

Day Break

Friday, July 26, 2024



Earnings Preview 4QFY24

EPS Estimate for 4QFY24

PKR	4Q24e	y/y	FY'24e	y/y
PSO	-3.7	-63%	24.9	106%
APL	17.9	-15%	104.6	4%

DPS Estimate for 4QFY24

PKR	4QFY24e	FY24e
PSO	6.0	6.0
APL	12.5	22.5

Exhibit: OMC Sector Historical Earnings (PKRbn)

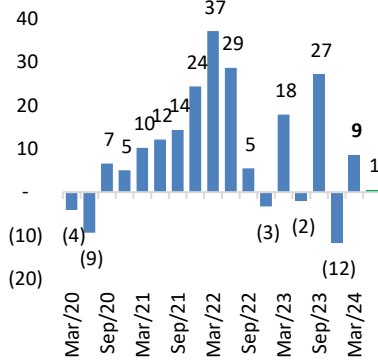
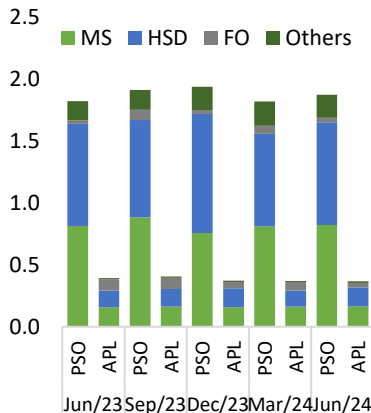


Exhibit: Quarterly sales volumes - (mnTons)



Source: OCAC, Company Financials

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Oil & Gas Marketing Companies

Sector Profitability to Increase Amid Lower Inventory Losses and Higher Margins

- IGI OMC universe is expected to post a profit of PKR 0.5bn in 4QFY24 compared to loss of PKR 2.0bn in the same period last year. Earnings growth is expected on the back of lower inventory loss, higher MS/HSD volumes and margins. On sequential basis, earnings are expected to decline owing to inventory losses as against gains in 3QFY24. This brings total profitability for FY24 to PKR 24.7bn compared to PKR 18.1bn in the same period last year, up by +36%/y.
- We expect Pakistan State Oil Company Limited (PSO) to register loss of PKR 1.7bn (LPS: PKR 3.66) during 4QFY24 compared to loss of PKR 4.62bn (LPS: PKR 9.85) in the same period last year. On a quarterly basis, profit is expected to decline owing to inventory losses despite incline in total volumes.
- We expect Attock Petroleum Limited's (APL) to report earnings of PKR 2.23bn (EPS: PKR 17.93) down by 15%/y/y during 4QFY24 compared to PKR 2.63bn (EPS: PKR 21.09) in the same period last year. On a quarterly basis earnings are expected to drop by 25%/q/q on the back of inventory losses and lower FO volumes despite increase in MS/HSD volumes.

OMC Sector to report a earnings of PKR 0.5bn during 4QFY24

IGI OMC universe is expected to post a profit of PKR 0.5bn in 4QFY24 compared to loss of PKR 2.0bn in the same period last year. Earnings growth is expected on the back of lower inventory loss, higher MS/HSD volumes and margins. On sequential basis, earnings are expected to decline owing to inventory losses as against gains in 3QFY24. This brings total profitability for FY24 to PKR 24.7bn compared to PKR 18.1bn in the same period last year, up by +36%/y.

Exhibit: OMC sector profit after tax preview for 4QFY24

PKR per share	4q'24e	3q'24	q/q	4q'23	y/y	FY'24e	FY'23	y/y
PSO	-3.7	12.0	-130%	-9.8	-63%	24.9	12.1	106%
APL	17.9	24.0	-25%	21.1	-15%	104.6	100.2	4%
Total (PKRbn)	0.5	8.6	-94%	-2.0	-n/m	24.7	18.1	36%

Source: Company accounts, IGI Research

PSO: Loss to clock in at PKR 3.7/share during 4QFY24

We expect Pakistan State Oil Company Limited (PSO) to register loss of PKR 1.7bn (LPS: PKR 3.66) during 4QFY24 compared to loss of PKR 4.62bn

(LPS: PKR 9.85) in the same period last year. On a quarterly basis, profit is expected to decline owing to inventory losses despite increase in total volumes. We attribute the reduction in loss during 4QFY24 on yearly basis to a) lower inventory losses and, b) higher MS/HSD volumes and margins. However, elevated finance cost is likely to limit reduction in loss. This brings total profitability for FY24 to PKR 11.68bn (EPS PKR 24.87) compared to PKR 5.66bn (EPS PKR 12.06) in the similar period last year. We expect PSO to announce cash dividend of PKR 6/share along with the result.

APL: Earnings to decline by 15%/y during 4QFY24 to PKR 17.9/share

We expect Attock Petroleum Limited's (APL) to report earnings of PKR 2.23bn (EPS: PKR 17.93) down by 15%/y during 4QFY24 compared to PKR 2.63bn (EPS: PKR 21.09) in the same period last year. On a quarterly basis earnings are expected to drop by 25%q/q on the back of inventory losses and lower FO volumes despite increase in MS/HSD volumes. We attribute drop in earnings on yearly basis during 4QFY24 to 59%/y decline in FO sales despite higher OMC margins and inventory loss. This brings total profitability for FY24 to PKR 13.01bn (EPS PKR 104.58), up by +4%/y. We expect APL to announce cash dividend of PKR 12.5/share bringing total cash payout to PKR 22.5/share for FY24.

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