

## Sector Update

### IGI IPP result previews

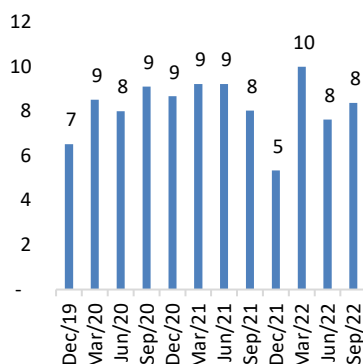
#### EPS Estimates for 1QFY23

	1Q23e	y/y	4Q22	y/y
HUBC	5.96	4%	5.41	10%
NCPL	1.75	5%	1.63	7%

#### DPS Estimates for 1QFY23

	1QFY23e	4QFY22
HUBC	-	-
NCPL	-	10.0

**Exhibit:** IPP Sector Historical Earnings (PKRbn)



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## Power Generation & Distribution Companies

### Sector Earnings to improve by 4%/y during 1QFY23

- IGI IPP universe earnings is expected to incline by +4%/y in 1QFY23 to PKR 8.4bn compared to PKR 8.0bn in the same period last year. Earnings accretion is expected on the back of a) weaker PKR against greenback and, b) higher share of profit from China Power Hub Generation Company Limited (CPHGC) for HUBC.
- The Hub Power Company Limited's (HUBC) board meeting is scheduled on 27th-Oct-22 to announce financial results for 1QFY23 where we expect Company to report earnings of PKR 7.73bn (EPS: PKR 5.96) up by +4%/y compared to PKR 7.42bn (EPS: PKR 5.72) in the same period last year. On a quarterly basis earnings are expected to increase by +10%/q on the back of lower taxation and higher share of profit from CPHGC.
- Nishat Chunian Power Limited's (NCPL) board meeting is scheduled on 28th-Oct-22 to announce financial results for 1QFY23 where we expect the Company to register earnings of PKR 0.64bn (EPS: PKR 1.75) up by +5%/y compared to PKR 0.61bn (EPS: PKR 1.67) in the same period last year. On a quarterly basis, earnings are expected to increase by +7%/q mainly on account of higher penal income.

### IPP Sector: Earnings to increase by +4%/y to PKR 8.4bn in 1QFY23

IGI IPP universe earnings is expected to incline by +4%/y in 1QFY23 to PKR 8.4bn compared to PKR 8.0bn in the same period last year. Earnings accretion is expected on the back of a) weaker PKR against greenback and, b) higher share of profit from China Power Hub Generation Company Limited (CPHGC) for HUBC. However, growth in earnings is likely to be limited by higher finance cost and revised tariff under agreement with power purchaser. On sequential basis, earnings are expected to increase by +10%/q mainly owing to lower taxation and higher share of profit from CPHGC for HUBC.

**Exhibit:** IPP sector result preview for 1qFY23

PKR per share					
Period end = Jun	Sep/22	Jun/22	q/q	Sep/21	y/y
HUBC	7.7	7.0	10%	7.4	4%
NCPL	0.6	0.6	7%	0.6	5%
<b>Total (in PKRbn)</b>	<b>8.4</b>	<b>7.6</b>	<b>10%</b>	<b>8.0</b>	<b>4%</b>

### HUBC: Earnings to improve by +4%/y during 1QFY23e to PKR 5.96/share

The Hub Power Company Limited's (HUBC) board meeting is scheduled on 27<sup>th</sup>-Oct-22 to announce financial results for 1QFY23 where we expect Company to report earnings of PKR 7.73bn (EPS: PKR 5.96) up by +4%/y compared to PKR 7.42bn (EPS: PKR 5.72) in the same period last year. On a quarterly basis earnings are expected to increase by +10%/q on the back of lower taxation and higher share of profit from CPHGC. We attribute the incline in the earnings on yearly basis during 1QFY23 to a) weaker PKR, b) higher share of profit from CPHGC and, c) higher penal income. However, higher finance cost, revised tariff and taxation is likely to limit earnings growth during 1QFY23.

**NCPL: Earnings to appreciate by +5%y/y to PKR 1.75/share during 1QFY23**

Nishat Chunian Power Limited's (NCPL) board meeting is scheduled on 28<sup>th</sup>-Oct-22 to announce financial results for 1QFY23 where we expect the Company to register earnings of PKR 0.64bn (EPS: PKR 1.75) up by +5%y/y compared to PKR 0.61bn (EPS: PKR 1.67) in the same period last year. On a quarterly basis, earnings are expected to increase by +7%q/q mainly on account of higher penal income. We attribute the growth in the earnings during 1QFY23 on yearly basis to a) higher penal income and, b) PKR depreciation. However, higher finance cost is likely to keep earnings growth restricted during 1QFY23.

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