



## HUBC 2QFY26 Result Review: Healthy payout continues as payout from TEL initiates

Hub Power Company Ltd (HUBC) announced its 2QFY26 results earlier today, where-in the company reported consolidated NPAT of PkR10.6bn (EPS: PkR8.19), up by 152%YoY — below expectations due to lower than anticipated share of profit from associates. Company also announced a quarterly cash payout of PkR5.0/sh, taking payouts during the half-year to PkR10.0/sh, up 100%YoY.

- Consolidated revenue for the quarter clocked in at PkR16.7bn, up 8%YoY vs. PkR15.5bn in SPLY. Notably, company’s gross margins stood at 46%, compared to 41% in SPLY.
- Notably, the sharp increase in bottomline during the quarter is due to absence of impairment losses due to amendments in PPA agreements, with the company writing off PkR2.6bn during Dec’24.
- Share-of-profit from associates clocked in at PkR10.5bn, up 7%YoY. The annual increase is possibly due to inclusion of profits from Mega Motors Ltd during the quarter, while routine profits from CPHGC, TNTPL, POGCL and SECMC continue to flow through.
- Finance cost amounted to PkR2.3bn, down by 44%YoY. The decline was led due to falling interest rates and significant retirement of short-term borrowings during 1HFY26.
- Unconsolidated NPAT stood at PkR6.8bn (EPS: PkR5.20), up 16%YoY. Notably, standalone dividend income clocked in at PkR7.8bn (down 6%YoY). This is due to the initiation of dividend stream from TEL (HUBC: 60%) and TNTPL (HUBC: 38.3%) contributing to the company’s bottomline.
- Effective tax rate for the quarter amounted to 24% vs. 19%/35% in 2QFY25/1QFY26.
- We reiterate our ‘HOLD’ stance on HUBC with a Dec’26 TP of PkR196/sh, alongside a DY of 7% during the same period.

### HUBC: Income Statement

(PkRmn)	2QFY26	2QFY25	YoY	1QFY26	QoQ	1HFY26	1HFY25	YoY
Net Sales	16,724	15,498	8%	17,397	-4%	34,121	47,536	-28%
Gross Profit	7,428	6,380	16%	7,586	-2%	15,014	24,429	-39%
Opex	657	872	-25%	623	5%	1,280	1,533	-17%
Finance Cost	2,291	4,096	-44%	2,501	-8%	4,792	9,557	-50%
Share of Profit	10,492	9,824	7%	10,794	-3%	21,287	20,163	6%
PAT less NCI	10,629	4,209	152%	11,628	-9%	22,257	23,335	-5%
EPS - Consol.	8.19	3.25	152%	8.96	-9%	17.16	17.99	-5%
EPS - Unconsol.	5.20	4.49	16%	6.09	-14%	11.29	10.49	8%
DPS	5.0	5.0	-	5.0	-	10.0	5.0	100%

Source: PSX & AKD Research

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- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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