

Hub Power Company AGM key takeaways

Power segment

- The Board apprised the company has received 2 dividends from the CPEC project so far, with an accumulated number of US\$150mn.
- For the same project, the company has paid of US\$600mn of debt so far (with another 5 years to go) against the total project cost of US\$1.8bn. Given the high finance cost, the priority today is to continue to settle the loans.
- The Board denied some media updates regarding ongoing talks between IPPs and the government.
- The Board also apprised that once any power plant reaches its expiry, it has a number of options regarding the terminated plant, that range from selling it to re-using it for other purposes.

Bloomberg Code: HUBC PA

Market Price: Rs123.77

Market Cap: Rs161bn, US\$579mn

1-yr ADTO: 4.6mn shares, Rs605mn, US\$2.2mn

1-yr High / Low: Rs166.69 / 84.44

Estimated free float: 973mn shares (75%)

EV segment

- Plans to set up a 50,000 units EV producing plant, from which 30% - 40% of the production will be exported to Australia and Africa.
- By Dec-2025/Mar-2026, company expects to roll the CKD cars with 8-9 variants in various segments. By 2030, Board expects 100,000 units production, with turnover of US\$2.5bn. The Board also expects earning carbon credits in the future.
- The Board is optimistic on future cashflows of the company, that can be notably contributed from the auto segment, which can contribute to company's future dividends.

Mining segment

- Objective of entering the mining sector for mineral exploration is to identify lithium in the future and develop a battery manufacturing unit.
- The company is currently working on a Reserves Report to gauge the potential and the current work may take 12 – 18 months.
- The company is preparing to be well equipped for the potential demand of batteries in the long term.
- The company has plans to increase shareholding in Sindh Engro Coal Mining (SECMC) from 8% to 17% and taking management control in due course time.

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