

# Flash Note

Friday, 26 October 2018

## Oil & Gas - Marketing Companies

### Hascol Petroleum Limited (HASCOL)

#### Exchange losses limited earnings growth at +57%YoY to PKR 3.31/share for 3QCY18; Bonus announced of 25%

- Hascol Petroleum Limited (HASCOL) announced financial result for 3QCY18 where the Company reported earnings of PKR 0.48bn (EPS PKR 3.31) against PKR 0.31bn (EPS PKR 2.11) in the same period last year. This brings total 9MCY18 earnings to PKR 1.51bn (EPS PKR 10.41) compared to PKR 1.10bn (EPS PKR 7.57) in the corresponding period last year.
- The Company also announced a surprise bonus issue of 25% along with the result.
- We attribute this incline in earnings to rise in MS, HSD and FO margins despite 20%/15%YoY drop in MS/HSD volumes and likely inventory gains of PKR 200-300mn in our view.
- Revenues leaped up by +34%YoY to PKR 62.20bn during 3QCY18 owing to significant rise in domestic MS, HSD and FO prices on the back of rise in international oil price and PKR depreciation. This brings total revenues for 9MCY18 to PKR 184.30bn against PKR 124.24bn in the same period last year.
- Gross margins improved by 90bps to 3.9% during 3QCY18 compared to 3.0% in the same period last year.
- HASCOL incurred exchange loss of PKR 0.66bn during 3QCY18 compared to PKR 0.17bn in the same period last year owing to 17%YoY depreciation of PKR against greenback. This brings total exchange losses for 9MCY18 to PKR 2.52bn against PKR 0.17bn in the similar period last year.
- The Company also booked deferred tax asset charge leading to a net tax credit of PKR 0.14bn during 3QCY18 compared to a tax expense of PKR 0.12bn in the same period last year.

Exhibit:

#### Financial Highlights

PKRmn	3QCY18	3QCY17	YoY	9MCY18	9MCY17	YoY
Net Sales	62,197	46,494	34%	184,304	124,236	48%
Gross Profit	2,399	1,392	72%	8,213	4,442	85%
S&D Expense	995	622	60%	2,655	1,790	48%
Admin Expense	201	166	22%	648	467	39%
Other Income	142	109	31%	341	243	41%
EBIT	1,345	713	89%	5,251	2,428	116%
Finance Cost	347	126	175%	783	389	101%
Profit Before Taxation	335	428	-22%	1,951	1,858	5%
Taxation	144	123	17%	444	762	-42%
Profit After Taxation	479	305	57%	1,507	1,096	38%
<b>EPS (PKR)</b>	<b>3.31</b>	<b>2.11</b>		<b>10.41</b>	<b>7.57</b>	
DPS (PKR)	-	-		3.50	3.50	
Bonus / Right	25%B	-		25%B	20%R	

Source: IGI Research, Company Financials

No of Shares: 144.82mn

#### Analyst

Abdullah Farhan

[abdullah.farhan@igi.com.pk](mailto:abdullah.farhan@igi.com.pk)

Tel: (+92-21) 111-234-234 Ext.: 912

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## Contact Details

### Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Suleman Ashraf	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 957	suleman.ashraf@igi.com.pk
Muhammad Saad	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 816	muhammad.saad@igi.com.pk
Umesh Solanki	Database Manager	Tel: (+92-21) 111-234-234 Ext: 974	umesh.solanki@igi.com.pk

### Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 35777863-70	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Irfan Ali	Regional Manager (Faisalabad)	Tel: (+92-41) 2540843-45	irfan.ali@igi.com.pk
Asif Saleem	Branch Manager (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Branch Manager (Multan)	Tel: (+92-61) 4512003	mehtab.ali@igi.com.pk
Zeeshan Kayani	Branch Manager (Abbottabad)	Tel: (+92-992) 408243-44	zeeshan.kayani@igi.com.pk
Ihsan Mohammad	Branch Manager (Peshawar)	Tel: (92-91) 5253035	ihsan.mohammad@igi.com.pk

### IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of  
Pakistan Stock Exchange Limited |  
Corporate member of Pakistan Mercantile Exchange Limited

### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
Fax: (+92-21) 35309169, 35301780  
Website: www.igisecurities.com.pk

### Stock Exchange Office

Room # 134, 3rd Floor, PSX Building,  
Stock Exchange Road, Karachi.  
Tel: (+92-21) 32429613-4, 32462651-2,  
Fax: (+92-21) 32429607

### Lahore Office

Shop # G-009, Ground Floor,  
Packages Mall  
Tel: (+92-42) 35777863-70, 35876075-76  
Fax: (+92-42) 35763542

### Faisalabad Office

Room #: 515-516, 5th Floor, State Life  
Building, 2- Liaquat Road  
Tel: (+92-41) 2540843-45  
Fax: (+92-41) 2540815

### Multan Office

Mezzanine Floor, Abdali Tower,  
Abdali Road  
Tel: (92-992) 408243 - 44

### Peshawar Office

2nd Floor, The Mall Tower,  
35 The Mall Peshawar Cantt.  
Tel: (92-91) 5253035, 5278448

### Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
Block- B, Jinnah Avenue, Blue Area  
Tel: (+92-51) 2604861-2, 2604864, 2273439  
Fax: (+92-51) 2273861

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
Model Town, Town Hall Road  
Tel: (+92-68) 5871653-6, 5871652  
Fax: (+92-68) 5871651

### Abbottabad Office

Ground Floor, Al Fatah Shopping Center,  
Opp. Radio Station, Mansehra Road  
Tel: (+92-99) 2408243 - 44

### Sialkot Office

Suite No. 10 & 11, 1st Floor, Soni Square,  
Mubarik Pura  
Tel: (+92-52) 3258437, 3258762

IGI Finex Securities Limited

### Research Analyst(s)

Research Identity Number: BRP009

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