

Flash Note

Monday, 16 April 2018

Oil & Gas - Marketing Companies

APL: Earnings jumped by +18%YoY to PKR 17.52/share during 3QFY18 as volumetric growth gained traction

- Attock Petroleum Limited (APL) announced financial results for 3QFY18 with earnings clocking in at PKR 1.45bn (EPS PKR 17.52) as compared to PKR 1.20bn (EPS PKR 14.50) in the same period last year, up +18%YoY.
- We attribute this to, a) +20%/+5%YoY rise in MS/HSD volumes and, b) minimum exchange loss due to lower exposure to USD. This brings 9MFY18 earnings to PKR 4.26bn (EPS PKR 51.41) down by meagre 2%YoY compared to PKR 4.36bn (EPS PKR 52.56) in the same period last year.
- Net Revenues increased by +30%YoY to PKR 45.01bn, likely on the back of increase POL product prices during the quarter owing to 5% depreciation of PKR against greenback and 24%YoY rise in international oil prices.
- Gross profit increased by +37%YoY to PKR 2.47bn during 3QFY18 as against PKR 1.81bn in similar period last year likely owing to hefty inventory gains in Mar-18.
- Operating costs augmented by +32%YoY to PKR 0.67bn during 3QFY18 as compared to PKR 0.51bn in the corresponding period last year likely owing to higher depreciation and salary expense.
- Other income declined by 18%YoY to PKR 0.19bn during 3QFY18 compared to PKR 0.23bn in the similar period last year likely owing to lower commission and handling income.
- Effective tax rate remained flat at 28% during 3QFY18 compared to 28% reported in the corresponding period last year.

Exhibit:

Financial Highlights

PKRmn	3QFY18	3QFY17	YoY	9MFY18	9MFY17	YoY
Net Sales	45,014	34,679	30%	121,359	96,174	26%
Gross Profit	2,471	1,808	37%	6,870	5,726	20%
Operating costs	669	506	32%	1,885	1,382	36%
Other Charges	106	86	24%	307	(377)	n/m
Other Op. Income	190	231	-18%	604	712	-15%
EBIT	1,886	1,446	30%	5,282	5,433	-3%
Finance Cost	135	189	-29%	531	616	-14%
Profit Before Taxation	2,020	1,665	21%	5,913	6,146	-4%
Taxation	567	463	23%	1,649	1,787	-8%
Profit After Taxation	1,453	1,202	18%	4,264	4,359	-2%
EPS (PKR)	17.52	14.50		51.41	52.56	
DPS (PKR)	-	-		15.00	15.00	

Source: IGI Research, Company Financials

No of Shares: 82.94mn

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