

Flash Note

Wednesday, 15 August 2018

Oil & Gas - Marketing Companies

Attock Petroleum Limited (APL)

EPS reported at PKR 16.78 during 4QFY18 back by volumetric growth and inventory gains; 20% bonus accompanied with the result

- Attock Petroleum Limited (PSO) announced financial results for 4QFY18 with earnings clocking in at PKR 1.39bn (EPS PKR 16.78) up by +48%YoY compared to PKR 0.94bn (EPS PKR 11.33) in the same period last year. The company announced cash dividend of PKR 25/share, along with a bonus issue of 20%. This brings FY18 earnings to PKR 5.66bn (EPS: PKR 68.19) up by +7%YoY compared to PKR 5.30bn (EPS: PKR 63.89) in the similar period last year.
- We attribute this growth in earnings during 4QFY18 likely on the back of inventory gains, lower exchange loss, higher MS sales and higher improved MS and FO margins.
- Net Revenues increased by +32%YoY to PKR 55.99bn, likely on the back of increase in domestic MS, HSD and FO prices due to surge in international oil prices and PKR depreciation. As a result of higher domestic prices and increased sales, total revenues are up by +28%YoY to PKR 177.34bn in FY18.
- Gross profit increased by +79%YoY to PKR 2.87bn during 4QFY18 as against PKR 1.61bn in similar period last year likely owing to inventory gains, rise in MS sales and hike in MS and FO margin.
- Operating costs leaped up by +32%YoY to PKR 0.66bn during 4QFY18 compared to PKR 0.50bn in the corresponding period last year, taking total operating costs for FY18 to PKR 2.54bn up by +35%YoY.
- Effective tax rate stood at 41% during 4QFY18 compared to 40% reported in the corresponding period last year likely due to application of super tax, bringing total effective tax rate for FY18 to 32% compared to 31% last year.

Exhibit:

Financial Highlights

PKRmn	4QFY18	4QFY17	YoY	3QFY18	QoQ	FY18	FY17	YoY
Net Sales	55,985	42,487	32%	45,014	24%	177,344	138,661	28%
Gross Profit	2,873	1,609	79%	2,471	16%	9,743	7,335	33%
S&D expense	657	499	32%	669	-2%	2,543	1,881	35%
Other Charges / (income)	132	75	75%	106	24%	439	(301)	-246%
Other Op. Income	280	201	40%	190	47%	885	913	-3%
EBIT	2,496	1,311	90%	1,993	25%	8,085	6,367	27%
Finance Income / (cost)	147	197	-25%	135	9%	678	813	-17%
Profit Before Taxation	2,377	1,553	53%	2,020	18%	8,289	7,699	8%
Taxation	984	613	60%	567	74%	2,633	2,400	10%
Profit After Taxation	1,393	940	48%	1,453	-4%	5,656	5,299	7%
EPS Basic (PKR)	16.78	11.33		17.52		68.19	63.89	
EPS (PKR) Bonus adjusted (99.53mn shares)	13.99	9.44		14.60		53.24	38.47	
DPS (PKR)	25.00	27.50		-		40.00	42.50	

Source: IGI Research, Company Financials

No of Shares: 82.94mn

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Time Horizon: Dec – 2018

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(Discounted Cash Flow)

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