

Flash Note

Friday, April 26, 2024

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Oil & Gas Marketing Companies

Pakistan State Oil Company Limited (PSO)

Earnings: Pakistan State Oil Company Limited (PSO) announced its 3QFY24 result. The Company reported 3QFY24 earning of PKR 5.65bn (EPS PKR 12.03) compared to PKR 13.65bn (EPS PKR 29.07) in the similar period last year. On quarterly basis, Company reported earnings during the quarter compared to a loss of PKR 14.14bn (LPS PKR 30.12) in the preceding quarter. This brings total profitability for 9MFY24 to PKR 13.40bn (EPS PKR 28.54) compared to PKR 10.29bn (EPS PKR 21.91) in the same period last year.

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

Operating Performance: Earnings decline during 3QFY24 is mainly attributable to lower inventory gains and higher finance cost despite higher OMC margins and other income. PSO reported +4%/y/y incline in revenue during 3QFY24 on the back of higher domestic prices despite lower MS/HSD volumes. PSO reported gross profit of PKR 24.67bn, down by 47%/y/y during 3QFY24, likely owing to lower inventory gains and volumes. Finance cost increased by +19%/y/y to PKR 15.04bn during 3QFY24 mainly owing to higher interest rates and borrowings. On quarterly basis, finance cost remained flat. Other income inclined by +13%/y/y to PKR 2.18bn during 3QFY24 compared to PKR 1.94bn in the similar period last year likely owing to higher penal income. The Company booked net tax income of PKR 0.25bn during 3QFY24 bringing total effective tax rate for 9MFY24 to 58.1%.

Exhibit: PSO Financial Highlights								
For the period 3QFY24								
PKRmn	3QFY24	3QFY23	y/y	2QFY24	q/q	9MFY24	9MFY23	y/y
Net Sales	843,487	811,689	4%	907,189	-7%	2,670,758	2,516,953	6%
Gross Profit	24,673	46,665	-47%	(3,229)	-864%	79,894	58,226	37%
S&D exp	4,982	4,444	12%	4,704	6%	13,707	10,399	32%
Admin Exp	1,410	1,027	37%	1,738	-19%	4,436	3,825	16%
Other Charges / (Income)	307	2,010	-85%	(665)	-146%	2,879	2,045	41%
Prov. / (Rev.) of impairment	11	211	-95%	311	-96%	871	478	82%
Other Op. Income	2,181	1,938	13%	7,761	-72%	13,290	11,545	15%
EBIT	20,144	40,911	-51%	(1,557)	-1393%	71,291	53,023	34%
Finance Cost	15,039	12,682	19%	15,086	0%	40,408	25,143	61%
Profit Before Taxation	5,399	26,742	-80%	(16,315)	-133%	31,946	26,868	19%
Taxation	(248)	13,096	-102%	(2,177)	-89%	18,549	16,583	12%
Profit After Taxation	5,647	13,646	-59%	(14,138)	-140%	13,397	10,285	30%
EPS (PKR)	12.03	29.07		(30.12)		28.54	21.91	
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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