

Day Break

Friday, January 24, 2025



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Earnings Preview 2QFY25

EPS Estimate for 2QFY25

PKR	2Q25e	y/y	1H'25e	y/y
PSO	20.6	n/m	29.0	76%
APL	23.1	13%	42.2	-33%

DPS Estimate for 2QFY25

PKR	2QFY25e	1HFY25e
PSO	-	-
APL	10.0	10.0

Exhibit: OMC Sector Historical Earnings (PKRbn)

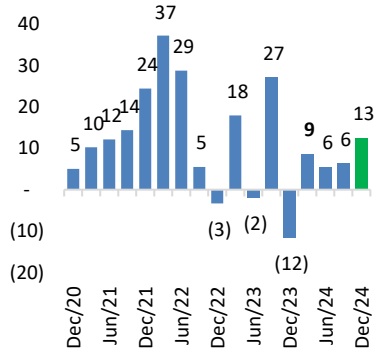
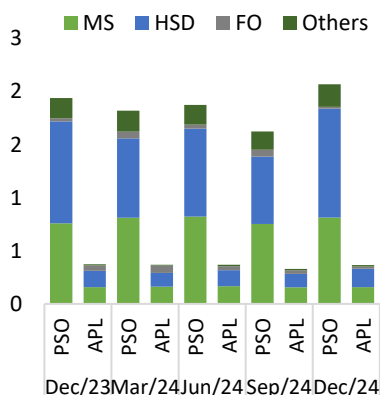


Exhibit: Quarterly sales volumes - (mnTons)



Source: OCAC, Company Financials

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Oil & Gas Marketing Companies

Inventory Gains and Higher Volumes to Lift OMC Sector Earnings During 2QFY25

- IGI OMC universe is expected to post a profit of PKR 12.5bn in 2QFY25 compared to loss of PKR 11.6bn in the same period last year. Earnings growth is expected on the back of inventory gains and higher volumes. However, incline in earnings is likely to be limited by unchanged OMC margins. On sequential basis, earnings are expected to improve by +97%q/q owing to inventory gains and higher volumes.
- We expect Pakistan State Oil Company Limited (PSO) to register profitability of PKR 9.65bn (EPS: PKR 20.6) during 2QFY25 compared to loss of PKR 14.14bn (LPS: PKR 30.1) in the same period last year. On a quarterly basis, profit is expected to augment by +2.4xq/q owing to inventory gains and +27%q/q increase in total volumes.
- We expect Attock Petroleum Limited's (APL) to report earnings of PKR 2.87bn (EPS: PKR 23.08) up by +13%y/y during 2QFY25 compared to PKR 2.54bn (EPS: PKR 20.42) in the same period last year. On a quarterly basis earnings are expected to increase by +20%q/q on the back of higher inventory gains and 38%q/q incline in HSD volumes.

OMC Sector to report a earnings of PKR 12.5bn during 2QFY25

IGI OMC universe is expected to post a profit of PKR 12.5bn in 2QFY25 compared to loss of PKR 11.6bn in the same period last year. Earnings growth is expected on the back of inventory gains and higher volumes. However, incline in earnings is likely to be limited by unchanged OMC margins. On sequential basis, earnings are expected to improve by +97%q/q owing to inventory gains and higher volumes.

Exhibit: OMC sector profit after tax preview for 2qFY25

PKR per share	Dec/24	Sep/24	q/q	Dec/23	y/y	1H'25e	1H'24	y/y
PSO	20.6	8.5	143%	-30.1	n/m	29.0	16.5	76%
APL	23.1	19.2	20%	20.4	13%	42.2	62.7	-33%
Total (PKRbn)	12.5	6.4	97%	-11.6	n/m	18.9	15.5	21%

Source: Company accounts, IGI Research

PSO: Earnings to clock in at PKR 20.6/share during 2QFY25

We expect Pakistan State Oil Company Limited (PSO) to register profitability of PKR 9.65bn (EPS: PKR 20.6) during 2QFY25 compared to loss of PKR 14.14bn (LPS: PKR 30.1) in the same period last year. On a quarterly basis, profit is expected to augment by +2.4xq/q owing to

inventory gains and +27%q/q increase in total volumes. We attribute the decline in earnings during 2QFY25 on yearly basis to a) inventory losses of ~PKR 5bn compared to substantial inventory gains last year and, b) 15%/19%/y decline in MS/HSD volumes. However, higher OMC margins on MS and HSD are likely to restrict earnings decline during 2QFY25. This brings total profitability for 1HFY25 to PKR 13.62bn (EPS PKR 29.02), up by +76%/y/y, compared to PKR 7.75bn (EPS PKR 16.51) in the same period last year.

APL: Earnings to increase by +13%/y/y during 2QFY25 to PKR 23.1/share

Attock Petroleum Limited's (APL) board meeting is scheduled on 27-Jan-2025 to announce financial result for 2QFY25 where we expect the Company to report earnings of PKR 2.87bn (EPS: PKR 23.08) up by +13%/y/y during 2QFY25 compared to PKR 2.54bn (EPS: PKR 20.42) in the same period last year. On a quarterly basis earnings are expected to increase by +20%q/q on the back of higher inventory gains and 38%q/q incline in HSD volumes. We attribute incline in earnings on yearly basis during 2QFY25 to inventory gains and 13%/y/y rise in HSD sales despite stagnant MS sales. This brings total profitability for 1HFY25 to PKR 5.26bn (EPS PKR 42.25), down by 33%/y/y, compared to PKR 7.80bn (EPS PKR 62.69) in the same period last year. We expect APL to announce cash dividend of PKR 10/share along with the result.

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