

Result announcement 4QFY22

Power Generation & Distribution Companies

The Hub Power Company Limited

Earnings: The Hub Power Company Limited (HUBC) announced its 4QFY22 result. The Company reported 4QFY22 earnings attributable to HUBC of PKR 7.02bn (EPS PKR 5.4), down by 20%y/y compared to PKR 8.77bn (EPS PKR 6.8) in the similar period last year. This brings total profitability for FY22 to PKR 28.47bn (EPS PKR 22.0), down by 15%y/y, compared to PKR 33.69bn (EPS PKR 26.0) in the corresponding period last year.

Dividends/Payouts: The Company did not announce any final cash dividend during 4QFY22. As a result total cash payout for FY22 stands at PKR 6.5/share.

Operating performance: During the period under review, HUBC reported an incline of +2.0x/y in revenue on the back of a substantial increase in FO prices and higher generation from Hub plant and Narowal. Company's gross profit declined by 2%y/y likely on account of new tariff being applicable under MoU for Hub and Narowal, where dollar indexation has been removed. The Company booked share of profit from associate of PKR 4.24bn, up by +11%y/y, during 4QFY22 likely on account of higher income from China Power Hub Generation Company Limited (CPHGC). Finance cost increased by +50%y/y to PKR 2.5bn during 4QFY22 likely owing to a hike in interest rates. Effective tax stood at 34.3% during 4QFY22 (3QFY22: 11.0%) compared to 17.4% in the same period last year bringing total effective tax rate for FY22 to 15.7% compared to 12.8% in the corresponding period last year.

Exhibit: HUBC Financial Highlights								
For the period 4QFY22								
PKRmn	4QFY22	4QFY21	y/y	3QFY22	q/q	FY22	FY21	y/y
Turnover	32,106	15,825	2.0x	18,785	71%	97,158	54,639	1.8x
Operating Costs	23,459	6,973	3.4x	10,137	2.3x	64,056	21,769	2.9x
Gross Profit	8,647	8,852	-2%	8,648	0%	33,103	32,871	1%
General & Admin expenses	260	295	-12%	311	-16%	1,029	1,379	-25%
Other Income	1,417	561	2.5x	227	6.3x	2,124	796	2.7x
Other Expenses	253	210	20%	98	2.6x	398	509	-22%
Profit from Operations	9,551	8,908	7%	8,465	13%	33,800	31,779	6%
Financing Cost	2,531	1,682	50%	2,000	27%	7,928	7,341	8%
Share of profit/(loss) from associates	4,236	3,818	11%	4,165	2%	9,232	15,501	-40%
PBT	11,256	11,044	2%	10,631	6%	35,105	39,939	-12%
PAT	7,399	9,124	-19%	9,463	-22%	29,579	34,830	-15%
PAT - Attributable to HUBC	7,019	8,770	-20%	9,241	-24%	28,472	33,688	-15%
EPS (PKR)	5.4	6.8		7.1		22.0	26.0	
DPS (PKR)	-	5.0		-		6.5	12.0	
Source: IGI Research and Company Financials						No of Shares: 1,297.15mn		

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