

Flash Note

Thursday, February 13, 2025

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Oil & Gas Marketing Companies

Pakistan State Oil Company Limited (PSO)

Earnings: Pakistan State Oil Company Limited (PSO) announced its 2QFY25 result. The Company reported unconsolidated earnings of PKR 7.21bn (EPS PKR 15.34) during 2QFY25 compared to loss of PKR 14.14bn (LPS PKR 30.12) in the similar period last year. On quarterly basis, earnings improved by +82%q/q. This brings total profitability for 1HFY25 to PKR 11.18bn (EPS PKR 23.81), up by +44%/y/y, compared to PKR 7.75bn (EPS PKR 16.51) in the similar period last year.

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

Operating Performance: PSO reported 8%/y/y drop in revenue during 2QFY25 on the back of lower domestic prices despite +7%/y/y growth in total volumes. PSO reported gross profit of PKR 25.03bn, during 2QFY25 with gross margins clocking in at 3.0% likely owing to inventory gains compared to hefty inventory losses last year. Finance cost declined by 42%/y/y to PKR 8.78bn during 2QFY25 mainly owing to lower borrowings and decline in interest rates. On quarterly basis, finance cost declined by 16%q/q. Other income declined by 9%/y/y to PKR 7.08bn during 2QFY25 compared to PKR 7.76bn in the similar period last year likely owing to lower penal income. Effective tax rate stood at 52.6% during 2QFY25 (1QFY25: 66.1%) bringing total effective tax rate for 1HFY25 to 58.5% compared to 70.8% in the same period last year.

Exhibit: PSO Financial Highlights For the period 2QFY25								
PKRmn	2QFY25	2QFY24	y/y	1QFY25	q/q	1HFY25	1HFY24	y/y
Net Sales	837,712	907,189	-8%	787,589	6%	1,625,301	1,827,271	-11%
Gross Profit	25,033	(3,229)	n/m	25,739	-3%	50,772	55,221	-8%
S&D Expense	4,965	4,704	6%	4,440	12%	9,405	8,725	8%
Admin Expense	1,441	1,738	-17%	1,660	-13%	3,101	3,026	2%
Other Charges / (Income)	1,913	(665)	n/m	891	115%	2,804	2,571	9%
Prov. / (Rev.) of impairment	197	311	-37%	115	72%	312	860	-64%
Other Op. Income	7,078	7,761	-9%	3,246	118%	10,324	11,109	-7%
EBIT	23,595	(1,557)	n/m	21,879	8%	45,474	51,147	-11%
Finance Cost	8,776	15,086	-42%	10,424	-16%	19,199	25,369	-24%
Profit Before Taxation	15,219	(16,315)	n/m	11,710	30%	26,929	26,548	1%
Taxation	8,011	(2,177)	n/m	7,739	4%	15,750	18,798	-16%
Profit After Taxation	7,208	(14,138)	n/m	3,971	82%	11,179	7,750	44%
EPS (PKR)	15.35	(30.12)		8.46		23.81	16.51	
DPS (PKR)	0.0	0.0		0.0		0.0	0.0	

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

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