

# Flash Note

Friday, 24 April 2020

## Oil & Gas - Marketing Companies

### Attock Petroleum Limited (APL)

#### Loss reported of PKR 7.14/share for 3QFY20 amid likely inventory losses and drop in total sales

- ✓ Attock Petroleum Limited (APL) announced financial results for 3QFY20 with a loss of PKR 0.71bn (LPS: PKR 7.14) compared to earnings of PKR 0.28bn (EPS: PKR 2.86) in the same period last year. This bring total profitability for 9MFY20 to PKR 0.87bn (EPS PKR 8.75) down by 64%YoY compared to PKR 2.39bn (EPS PKR 23.99) in the similar period last year.
- ✓ We attribute this decline in earnings during 3QFY20 to likely inventory loss and 15%YoY decline in total volumes led by 21%/18%/7%YoY drop in FO/HSD/MS sales.
- ✓ Net Revenue increased by 2%YoY to PKR 57.05bn during 3QFY20, likely on the back of increase in domestic MS and HSD prices due to PKR depreciation despite drop in total volumes.
- ✓ Gross loss clocked in at PKR 0.35bn during 3QFY20 as against gross profit of PKR 0.88bn in similar period last year likely on the back of drop in total volumes and hefty inventory losses.
- ✓ Selling & distribution expense augmented by +15%YoY to PKR 0.92bn during 3QFY20 as against PKR 0.80bn in similar period last year.
- ✓ The Company also booked impairment loss on financial asset on account of changes in IFRS 9 to the tune of PKR 71mn for 3QFY20 compared to PKR 51mn during 2QFY20 and no expense in same period last year.

#### Exhibit: APL Financial Highlights

PKRmn	3QFY20	3QFY19	YoY	2QFY20	QoQ	9MFY20	9MFY19	YoY
Net Sales	50,062	48,921	2%	57,048	-12%	166,318	164,293	1%
Gross Profit	(345)	881	n/m	927	n/m	2,683	4,889	-45%
S&D exp	915	796	15%	724	26%	2,197	2,441	-10%
Other Charges	(72)	25	n/m	78	n/m	105	181	-42%
Other Op. Income	122	241	-49%	276	-56%	691	712	-3%
EBIT	(1,209)	326	n/m	428	n/m	981	3,160	-69%
Finance Cost	159	170	-7%	169	-6%	554	458	21%
Profit Before Taxation	(1,020)	396	n/m	515	n/m	1,249	3,375	-63%
Taxation	(310)	112	n/m	159	n/m	379	987	-62%
Profit After Taxation	(710)	284	n/m	355	n/m	870	2,388	-64%
<b>EPS (PKR)</b>	<b>(7.14)</b>	<b>2.86</b>		<b>3.57</b>		<b>8.75</b>	<b>23.99</b>	
DPS (PKR)	-	-		5.00		5.00	10.00	

Source: IGI Research, Company Financials

No of Shares: 99.53mn

#### Analyst

Abdullah Farhan

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

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