

Flash Note

Friday, October 25, 2024

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Oil & Gas Marketing Companies

Pakistan State Oil Company Limited (PSO)

Earnings: Pakistan State Oil Company Limited (PSO) announced its 1QFY25 result. The Company reported 1QFY25 earning of PKR 3.97bn (EPS PKR 8.46) compared to PKR 21.89bn (EPS PKR 46.62) in the similar period last year. On quarterly basis, earnings improved by 61%q/q.

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: PSO reported 14%y/y drop in revenue during 1QFY25 on the back of lower domestic prices and 15%/19%y/y decline in MS/HSD volumes. PSO reported gross profit of PKR 25.74bn, down by 56%y/y during 1QFY25 with gross margins clocking in at 3.3% compared to 6.4% in the same period last year, likely owing to inventory losses and lower volumes against hefty inventory gains last year. Finance cost increased by +1%y/y to PKR 10.24bn during 1QFY25 mainly owing to higher borrowings despite decline in interest rates. On quarterly basis, finance cost declined by 13%q/q. Other income declined by 3%y/y to PKR 3.25bn during 1QFY25 compared to PKR 3.35bn in the similar period last year likely owing to higher penal income. Effective tax rate stood at 66.1% during 1QFY25 (4QFY24: 74.0%) compared to 48.9% in the same period last year.

Exhibit: PSO Financial Highlights					
For the period 1QFY25					
PKRmn	1QFY25	1QFY24	y/y	4QFY24	q/q
Net Sales	787,589	920,081	-14%	900,993	-13%
Gross Profit	25,739	58,450	-56%	17,397	48%
S&D Expense	4,440	4,021	10%	4,812	-8%
Admin Expense	1,660	1,288	29%	1,860	-11%
Other Charges / (Income)	891	3,236	-72%	768	16%
Prov. / (Rev.) of impairment	115	548	-79%	(610)	n/m
Other Op. Income	3,246	3,348	-3%	10,272	-68%
EBIT	21,879	52,704	-58%	20,838	5%
Finance Cost	10,424	10,283	1%	11,930	-13%
Profit Before Taxation	11,710	42,863	-73%	9,470	24%
Taxation	7,739	20,975	-63%	7,005	10%
Profit After Taxation	3,971	21,888	-82%	2,465	61%
EPS (PKR)	8.46	46.62		5.25	
DPS (PKR)	0.0	0.0		12.5	

Source: IGI Research and Company Financials No of Shares: 469.47mn

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