

CEO'S MESSAGE

Each year brings with it a unique set of challenges but when seen as opportunities to grow and evolve, even the most insurmountable challenges yield to determination and resolve. While FY 2022 was a welcome reprieve from the debilitating impacts of COVID, several other hurdles presented themselves along the way. HUBCO successfully overcame all of these obstacles through the unrelenting efforts of our employees.

The Company has achieved a consolidated net profit of Rs. 28.47 billion for the year under review, translating to an earnings per share (EPS) of Rs. 21.95, compared to last year's net profit of Rs. 33.7 billion and EPS of Rs. 25.97. Despite numerous challenges, HUBCO was able to pay its shareholders a total dividend of Rs. 6.5 per share during the current fiscal year. Based on the revised agreements with the Government, the Company received the first and second installments of the overdue receivables for HUBCO and Narowal Energy Limited. It was a matter of tremendous relief to ease some of our financial constraints through these payments. To help further streamline our finances in the time of a global financial crisis, HUBCO tightened its expenditure, curbed operational costs, and increased the efficiency of existing systems.

We have made tremendous strides in the development of our indigenous energy projects, Thar Energy Limited (TEL) and ThalNova Power Thar (Pvt.) Limited (TNPTL) with TEL achieving first synchronization with the national grid on 3rd August and successfully completing 20 million safe man hours. The COD of the TEL plant is anticipated in the beginning of September. TNPTL has also made immense progress and is currently nearing its final phase of completion. The accomplishment of these milestones will manifest in the form of 660 MW of affordable energy utilizing indigenous sources of fuel, further cementing HUBCO's leading role in the energy sector.

As we position ourselves for exponential growth within the power sector, we are also breaking new ground and our acquisition of ENI Pakistan's business through a 50:50 joint venture with Prime International Oil & Gas Company is progressing as per plan and will mark HUBCO's first foray into the oil and gas sector. To cater to the increasing demand for alternative sources of energy, projects that will add to HUBCO's portfolio of sustainable energy solutions are underway. Similarly, to help alleviate the burden on the nation due to water scarcity, HUBCO is in the process of developing possible wastewater recycling solutions for the industry that could greatly benefit the country.

In line with our commitment to upholding the highest standards for Health, Safety, and the Environment (HSE), we continue to align with global best practices as we follow a comprehensive Process Safety Management (PSM) framework built around OSHA standards. Our operating plants achieved remarkable ratings in the independent audit of our HSE systems. As digitalization ushers in a new era in energy provisioning, our wholly owned subsidiary Hub Power Services Limited (HPSL) intends to digitalize operations for all plants in its portfolio. Developing more technological solutions to aid in the efficiency and convenience of everyday operations will help us identify problems and devise efficient, timely solutions.

In line with our commitment to fueling lives through energy, we continue our prolific CSR efforts in the areas we operate in. Some of our ongoing projects include: operating a network of schools, providing vocational training and providing potable water and medical facilities to the villages near our plants. In total, the Company invested Rs. 201 million in its CSR initiatives for the year under review.

As HUBCO continues its journey of transforming Pakistan's energy landscape, I express my sincere hope that issues such as the circular debt, and devaluation of the Pakistani rupee reach some form of resolution. When these restrictive forces cease to impede progress, HUBCO can rise to newer, unprecedented heights.

I am confident that HUBCO is well-positioned to meet Pakistan's future energy needs and will continue to be a trail-blazer in the country's energy sector. I would like to express my heartfelt gratitude for the exemplary efforts of our employees, and the unwavering faith of our stakeholders in HUBCO's ability to deliver and succeed.

Warm regards,



Kamran Kamal

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