

# Flash Note

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Securities

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## Oil & Gas Marketing Companies

### Attock Petroleum Limited (APL)

**Earnings:** Attock Petroleum Limited (APL) announced its 2QFY24 result. The Company reported 2QFY24 earnings of PKR 2.54bn (EPS PKR 20.42), up by +2.0xy/y compared to PKR 1.25bn (EPS PKR 10.03) in the similar period last year. On quarterly basis, profitability is down by 52%/y/y. This brings total earnings for 1HFY24 to PKR 7.80bn (EPS PKR 62.69), up by +41%/y/y, compared to PKR 5.54bn (EPS PKR 44.51) in the same period last year.

**Dividend/Payout:** The Company announced cash dividend of PKR 10.0/share along with the result.

**Operating Performance:** Earnings growth during 2QFY24 was primarily led by higher OMC margins on MS and HSD and higher finance income. However, incline in earnings was restricted by higher tax and lower MS/FO volumes. During the period under review, APL reported +19%/y/y jump in revenue during 2QFY24 on the back higher domestic prices and HSD volumes despite lower MS/FO volumes. Operating expense declined by 20%/y/y to PKR 1.15bn during 2QFY24. Other charges increased by +2.4xy/y to PKR 0.29bn during 2QFY24 compared to PKR 0.12bn in the same period last year. Finance income augmented substantially to PKR 1.97bn during 2QFY24 compared to PKR 0.83bn in the similar period last year likely owing to higher mark-up income. On quarterly basis, earnings declined by 52%q/q mainly due to inventory losses incurred during 2QFY24. Effective tax stood at 36.2% during 2QFY24 (1QFY24: 40.1%) compared to 29.8% in the same period last year, bringing total effective tax rate for 1HFY24 to 38.9% against 32.7% in the same period last year.

| Exhibit: APL Financial Highlights |              |              |      |              |      |              |              |      |
|-----------------------------------|--------------|--------------|------|--------------|------|--------------|--------------|------|
| For the period 2QFY24             |              |              |      |              |      |              |              |      |
| PKRmn                             | 2QFY24       | 2QFY23       | y/y  | 1QFY24       | q/q  | 1HFY24       | 1HFY23       | y/y  |
| Net Sales                         | 135,471      | 113,846      | 19%  | 136,439      | -1%  | 271,910      | 237,778      | 14%  |
| Gross Profit                      | 3,102        | 1,954        | 59%  | 10,274       | -70% | 13,376       | 11,945       | 12%  |
| Operating Expenses                | 1,146        | 1,441        | -20% | 2,705        | -58% | 3,851        | 5,174        | -26% |
| Impairment Loss / (Reversal)      | (40)         | 23           | n/m  | 7            | n/m  | (32)         | 57           | n/m  |
| Other Charges                     | 292          | 121          | 2.4x | 647          | -55% | 938          | 592          | 58%  |
| Other Income                      | 279          | 452          | -38% | 194          | 44%  | 473          | 843          | -44% |
| EBIT                              | 2,275        | 943          | 141% | 7,755        | -71% | 10,030       | 7,557        | 33%  |
| Finance Income / (Cost)           | 1,974        | 827          | 2.4x | 1,668        | 18%  | 3,642        | 1,074        | 3.4x |
| Profit Before Taxation            | 3,983        | 1,778        | 2.2x | 8,773        | -55% | 12,757       | 8,230        | 55%  |
| Profit After Taxation             | 2,540        | 1,249        | 2.0x | 5,260        | -52% | 7,800        | 5,538        | 41%  |
| <b>EPS (PKR)</b>                  | <b>20.42</b> | <b>10.03</b> |      | <b>42.27</b> |      | <b>62.69</b> | <b>44.51</b> |      |
| DPS (PKR)                         | 10.00        | 12.50        |      | 0.00         |      | 10.00        | 12.50        |      |

Source: IGI Research, PSX No of Shares: 99.53mn

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