFY23a	YoY	QoQ
Net Revenue	95,434	81,918	16%	31,791	27,231	17%	6%
Gross Profit	49,878	35,717	40%	16,390	13,133	25%	-2%
Admin Expense	1,612	974	65%	574	342	68%	-17%
Other Expenses	362	516	-30%	50	75	-34%	-69%
Finance Cost	20,643	11,841	74%	6,597	4,718	40%	-5%
Share of profit	34,703	19,553	77%	12,104	6,476	87%	15%
PAT	49,547	33,647	47%	17,186	11,249	53%	12%
EPS (PKR)	38.20	25.94		13.25	8.67		
DPS (PKR)	11.50	24.00		2.50	2.75		

Source (s): Company Financials, AHL Research

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Arif Habib Limited (AHL) has a shareholding in HUBC