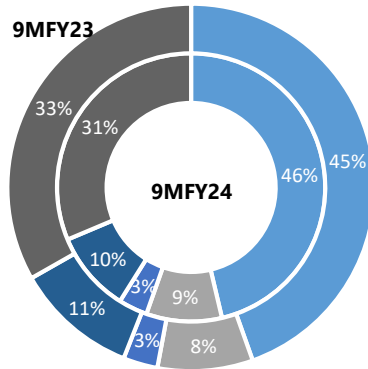


Day Break

Tuesday, April 2, 2024

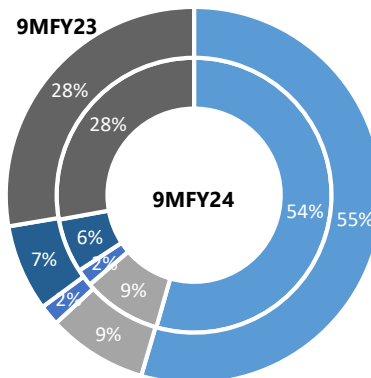
MS Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



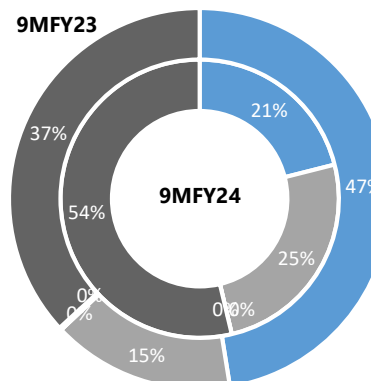
HSD Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



FO Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



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Oil & Gas Marketing Companies

Mar-24: Volumes Depict a Growth of +4%/y/y to 1.15mn tons

- Industry volumes for oil marketing companies for the month of Mar-24 inclined by +4%/y/y to 1.15mn ton bringing industry volumes for 9MFY24 to 11.34mn ton down by 11%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by +3%/+17%/y/y during Mar-24 whereas Furnace Oil (FO) volumes were down by 48%/y/y.
- During the 9MFY24, MS/HSD sales declined by 5%/y/y each while FO sales plummeted by 53%/y/y. Company wise SHEL/PSO/APL witnessed 16%/13%/4%/y/y decline in total sales whereas HASCOL reported +9%/y/y growth. Market share for PSO, dropped by 0.6% to 50% during 9MFY24 against 51% in the same period last year, while HASCOL and APL reported 0.5% and 0.8% incline in market share respectively during 9MFY24. Market share for SHEL dropped by 0.4% to 7%.
- As International oil prices are rising translating in to higher domestic prices, we expect local sales to remained depressed with grey market sales also rising. Lower automobile sales & relatively higher prices are likely to keep demand growth restricted. Hike in OMC margin is likely support earnings amid depressed demand. Increase in power tariff/hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Mar-24: POL sales increase by +4%/y/y to 1.15mn ton

Industry volumes for oil marketing companies for the month of Mar-24 inclined by +4%/y/y to 1.15mn ton bringing industry volumes for 9MFY24 to 11.34mn ton down by 11%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by +3%/+17%/y/y during Mar-24 whereas Furnace Oil (FO) volumes were down by 48%/y/y. On a monthly basis, industry volumes improved by +3%/m/m to 1.15mn ton during Mar-24 on the back of +5%/+4%/m/m increase in MS/HSD sales.

During the 9MFY24, MS/HSD sales declined by 5%/y/y each while FO sales plummeted by 53%/y/y. Company wise SHEL/PSO/APL witnessed 16%/13%/4%/y/y decline in total sales whereas HASCOL reported +9%/y/y growth. Market share for PSO, dropped by 0.6% to 50% during 9MFY24 against 51% in the same period last year, while HASCOL and APL reported 0.5% and 0.8% incline in market share respectively during 9MFY24. Market share for SHEL dropped by 0.4% to 7%.

MS

MS sales increased by +3%/y/y to 0.57mn ton during Mar-24 while on sequential basis volumes improved by +5%/m/m. PSO, APL and SHEL

recorded +13%/y/y, +5%/y/y and +2%/y/y growth in volumes respectively during Mar-24 while HASCOL recorded 52%/y/y decline in sales. For 9MFY24, MS volumes are down by 5%/y/y to 5.30mn ton. During 9MFY24, HASCOL and APL posted +9%/y/y and +3%/y/y rise in volumes respectively, whereas, SHEL and PSO recorded 14%/y/y and 2%/y/y drop in total MS sales. PSO's market share increased to 46.3% during 9MFY24 from 44.6% in the same period last year. HASCOL and APL witnessed uptick in market share to 3.5% and 9.1% respectively while SHEL's market share declined by 1.0% to 9.7%.

HSD

HSD sales augmented by +17%/y/y to 0.46mn ton in Mar-24 and on monthly basis volumes depicted a growth of +4%/m/m. This brings total 9MFY24 sales at 4.58mn ton down by 5%/y/y. For 9MFY24, HASCOL and APL posted +8%/y/y and +3%/y/y incline in sales with market share for APL and HASCOL increasing to 9.3% and 2.0% respectively. Market share for SHEL dropped by 1.1% to 6.4%.

FO

FO volumes plummeted by 48%/y/y during Mar-24 to 0.44mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are down by 11%/m/m during Mar-24. Total FO volumes are down by 53%/y/y during 9MFY24 to 0.84mn ton. For 8MFY24, PSO and APL reported 79%/y/y and 24%/y/y decline in sales with PSO's market share dropping to 21.1% compared to 47.5% in 9MFY23, whereas, APL's market share improved to 25.2% from 15.5% in the same period last year.

Outlook

As International oil prices are rising translating in to higher domestic prices, we expect local sales to remained depressed with grey market sales also rising. Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Hike in OMC margin is likely support earnings amid depressed demand. Increase in power tariff and hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Exhibit: OMC's Monthly Sales Volume (Mar-24)

| 000'tons | Mar-24 | Feb-24 | MoM | Mar-23 | YoY | CY24TD | CY23TD | YoY | FY24TD | FY23TD | YoY |
|-----------------|---------|---------|------|---------|------|---------|---------|-------|----------|----------|-------|
| Industry | | | | | | | | | | | |
| MS | 572.7 | 544.0 | 5% | 558.2 | 3% | 1,731.6 | 1,758.2 | -2% | 5,299.5 | 5,592.7 | -5% |
| HSD | 462.7 | 446.2 | 4% | 396.9 | 17% | 1,421.9 | 1,459.3 | -3% | 4,580.6 | 4,822.6 | -5% |
| FO | 44.3 | 49.6 | -11% | 85.5 | -48% | 277.8 | 347.0 | -20% | 839.4 | 1,793.6 | -53% |
| Others | 74.5 | 75.9 | -2% | 66.3 | 12% | 221.0 | 201.6 | 10% | 617.9 | 590.6 | 5% |
| Total | 1,154.3 | 1,115.8 | 3% | 1,106.9 | 4% | 3,652.4 | 3,766.1 | -3% | 11,337.3 | 12,799.5 | -11% |
| PSO | | | | | | | | | | | |
| MS | 284.4 | 247.7 | 15% | 251.4 | 13% | 812.0 | 828.7 | -2% | 2,453.6 | 2,492.0 | -2% |
| HSD | 239.4 | 234.2 | 2% | 208.0 | 15% | 747.1 | 780.8 | -4% | 2,493.4 | 2,629.8 | -5% |
| FO | 5.5 | 16.5 | -67% | 16.2 | -66% | 63.2 | 49.9 | 27% | 176.8 | 851.1 | -79% |
| Others | 65.2 | 68.3 | -4% | 59.8 | 9% | 196.6 | 178.1 | 10% | 547.0 | 508.9 | 7% |
| Total | 594.5 | 566.7 | 5% | 535.4 | 11% | 1,818.8 | 1,837.6 | -1% | 5,670.8 | 6,481.8 | -13% |
| APL | | | | | | | | | | | |
| MS | 50.1 | 54.6 | -8% | 47.7 | 5% | 162.1 | 149.7 | 8% | 483.1 | 469.5 | 3% |
| HSD | 39.5 | 43.5 | -9% | 36.0 | 10% | 129.3 | 128.0 | 1% | 425.5 | 413.6 | 3% |
| FO | 11.1 | 12.1 | -9% | 26.5 | -58% | 69.4 | 80.6 | -14% | 211.8 | 277.7 | -24% |
| Others | 2.7 | 2.7 | -1% | 3.1 | -14% | 8.4 | 9.3 | -9% | 27.6 | 35.7 | -23% |
| Total | 103.4 | 112.9 | -8% | 113.3 | -9% | 369.3 | 367.6 | 0% | 1,148.0 | 1,196.4 | -4% |
| HASCOL | | | | | | | | | | | |
| MS | 14.5 | 16.7 | -13% | 30.3 | -52% | 46.6 | 60.5 | -23% | 184.8 | 169.8 | 9% |
| HSD | 11.0 | 10.1 | 9% | 12.8 | -14% | 28.6 | 35.3 | -19% | 93.2 | 85.9 | 8% |
| FO | - | - | 0% | - | 0% | - | - | 0% | - | - | 0% |
| Others | 0.0 | 0.1 | -83% | 0.0 | 100% | 0.1 | 0.1 | -18% | 0.4 | 0.7 | -41% |
| Total | 25.5 | 26.8 | -5% | 43.1 | -41% | 75.3 | 96.0 | -21% | 278.4 | 256.3 | 9% |
| SHEL | | | | | | | | | | | |
| MS | 59.8 | 55.7 | 7% | 58.5 | 2% | 178.4 | 190.5 | -6% | 516.6 | 603.5 | -14% |
| HSD | 31.7 | 31.9 | 0% | 29.5 | 8% | 97.0 | 108.5 | -11% | 292.8 | 359.7 | -19% |
| FO | - | - | 0% | - | n/m | - | 3.7 | -100% | - | 3.7 | -100% |
| Others | 2.7 | 1.9 | 43% | 1.2 | 126% | 6.2 | 6.5 | -4% | 16.8 | 20.3 | -17% |
| Total | 94.2 | 89.4 | 5% | 89.2 | 6% | 281.6 | 309.2 | -9% | 826.3 | 987.3 | -16% |

Source: IGI Research, OCAC

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