November 3, 2026

Foundation Alert

HUBC: FY26 & 1QFY27 Corporate Briefing Takeaways

Event

- Hub Power Company (HUBC) held its corporate briefing session on November 3, 2026 to discuss FY26 and 1QFY27 results, along with updates on its power generation portfolio and diversification projects.

Impact

- FY26: HUBC posted consolidated profit attributable to owners of PKR 49.6bn (EPS: PKR 38.26) in FY26, up 8% YoY, while unconsolidated profit rose 28% YoY to PKR 24.5bn (EPS: PKR 18.86). Management attributed consolidated growth to (1) a 10% YoY increase in share of profit from associates & JVs to PKR 45.3bn, (2) a 40% YoY decline in finance cost to PKR 9.1bn on the back of debt repayments and lower interest rates, and (3) higher other income at PKR 7.4bn (FY25: PKR 4.0bn). This was partially offset by a 15% YoY decline in revenue to PKR 71.1bn owing to early termination of the Hub plant PPA and renegotiation of NEL's PPA in FY25.
- Unconsolidated earnings were driven by a 97% YoY jump in dividend income to PKR 29.3bn (FY25: PKR 14.9bn), mainly from the Thar projects following achievement of their respective Project Completion Dates. HUBC paid out a total of PKR 20/share for FY26 (three interims of PKR 5/share each and a final of PKR 5/share) against PKR 15/share in FY25.
- 1QFY27: Consolidated profit attributable to owners increased 10% YoY to PKR 12.8bn (EPS: PKR 9.86), led by an 18% YoY rise in share of profit from associates & JVs to PKR 12.7bn, higher income on short-term money market investments (other income up 12% YoY to PKR 1.5bn) and a 13% YoY decline in finance cost to PKR 2.2bn. Net sales grew 27% YoY to PKR 22.1bn on higher dispatch, though gross margin contracted to 36.2% (1QFY26: 43.6%) as cost of revenue rose 44% YoY.
- Effective tax rate rose to 24.7% (1QFY26: 19.3%), while earnings fell 23% QoQ owing to an unusually low tax charge in 4QFY26 (ETR: 1.4%). Unconsolidated profit rose 3% YoY to PKR 8.1bn (EPS: PKR 6.26) on a 20% YoY rise in dividend income to PKR 9.7bn. HUBC announced an interim dividend of PKR 5/share.
- During FY26, availability of Narowal, Laraib, CPHGC, TEL and TNPTL stood at 96%, 98%, 87%, 91% and 94% compared to 98%, 98%, 97%, 88% and 92% in FY25, respectively.
- Load factor of Narowal, Laraib, CPHGC, TEL and TNPTL was recorded at 9%, 48%, 11%, 69% and 69% in FY26 against 2%, 48%, 6%, 61% and 67% in FY25, respectively. Management attributed higher load factors at CPHGC and Narowal to RLNG supply constraints amid geopolitical conflicts.
- In 1QFY27, load factor of Narowal, Laraib, CPHGC, TEL and TNPTL improved to 18%, 31%, 38%, 88% and 83% from 4%, 10%, 12%, 75% and 71% in 1QFY26, respectively, as RLNG supply constraints amid geopolitical conflicts lifted dispatch across the portfolio. Availability stood at 92%, 100%, 85%, 100% and 94% against 100%, 100%, 98%, 100% and 100% in 1QFY26, respectively.
- HUBC's operating subsidiaries and associates collectively contributed 5,363GWh to the national grid in FY26. The Thar plants (660MW) maintained availability well above PPA requirements, generating 3,646GWh in FY26 and 1,132GWh in 1QFY27. CPHGC generated 1,198GWh in FY26 (FY25: 675GWh) and 1,044GWh in 1QFY27.
- The Thar plants have commenced dividend payouts: HUBC/HPHL received PKR 10.8bn from TEL and PKR 4.9bn from TNPTL in FY26, followed by a further PKR 4.9bn from TEL and PKR 2.9bn from TNPTL in 1QFY27. CPHGC declared two dividends during 1QFY27, while its Unit-1 has recently been placed under forced outage after sustaining an electrical fault.
- Mega Motor Company (MMC), HUBC's 50:50 JV with The Mega Conglomerate, has expanded BYD's line-up in Pakistan to five models (Atto 2, Atto 3, Seal, Sealion 7 and Shark 6), with Atto 2 and Sealion 7 added in Jan'26. BYD crossed 10,000 vehicles on Pakistani roads in Sep'26, which management termed the fastest ramp-up by a new-entrant NEV brand in Pakistan's automotive history.

- MMC's CKD assembly plant is scheduled to be inaugurated in Dec'26. The BYD Sealion 6 DM-i, a C+ segment family SUV with a 1.5L turbocharged plug-in hybrid powertrain unveiled at PAPS 2026, will be MMC's first locally assembled (CKD) model post-COD.
- MMC's retail network comprises 5 company-owned Experience & Care Centres (Karachi Metropole & Korangi, Lahore Gulberg & DHA and Islamabad Expressway) and 4 third-party dealerships (Faisalabad, Karachi, Lahore and Sialkot), reflecting a shift to an asset-light, partner-led model. A further 11 dealerships are planned by the start of CY27.
- Hubco Green (HGL) now has 24 DC fast chargers operational nationwide (21 public stations and 3 at BYD dealerships), connecting Karachi to Peshawar across ~1,300km of highways and motorways. Installation is underway at additional sites on the N-5, and HGL has signed collaboration agreements with PUMA Energy and Gas & Oil Pakistan/Aramco. Its mobile app for trip planning and slot booking will be released soon.
- Prime (50% JV) acquired two onshore blocks (Sukhpur II & Naing Sharif) and working interests in four offshore blocks, including operatorship of Sapat Bandar (others: Bin Qasim South, Keti Bandar and Zarrar). The Lundali-1 well in Sukhpur-II block was successfully recommissioned during 1QFY27. These acquisitions aim to offset production decline from existing fields.
- On mining, Ark Metals (~53% held through HPHL) has concluded geological & geophysical studies, with the First Resource Report (FRR) confirming promising mineral potential in the Chaghi region, Balochistan. A scoping study for lithium has also been concluded through remote sensing analysis and geochemical sampling.
- A consortium led by HPHL (lead member), alongside Metro Ventures, Lucky Cement and Kohat Cement, has been prequalified for the privatization of FESCO, GEPCO and IESCO. Financial, legal and technical due diligence is currently in progress.
- SECMC's mining capacity currently stands at 7.6Mtpa, catering to TEL and TNPTL, and is being expanded to 11.2Mtpa under Phase III of the mine expansion. SECMC is supplying 100% of LEPCL's coal requirement.

Table 1: HUBC - 1QFY27 & FY26 Financial highlights

(PKR Mn)	1QFY27	1QFY26	YoY	QoQ	FY26	FY25	YoY
Revenue	**22,109**	**17,397**	**27%**	**8%**	**71,126**	**83,351**	**-15%**
Cost of Sales	14,107	9,811	44%	13%	41,438	43,528	-5%
Gross profit	**8,002**	**7,586**	**5%**	**-1%**	**29,688**	**39,824**	**-25%**
Admin expense	436	456	-4%	-28%	2,006	1,789	12%
Operating profit	**7,566**	**7,131**	**6%**	**1%**	**27,682**	**38,035**	**-27%**
Other operating income	1,474	1,319	12%	92%	7,384	4,021	84%
Other operating expense	162	286	-43%	-18%	997	4,020	-75%
Finance cost	2,174	2,501	-13%	-4%	9,136	15,231	-40%
Share of profit from associates	12,724	10,794	18%	-2%	45,316	41,310	10%
PBT	**19,428**	**16,456**	**18%**	**3%**	**70,248**	**64,115**	**10%**
Tax	4,805	3,177	51%	1,693%	13,991	12,503	12%
Profit from discontinued operations	-	-	NM	NM	-	162	NM
PAT	**14,623**	**13,279**	**10%**	**-21%**	**56,257**	**51,775**	**9%**
Profit Attributable to:							
Owners of the company	**12,786**	**11,628**	**10%**	**-23%**	**49,631**	**46,131**	**8%**
Non-controlling Share	1,837	1,650			6,626	5,643	
EPS	**9.86**	**8.96**			**38.26**	**35.56**	
DPS	**5.00**	**5.00**			**20.00**	**15.00**	
Gross Margin	36%	44%			42%	48%	
Net Margin	66%	76%			79%	62%	
Effective Tax rate	25%	19%			20%	20%	

Source: PSX, Company Accounts, Foundation Research, Nov 2026

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If	
Expected return >+15%	Outperform.
Expected return from 0% to +15%	Neutral.
Expected return <0%	Underperform.