

Day Break

Thursday, October 17, 2024



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Earnings Preview 1QFY25

EPS Estimate for 1QFY25

PKR	1Q25e	q/q	1Q'24e	y/y
PSO	2.4	-54%	46.6	-95%
APL	18.1	-26%	42.3	-57%

DPS Estimate for 1QFY25

PKR	1QFY25e	1QFY24
PSO	-	-
APL	-	-

Exhibit: OMC Sector Historical Earnings (PKRbn)

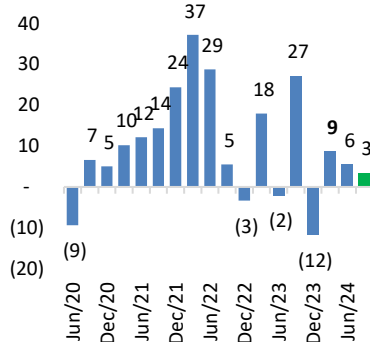
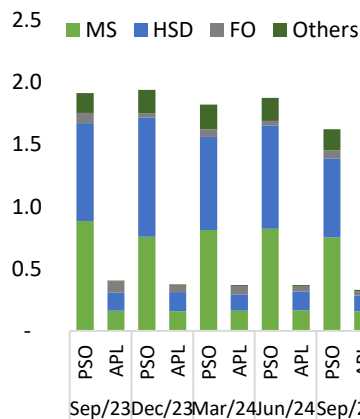


Exhibit: Quarterly sales volumes - (mnTons)



Source: OCAC, Company Financials

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Oil & Gas Marketing Companies

Sector Profitability to Decline Amid Higher Inventory Losses and Lower Volumes

- IGI OMC universe is expected to post a profit of PKR 3.4bn in 1QFY25, down by 88%/y/y, compared to PKR 27.1bn in the same period last year. Earnings decline is expected on the back of higher inventory loss and lower volumes. However, decline in earnings is likely to be limited by higher OMC margins on MS and HSD compared to similar period last year. On sequential basis, earnings are expected to decline owing to higher inventory losses and decline in volumes primarily.
- We expect Pakistan State Oil Company Limited (PSO) to register profitability of PKR 1.1bn (EPS: PKR 2.40) during 1QFY25 compared to PKR 21.9bn (EPS: PKR 46.6) in the same period last year. On a quarterly basis, profit is expected to decline owing to higher inventory losses and 13%/q/q decline total volumes.
- We expect Attock Petroleum Limited's (APL) to report earnings of PKR 2.3bn (EPS: PKR 18.10) down by 57%/y/y during 1QFY25 compared to PKR 5.3bn (EPS: PKR 42.27) in the same period last year. On a quarterly basis earnings are expected to drop by 26%/q/q on the back of higher inventory losses and 6%/17%/y/y decline in MS/HSD volumes.

OMC Sector to report a earnings of PKR 3.4bn during 4QFY24

IGI OMC universe is expected to post a profit of PKR 3.4bn in 1QFY25, down by 88%/y/y, compared to PKR 27.1bn in the same period last year. Earnings decline is expected on the back of higher inventory loss and lower volumes. However, decline in earnings is likely to be limited by higher OMC margins on MS and HSD compared to similar period last year. On sequential basis, earnings are expected to decline owing to higher inventory losses and decline in volumes primarily.

Exhibit: OMC sector profit after tax preview for 1qFY25

PKR per share					
Period end = Jun	Sep/24	Jun/24	q/q	Sep/23	y/y
PSO	2.4	5.3	-54%	46.6	-95%
APL	18.1	24.4	-26%	42.3	-57%
Total (in PKRbn)	3.4	5.5	-39%	27.1	-88%

Source: Company accounts, IGI Research

PSO: Earnings to clock in at PKR 2.4/share during 1QFY25

We expect Pakistan State Oil Company Limited (PSO) to register profitability of PKR 1.1bn (EPS: PKR 2.40) during 1QFY25 compared to PKR

21.9bn (EPS: PKR 46.6) in the same period last year. On a quarterly basis, profit is expected to decline owing to higher inventory losses and 13%q/q decline total volumes. We attribute the decline in earnings during 1QFY25 on yearly basis to a) inventory losses of ~PKR 5bn compared to substantial inventory gains last year and, b) 15%/19%y/y decline in MS/HSD volumes. However, higher OMC margins on MS and HSD are likely to restrict earnings decline during 1QFY25.

APL: Earnings to decline by 57%y/y during 1QFY25 to PKR 18.1/share

We expect Attock Petroleum Limited's (APL) to report earnings of PKR 2.3bn (EPS: PKR 18.10) down by 57%y/y during 1QFY25 compared to PKR 5.3bn (EPS: PKR 42.27) in the same period last year. On a quarterly basis earnings are expected to drop by 26%q/q on the back of higher inventory losses and 6%/17%y/y decline in MS/HSD volumes. We attribute decline in earnings on yearly basis during 1QFY25 to 4%/12%y/y decline in MS/HSD sales despite higher OMC margins and inventory loss compared to substantial inventory gain in similar period last year.

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