

Oil & Gas Marketing Companies

SNGP: Management Call Takeaways

- Sui Northern Gas Pipelines Limited (SNGP) held a corporate briefing session to discuss the FY24 financial results and provide key insights on the future outlook for the Company.
- SNGP posted its highest ever profitability of PKR 18.97bn in FY24 which was supported by all time highest sales of PKR 1.37bn.
- SNGP's management also highlighted that finance cost on working capital is allowed as a pass through whereas finance cost on loans for business capex is not allowed.
- Circular debt position improved during 1HFY25 with only marginal increase in subsequent periods.

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Key highlights from Corporate Briefing

- SNGP posted its highest ever profitability of PKR 18.97bn in FY24 which was supported by all time highest sales of PKR 1.37bn.
- Unaccounted for Gas (UFG) losses declined to 4.93%, a decline of 4% in annual volumes to 31.3Bcf. UFG losses are further expected to decline going forward.
- SNGP management expects to maintain annual Capex of PKR 30bn over the next few years.
- SNGP's management also highlighted that finance cost on working capital is allowed as a pass through whereas finance cost on loans for business capex is not allowed.
- The Company highlighted that recent article published in news stating that captive levy is not being charged through third party is misleading as it is being charged through all gas transporters, which includes SNGP and SSGC.
- Circular debt position improved during 1HFY25 with only marginal increase in subsequent periods.

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- The Company added 95mmcf of new gas through Shaheed Fahad Ashfaq Project and integrated Bannu West-1 and Wali fields.
- Future projects include Kot Palak Gas Project (45mmcf with 265km pipeline) and 63km 24" diameter pipeline in Islamabad/Rawalpindi to enhance network performance.
- Pakistan's energy mix comprises of 30% natural gas out of which 69% is supplied by SNGP and 31% by SSGC. The remaining mix includes 21% oil, 15% coal, 12% hydropower, 11% RLNG, 7% nuclear, 2% LPG and 2% renewables.
- Government hold 32% stake directly and 42% indirectly in SNGP while the remaining is held by public and others.

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