

Result announcement: 3QFY22

Oil & Gas Marketing Companies

Pakistan State Oil Company Limited

Earnings: Pakistan State Oil Company Limited (PSO) announced its 3QFY22 result. The Company reported 3QFY22 earnings of PKR 32.58bn (EPS PKR 69.4), up by +3.7x/y compared to PKR 8.72bn (EPS PKR 18.57) in the similar period last year. This brings total profitability for 9MFY22 to PKR 64.77bn (EPS PKR 137.96), up by +3.6x/y, compared to PKR 18.24bn (EPS PKR 38.86) in the corresponding period last year.

Operating performance: During the period under review, PSO reported an incline of +99%/y in revenue on the back of +26%/y rise in total volumes, upward revision in OMC margins on MS and HSD and higher FO/LNG margins owing to rise in international prices. Company's gross profit increased by +2.6x/y on account of hefty inventory gains, higher margins and increase in total volumes. As a result gross margins stood at 7.7% for 3QFY22 against 6.0% in the same period last year. The company booked other income of PKR 11.62mn during 3QFY22 likely on account of higher penal income on overdue receivables in our view, however, we await financial report for further clarity. Finance cost increased by +19%/y to PKR 1.27bn during 3QFY22 likely owing to higher borrowings and hike in interest rates. Effective tax stood at 29.5% during 3QFY22 (2QFY22: 31.3%) compared to 32.5% in the same period last year bringing total effective tax rate for 9MFY22 to 30.7% compared to 32.9% in the corresponding period last year.

Exhibit: PSO Financial Highlights								
PKRmn	3QFY22	3QFY21	y/y	2QFY22	q/q	9MFY22	9MFY21	y/y
Net Sales	567,950	285,529	99%	522,749	9%	1,549,923	852,962	82%
Gross Profit	43,909	17,251	2.6x	26,663	65%	92,625	37,740	145%
S&D Expense	3,005	2,287	31%	2,961	1%	9,012	8,061	12%
Admin Expense	930	1,004	-7%	626	49%	2,463	2,484	-1%
Other Charges	4,634	937	395%	2,305	2.0x	8,293	1,971	4.2x
Other Income	11,620	740	15.7x	8,921	30%	22,328	5,152	4.3x
EBIT	47,213	13,855	241%	30,024	57%	95,551	29,246	3.3x
Finance Cost	1,271	1,064	19%	784	62%	2,681	2,502	7%
Profit Before Taxation	46,242	12,925	3.6x	29,386	57%	93,430	27,174	3.4x
Taxation	13,661	4,205	3.3x	9,191	49%	28,661	8,932	3.2x
Profit After Taxation	32,580	8,720	3.7x	20,195	61%	64,769	18,242	3.6x
EPS (PKR)	69.40	18.57		43.02		137.96	38.86	
DPS (PKR)	-	-		-		-	5.00	

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

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