

Flash Note

Tuesday, 20 October 2020

Oil & Gas - Marketing Companies

Attock Petroleum Limited (APL)

Higher margins on MS/HSD and hefty inventory gains lift 1QFY21 EPS to PKR 14.92

- Attock Petroleum Limited (APL) announced financial results for 1QFY21 with earnings of PKR 1.49bn (EPS: PKR 14.92), up by +21% YoY, compared to earnings of PKR 1.23bn (EPS: PKR 12.31) in the same period last year. On a sequential basis earnings are up substantially by +10.8xQoQ.
- We attribute this growth in earnings during 1QFY21 to likely inventory gains and +47% YoY incline in FO sales whereas total remained flat during the quarter.
- Net Revenue** dropped by 24% YoY to PKR 45.12bn during 1QFY21, likely on the back of drop in domestic MS, FO and HSD prices and drop in MS and HSD sales.
- Gross profit** clocked in at PKR 3.06bn during 1QFY21 as against gross profit of PKR 2.10bn in similar period last year likely on the back of hefty inventory gains, higher margins on MS/HSD and +47% YoY rise in FO volumes despite 27%/13% YoY drop in MS and HSD sales.
- Operating expense** augmented by +55% YoY to PKR 0.86bn during 1QFY21 as against PKR 0.56bn 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 81mn for 1QFY21 compared to PKR 74mn during 1QFY20 (4QFY20: PKR 177mn).
- Effective tax rate** stood at 30.3% during 1QFY21 as against 30.2% (4QFY20: 45.7%) booked in the same period last year.

Exhibit: Financial Highlights

PKRmn	1QFY21	1QFY20	YoY	4QFY20	QoQ
Net Sales	45,115	59,208	-24%	34,761	30%
Gross Profit	3,060	2,100	46%	955	3.2x
Operating Expense	864	558	55%	882	-2%
Other Charges	158	99	59%	13	12.5x
Net Impairment loss on financial assets	81	74	10%	177	-54%
Other Op. Income	211	293	-28%	207	2%
EBIT	2,327	1,762	32%	103	22.6x
Finance Cost	(31)	226	n/m	80	n/m
Profit Before Taxation	2,133	1,755	22%	254	8.4x
Taxation	647	529	22%	116	5.6x
Profit After Taxation	1,485	1,225	21%	138	10.8x
EPS (PKR)	14.92	12.31		1.38	
DPS (PKR)	-	-		4.00	

Source: IGI Research, Company Financials No of Shares: 99.53mn

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IGI Finex Securities Limited

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