CHASE SECURITIES

CORPORATE BRIEFING NOTES
03 Nov 2026
RA-07

STOCK SNAPSHOT

Symbol	HUBC
Price	PKR 196.22
Market cap	PKR 254,528mn
Shares	1,297.15mn
Free float	972.86mn
52W high	PKR 249.99
52W low	PKR 186.10

SECTOR
Power Generation & Distribution

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HUBC PSX · POWER

The Hub Power Company Limited

FY26 EPS	1QFY27 EPS	FY26 DPS	ASSOC. SHARE 1Q
PKR 38.26	PKR 9.86	PKR 20.00	PKR 12.7bn
▲ 8% YoY	▲ 10% YoY	▲ 33% YoY	▲ 18% YoY

KEY TAKEAWAYS

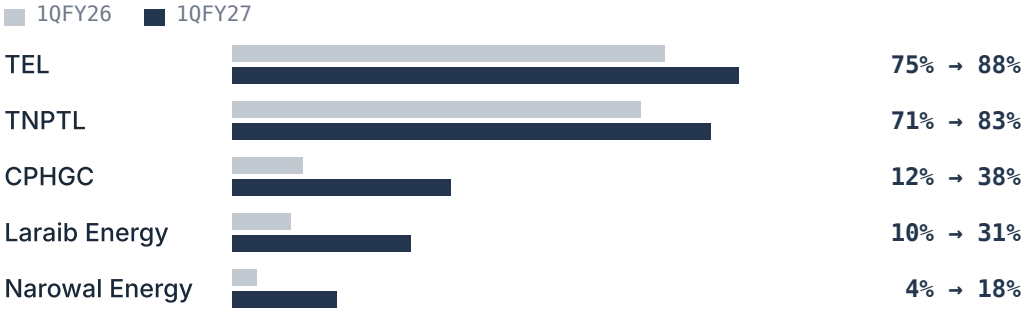
1QFY27: EPS of PKR 9.86 as load factors rise across the power portfolio

HUBC consolidated EPS stood at **PKR 38.26** in **FY26** (**FY25**: **PKR 35.56**). Furthermore, in **1QFY27** EPS stood at **PKR 9.86** (**1QFY26**: **PKR 8.96**).

POWER GENERATION PORTFOLIO

- Plant load factors improved across all power generation assets during **1QFY27**, primarily due to RLNG supply constraints amid geopolitical developments.
- TEL and TNPTL recorded load factors of **88%** and **83%**, respectively, compared to **75%** and **71%** in **1QFY26**. Combined generation from both Thar plants stood at **1,132GWh**.
- CPHGC's load factor improved to **38%** from **12%** in **1QFY26**, with generation reaching **1,044GWh**. Availability stood at **85%**.
- Laraib Energy and Narowal Energy recorded load factors of **31%** and **18%**, respectively, compared to **10%** and **4%** in SPLY.
- Management expects load factors to remain above last year's levels, although actual dispatch will depend on system demand, hydro availability and solar generation. Fuel stocks remain sufficient.
- Management highlighted that plant availability remains within its control, whereas dispatch is determined by the grid operator.

PLANT LOAD FACTORS



Load factor by plant, 1QFY27 vs 1QFY26 · Source: Company briefing

CPHGC – UNIT-1 TRANSFORMER OUTAGE

- Unit-1 of CPHGC (**660MW**) remains under forced outage following an electrical fault in its main transformer connected to the **500kV** transmission line.
- Management is coordinating with the transformer manufacturer, insurer and contractors for repair/replacement, with restoration expected within a couple of months.
- Management does not anticipate a material impact on dispatch, as north-south transmission constraints beyond Jamshoro currently limit plant dispatch to approximately **600MW**, which can be catered for through the operational **660MW** Unit-2.
- Capacity payment deductions are covered under business interruption insurance, although some losses may arise from deductibles and forced-outage allowances.
- Management sees limited economic rationale for converting CPHGC to local Thar coal, citing conversion costs of hundreds of millions of dollars and associated plant downtime.
- CPHGC's project debt is in its eighth year of a **10-year** financing arrangement, with complete repayment expected by **2QCY29**.

POWER SECTOR RECEIVABLES & TARIFF MATTERS

- Outstanding receivables across power subsidiaries stood at **PKR 59bn** for CPHGC, **PKR 8.2bn** for TEL, **PKR 5.7bn** for TNPTL, **PKR 5.7bn** for Laraib and **PKR 875mn** for NEL.
- Management highlighted that CPHGC's receivables have remained broadly unchanged over the past two years, with no significant further accumulation.
- TEL and TNPTL's tariff true-up matters remain pending before NEPRA. Management does not anticipate deductions but could not provide a timeline for final determination.
- CPHGC's tariff true-up matter is currently before the appellate tribunal, particularly concerning the interpretation of upfront versus cost-plus tariff provisions.
- Management clarified that WPPF-related receivables have corresponding payables, as certain payments remain disputed or under litigation.

PRIME INTERNATIONAL – E&P

- Expanded exploration portfolio with acquisition of two onshore blocks (Sukhpur II and Naing Sharif) and four offshore blocks, including operatorship of Sapat Bandar. Lundali-1 well was recommissioned in **Q1FY27**.

ELECTRIC MOBILITY — MEGA MOTOR COMPANY (BYD)

- Cumulative BYD vehicle sales crossed **10,000 units** in **September 2026**, reflecting strong initial market penetration.
- The Gharo CKD assembly plant remains on track for inauguration and commencement of local assembly in **December 2026**, despite shipment delays and geopolitical uncertainties.
- Sealion 6 DM-i (C+ segment family SUV, **1.5L** turbo plug-in hybrid) will be the first locally assembled model. Pricing has not yet been disclosed.
- BYD Bao 5 and Bao 8 are also expected to be launched towards the end of **CY26**, with management focusing on B and C segments.
- MMC recorded a profit of approximately **PKR 1.5bn** in **1QFY27**, of which HUBCO's share amounted to **PKR 780mn**.
- Management is expanding its 3S dealership network across major cities, targeting nationwide coverage by the commencement of local assembly.

EV CHARGING INFRASTRUCTURE — HUBCO GREEN

- Hubco Green currently operates **24** DC fast chargers, with management also referring to approximately **25–27** charging points across the Karachi–Peshawar route, motorways and selected urban locations.
- Charger uptime remains above **99.5%**, supported by backup generators.
- Management targets expansion to **50** charging stations initially and subsequently **100**, with a target of one station every **150km** along major highways.
- Retail charging tariffs average approximately **PKR 100/unit**, compared to home charging costs of below **PKR 40/unit**.
- Management is not pursuing flash charging or four-wheeler battery swapping, citing grid constraints, battery compatibility and limited commercial viability.

DISCO PRIVATIZATION

- A consortium led by Hub Power Holdings Limited (HPHL), 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 underway.
- Management views privatization as an opportunity to improve distribution efficiency, reduce electricity costs and introduce locational pricing to better utilise existing generation capacity.
- While the government has moved away from offering dollarised returns, management believes a reasonable ROE framework will be necessary to attract private-sector investment. Bidding documents are awaited.

PROPOSED ALUMINIUM SMELTER

- HUBCO is evaluating a proposed **300kt** aluminium smelter at its existing Hub site, subject to government policy and project economics.
- Management is pursuing a multi-source locational power-pricing arrangement to ensure reliable and affordable electricity for the proposed facility.
- Management highlighted that aluminium smelters operate for approximately **95–98%** of the year (over **8,500 hours**), requiring uninterrupted electricity supply from multiple sources.
- HUBCO does not consider captive power restructuring or CTBCM necessary for the proposed project, favouring locational pricing instead.
- Management does not intend to utilise its existing **1,100-acre** brownfield Hub site for the proposed **400MW** solar wheeling auction, considering it more valuable for industrial development.

MINING & MINERALS

SECMC

- Completed Phase III expansion, increasing Thar coal mining capacity to **11.2MTPA**.
- Commenced supplying **100%** local coal to Lucky Electric Power Company (LEPCL) from **October 1, 2026**.
- Management indicated that Block II's expanded capacity can support nearly **2,000MW** of power generation.
- HUBCO has no immediate plans to increase its stake in SECMC.

ARK METALS

- Completed geological and geophysical studies, with its First Resource Report indicating promising mineral potential in Chagai, Balochistan.
- Completed lithium scoping studies, while approximately **4,000 metres** of drilling have been undertaken on a lease near Dalbandin.
- Due to the slowdown in Balochistan, management is also exploring mineral opportunities in Gilgit-Baltistan and Khyber Pakhtunkhwa.
- These remain long-gestation projects, with commercial output expected after **2030**.

Financial highlights

PKR mn (consolidated)	FY25	FY26	YoY	1QFY26	1QFY27	YoY
Net sales	**83,351**	**71,126**	**-15%**	**17,397**	**22,109**	**27%**
Cost of sales	-43,528	-41,438	-5%	-9,811	-14,107	44%
Gross profit	**39,824**	**29,688**	**-25%**	**7,586**	**8,002**	**5%**
Administrative expenses	-1,789	-2,006	12%	-456	-436	-4%
Operating profit	**38,035**	**27,682**	**-27%**	**7,131**	**7,566**	**6%**
Depreciation & amortisation	5,510	5,092	-8%	1,309	1,278	-2%
EBITDA	**43,545**	**32,774**	**-25%**	**8,440**	**8,843**	**5%**
Financial charges	-15,231	-9,136	-40%	-2,501	-2,174	-13%
Other income	4,021	7,384	84%	1,319	1,474	12%
Other charges	-4,020	-997	-75%	-286	-162	-43%
Share of associates' profit/(loss)	41,310	45,316	10%	10,794	12,724	18%
Profit before tax	**64,115**	**70,248**	**10%**	**16,456**	**19,428**	**18%**
Taxation	-12,503	-13,991	12%	-3,177	-4,805	51%
Profit after tax	**51,775**	**56,257**	**9%**	**13,279**	**14,623**	**10%**
PAT a/t non-controlling interest	5,643	6,626	17%	1,650	1,837	11%
PAT a/t company owners	**46,131**	**49,631**	**8%**	**11,628**	**12,786**	**10%**
EPS (PKR)	**35.56**	**38.26**	**8%**	**8.96**	**9.86**	**10%**
DPS (PKR)	15.00	20.00	33%	5.00	5.00	0%

Source: Company accounts, Chase Research

RECEIVABLES BY SUBSIDIARY



Outstanding receivables, as stated at the briefing · Source: Company briefing

IMPORTANT DISCLOSURES

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