

Day Break

Tuesday, August 22, 2023



Earnings Preview 4QFY23

EPS Estimate for 4QFY23

PKR	4Q23e	y/y	FY23e	y/y
PSO	(8.76)	n/m	13.15	-93%
APL	8.28	-76%	87.34	-41%

DPS Estimate for 4QFY23

PKR	4QFY23e	FY23
PSO	10.0	10.0
APL	25.0	37.5

Exhibit: OMC Sector Historical Earnings (PKRbn)

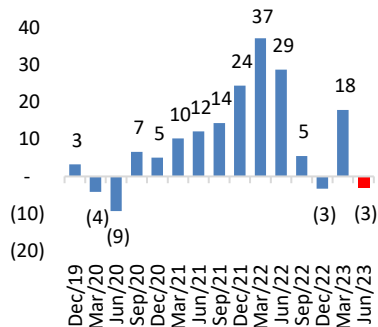
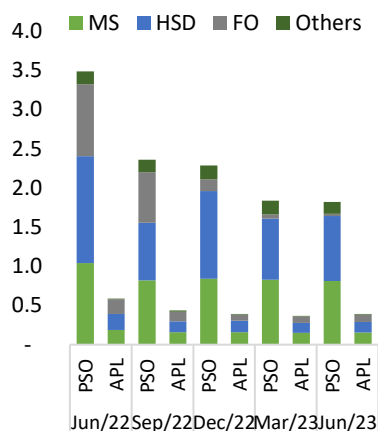


Exhibit: Quarterly sales volumes - (mnTons)



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Oil & Gas Marketing Companies

OMC Sector to Report Loss during 4QFY23 Amid Inventory Losses and Lower Volumes

- IGI OMC universe is expected to post a loss of PKR -3.1bn in 4QFY23 compared to profit of PKR 28.7bn in the same period last year. Loss is expected on the back of a) drop in total volumes, b) inventory losses and, c) higher finance cost. Decline in earnings is likely to be limited by higher margins on MS and HSD.
- We expect Pakistan State Oil Company Limited's (PSO) to register loss of PKR 4.1bn (LPS: PKR 8.76) during 4QFY23 compared to earnings of PKR 21.45bn (EPS: PKR 45.7) in the same period last year. On a quarterly basis, loss is expected owing to substantial inventory losses.
- We expect Attock Petroleum Limited's (APL) to report earnings of PKR 1.03bn (EPS: PKR 8.28) down by 86%y/y during 4QFY23 compared to PKR 7.29bn (EPS: PKR 58.59) in the same period last year. On a quarterly basis earnings are expected to drop by 76%q/q on the back of inventory losses and drop in volumes.

OMC Sector to report a loss of PKR 3.1bn during 4QFY23

IGI OMC universe is expected to post a loss of PKR -3.1bn in 4QFY23 compared to profit of PKR 28.7bn in the same period last year. Loss is expected on the back of a) drop in total volumes, b) inventory losses and, c) higher finance cost. Decline in earnings is likely to be limited by higher margins on MS and HSD. On sequential basis, loss is expected owing to inventory losses.

Exhibit: OMC sector result preview for 4qFY23

PKR per share							
Period end = Jun	Jun/23	Mar/23	q/q	Jun/22	y/y	FY23e	y/y
PSO	-8.8	29.1	n/m	45.7	n/m	13.1	-93%
APL	8.3	34.5	-76%	58.6	-86%	87.3	-41%
Total (in PKRbn)	-3.1	17.9	n/m	28.7	n/m	17.0	-84%

Source: Company accounts, IGI Research

PSO: Loss expected of PKR 8.76/share during 4QFY23

Pakistan State Oil Company Limited's (PSO) board meeting is scheduled on 23rd- Aug-2023 to announce financial result for 4QFY23 where we expect the Company to register loss of PKR 4.1bn (LPS: PKR 8.76) during 4QFY23 compared to earnings of PKR 21.45bn (EPS: PKR 45.7) in the same period last year. On a quarterly basis, loss is expected owing to substantial

inventory losses. We attribute the loss during 4QFY23 on yearly basis to a) inventory losses, b) lower MS, HSD and FO sales down by 22%/y/y, 39%/y/y and 97%/y/y and, c) higher finance cost amid substantially higher short term borrowings. However, higher margins on MS/HSD and increased gross profit contribution from LNG are likely to keep the loss limited during 4QFY23. This will bring FY23 profitability to PKR 6.17bn (EPS PKR 13.15), down by 97%/y/y, compared to PKR 86.22bn (EPS PKR 183.66) in the same period last year. We expect the Company to announce cash dividend of PKR 10/share along with the result.

APL: Earnings to drop by 86%/y/y during 4QFY23e to PKR 8.28/share

Attock Petroleum Limited's (APL) board meeting is scheduled on 23rd-Aug-2023 to announce financial result for 4QFY23 where we expect the Company to report earnings of PKR 1.03bn (EPS: PKR 8.28) down by 86%/y/y during 4QFY23 compared to PKR 7.29bn (EPS: PKR 58.59) in the same period last year. On a quarterly basis earnings are expected to drop by 76%q/q on the back of inventory losses and drop in volumes. We attribute the decline in the earnings on yearly basis during 4QFY23 to a) lower MS, HSD and FO volumes down by 17%/y/y, 33%/y/y and 51%/y/y, b) higher taxation and, c) inventory losses and d) lower margin on FO and Asphalt. This will bring FY23 earnings to PKR 10.87bn (EPS PKR 87.34), down by 41%/y/y, compared to PKR 18.54bn (EPS PKR 148.99) in the same period last year. We expect the Company to announce cash dividend of PKR 25/share along with the result bringing total cash payout for FY23 to PKR 37.5/share.

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