

The Hub Power Company Limited AGM takeaways

Following are the key takeaways from the Annual General Meeting (AGM) of HUBC held today.

Brief Takeaways

- The Board informed that the company has received two dividend payments from the CPHGC project. Total dividend of USD 150mn was received during FY24 of which USD 69mn was HUBC's share.
- The total project cost of CPHGC was USD 1.8bn, of which till date USD 600mn has been paid with five more years remaining. Amid higher interest cost, the company will first repay its debt.
- The Board also dismissed recent media reports about ongoing negotiations between Independent Power Producers (IPPs) and the government.
- The Board further noted that once a power plant reaches the end of its operational life, various options are available for the decommissioned facility, such as selling it or repurposing it for alternative uses.
- The company plans are underway to establish a plant with a capacity to produce 50,000 electric vehicles annually, with 30% to 40% of the output designated for export to Australia and Africa.
- The company anticipates to launch CKD cars across 8-9 variants in different segments, by Dec'25-Mar'26.
- Strong future cash flows are expected by the Board, with significant contributions to the company's future dividends coming from the auto segment.
- The company aims to enter the mining sector for mineral exploration to identify lithium in the future and will develop a battery manufacturing unit.
- A Reserves Report is currently being prepared to assess the potential, with the current work expected to take 12-18 months.
- Preparations are being made by the company to be well-equipped for the long-term demand for batteries.
- Plans are being made to increase the shareholding in Sindh Engro Coal Mining (SECMC) from 8% to 17%, with management control expected to be taken in due course.

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