

HUBC: Bottom-line projected to decrease by 3% QoQ to PKR 8.7/share in 2QFY26

The Hub Power Company Limited (HUBC) is scheduled to announce its 2QFY26 soon, where it is expected to post a PAT of PKR 11,241mn (up 53.0% YoY).

The YoY increase in earnings was driven by higher gross profit (up 13.0% YoY), increased contribution from associates' profits (up 8.1% YoY), and a sharp decline in finance costs (down 51.9% YoY). Earnings were further supported by lower other operating expenses, as provisioning for NEL of PKR 2.6bn was booked in SPLY.

We expect a dividend payout of PKR 3.00/share in 2QFY26. In Sep'25, CPHGC declared a PKR 58.0bn dividend (PKR 26.7bn stake-adjusted), of which PKR 8.1bn (PKR 6.25/share) was routed to HUBC via HPHL to fund prior dividends, while the remainder was likely deployed in the BYD project, suggesting limited near-term capex. Although TEL and TNPTL achieved PCD on Oct 31, 2025, no dividend income has been assumed; however, strong cash reserves could support payouts above ROE, underpinning future dividends.

The BYD project entails capex of USD 150mn (PKR 42bn), with HUBC's 50% stake implying equity of ~USD 30mn (PKR 8.5bn), of which PKR 3bn was committed by Sep'25. BYD has launched Atto 2 and Sealion 7, priced at PKR 7.29mn and PKR 15.49mn, respectively, boding positively for HUBC.

NEL plant utilization remained low at 2% in 2QFY26 (0% in 2QFY25), while CPHGC recorded 1% utilization. TEL and TNPTL operated at 60% and 49%, respectively. LEL's utilization declined to 55% in 2QFY26 from 70% last year, likely due to lower hydel flows.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	33,995	47,536	-28%	16,598	15,498	7%	-5%
Cost of sales	19,201	23,107	-17%	9,390	9,119	3%	-4%
Gross profit	14,795	24,429	-39%	7,208	6,380	13%	-5%
Admin Exp.	894	1,533	-42%	271	872	-69%	-56%
Other Income	1,722	2,337	-26%	403	1,310	-69%	-69%
Finance Cost	4,472	9,557	-53%	1,970	4,096	-52%	-21%
Share of Profit	21,416	20,163	6%	10,621	9,824	8%	-2%
Taxation	5,986	6,432	-7%	2,809	3,450	-19%	-12%
Profit for the year	26,462	25,785	3%	13,183	5,475	141%	-1%
Profit to company shareholders	22,869	23,335	-2%	11,241	4,209	167%	-3%
EPS	17.63	17.99		8.67	3.25		
DPS	8.00	5.00		3.00	5.00		

Source (s): Company Financials, AHL Research

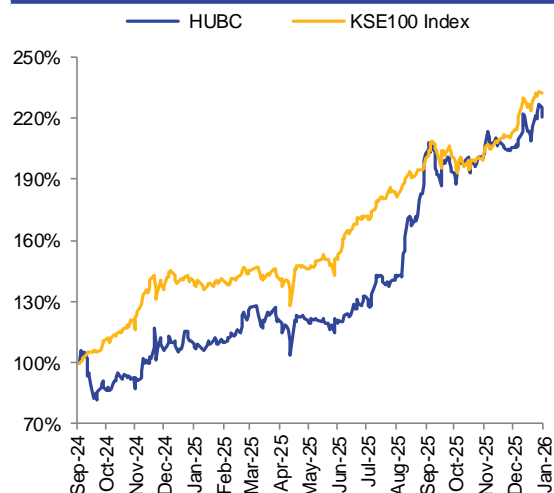
HUBC

Last Closing 237.00

PSX Code HUBC

Bloomberg Code HUBC PA

Relative Performance



Source (s): PSX, AHL Research

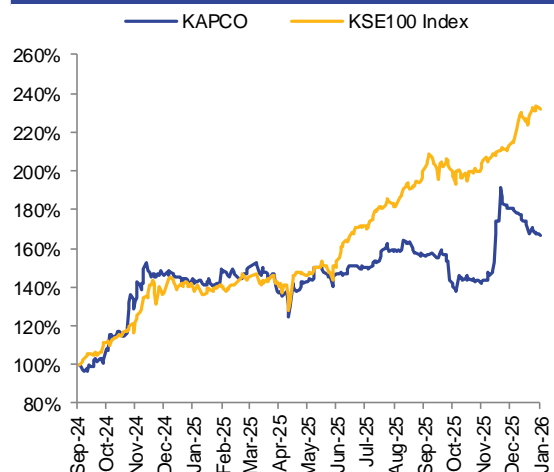
KAPCO

Last Closing 34.87

PSX Code KAPCO

Bloomberg Code KAPCO PA

Relative Performance



Source (s): PSX, AHL Research

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KAPCO: Bottom-line projected to arrive at PKR 1.02/share in 2QFY26

Kot Addu Power Company (KAPCO) is scheduled to announce its 2QFY26 financial soon, where the company is expected to post a PAT of PKR 898mn (EPS: PKR 1.02), reflecting a 15% YoY increase.

The major contribution is expected from other income from conventional and Islamic mutual funds with different AMCs. The company is expected to post a gross profit at PKR 396mn in 2QFY26 after 12 consecutive gross losses with the resigning of its PPA.

KAPCO resumed operations in 4QFY25 after an 18-month hiatus; however, its SY LSFO plant recorded no utilization in Dec'25. The 500 MW SY plant now operates under a hybrid take-and-pay model, ensuring fixed-cost recovery and a minimum 25% ROE, with upside from additional generation.

Alongside the results, a dividend of PKR 2.50/share was announced, lower than historical levels due to future investments in ACPL and Solar projects.

Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	5,024	-	n.m	868	-	n.m	-79%
Cost of sales	5,460	1,464	273%	472	486	-3%	-91%
Gross profit	(436)	(1,464)	-70%	396	(486)	-181%	n.m
Admin Exp.	436	387	13%	215	245	-12%	-3%
Other Income	2,604	4,588	-43%	1,313	1,966	-33%	2%
Finance Cost	5	234	-98%	-	28	-100%	n.m
Profit for the period	903	1,945	-54%	898	783	15%	184x
EPS	1.03	2.21		1.02	0.89		
DPS	2.50	4.50		2.50	4.50		

Source (s): Company Financials, AHL Research

NPL: Bottom-line to arrive at PKR 1.10/share in 2QFY26

Nishat Power Limited (NPL) is set to announce its 2QFY26 results, with PAT of PKR 389mn (EPS: PKR 1.10) expected, compared to a PKR 4,414mn loss SPLY due to LPS and excess profit provisioning. ROE has shifted to a hybrid take-and-pay model (65% take-and-pay, 35% take-or-pay). Gross profit is estimated at PKR 228mn, while other income of PKR 1.40/share (post-tax) is supported by strong cash reserves of PKR 21bn (Sep'25).

We have not assumed any auto segment contribution, as deliveries began in 3QFY26; however, we assume 3,000 units booked that quarter. Jaecoo J5, recently launched by Next Gen Auto, has seen an encouraging response, with 5,500 units assumed in 4QFY26.

Plant utilization improved to 2.7% in Dec'25 (Dec'24: 0.4%), though it remained low due to weak power demand and a high fuel cost base, capping ROE entitlement at 35%. No dividend is expected this quarter amid ongoing investments in the auto segment and Rafhan.

Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	2,675	3,519	-24%	1,003	788	27%	-40%
Cost of sales	2,056	1,851	11%	775	530	46%	-40%
Gross profit	619	1,669	-63%	228	258	-12%	-42%
Admin Exp.	260	250	4%	131	126	4%	1%
Other Income	1,098	770	43%	662	325	103%	52%
Finance Cost	176	42	319%	169	37	361%	2311%
PAT / (LAT)	973	(2,762)	n.m	389	(4,414)	n.m	-33%
EPS / (LPS)	2.75	(7.8)		1.1	(12.47)		
DPS	-	4.00		-	2.00		

Source (s): Company Financials, AHL Research

NCPL: Bottom-line to arrive at PKR 0.79/share in 2QFY26

Nishat Chunain Power Limited (NCPL) is expected to report 2QFY26 PAT of PKR 221mn (EPS: PKR 0.79), versus a PKR 5,246mn loss SPLY, driven by the absence of LPS and excess profit provisioning. Gross profit is projected at PKR 221mn, with other income of PKR 0.83/share supported by cash reserves of PKR 11bn (Sep'25).

Plant utilization improved to 2.3% in Dec'25 (Dec'24: 0.1%), though still low due to weak power demand and high fuel costs, capping ROE entitlement at 35%.

No dividend is expected, given ongoing investments in the auto segment and Rafhan.

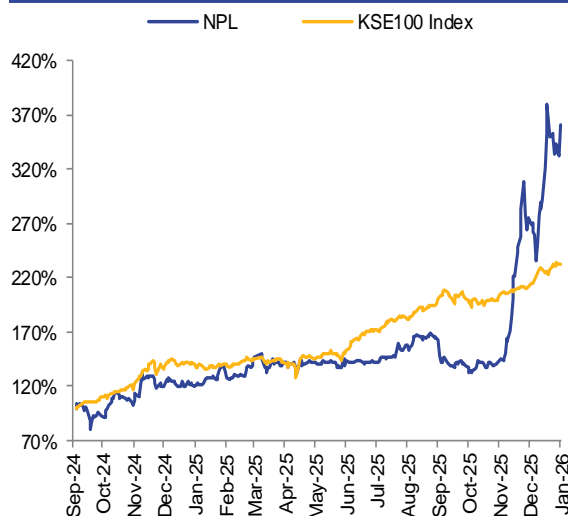
Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	2,278	2,783	-18%	911	706	29%	-33%
Cost of sales	1,621	1,148	41%	690	453	52%	-26%
Gross profit	657	1,636	-60%	221	253	-13%	-49%
Admin Exp.	174	133	31%	75	66	14%	-24%
Other Income	595	426	40%	305	187	63%	5%
Finance Cost	54	12	342%	52	11	364%	3261%
PAT / (LAT)	841	(3,780)	n.m	289	(5,246)	n.m	-48%
EPS / (LPS)	2.29	(10.29)		0.79	(14.28)		
DPS	-	5.00		-	-		

Source (s): Company Financials, AHL Research

NPL

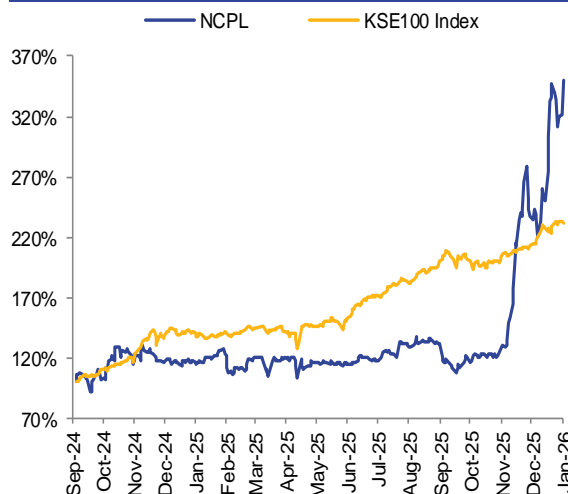
Last Closing	91.32
PSX Code	NPL
Bloomberg Code	NPL PA

Relative Performance

Source (s): PSX, AHL Research

NCPL

Last Closing	73.87
PSX Code	NCPL
Bloomberg Code	NCPL PA

Relative Performance

Source (s): PSX, AHL Research

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Jun 2026 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- **Discounted Cash Flow (DCF)**
- **Dividend Discount Model (DDM)**
- **Sum of the Parts (SoTP)**
- **Justified Price to Book (JPTB)**
- **Reserved Base Valuation (RBV)**

Risks

The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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Disclosure required under Research Analyst Regulations, 2015:

In order to avoid any conflict of interest, we hereby disclosed that; Arif Habib Limited (AHL) has a shareholding in NPL and NCPL