

Flash Note

Tuesday, 30 July 2019

Oil & Gas - Marketing Companies

Attock Petroleum Limited (APL)

Earnings up by +13%YoY to PKR 15.80/share during 4QFY19 on account of likely inventory gains amid lower sales

- Attock Petroleum Limited (APL) announced financial results for 4QFY19 with earnings clocking in at PKR 1.57bn (EPS: PKR 15.80) up by +13% YoY compared to PKR 1.40bn (EPS: PKR 14.01) in the same period last year. This brings total profitability for FY19 to PKR 3.96bn (EPS: PKR 39.79) down by 30% YoY. On a quarterly basis, earnings are up by +5.5xQoQ during 4QFY19.
- The Company announced cash dividend on PKR 10/share for 4QFY19 taking total cash payout for FY19 to PKR 20/share.
- We attribute this growth in earnings during 4QFY19 to likely inventory gains of PKR 0.9-1.3bn primarily on MS and HSD despite drop in total volumes. Cumulatively FY19 earnings are down by 30% YoY owing to substantial drop in MS/FO/HSD sales on account of lower demand and change in power generation mix.
- Net Revenue increased by +5% YoY to PKR 58.61bn, likely on the back of increase in domestic MS, HSD and FO prices due to surge in international oil prices and PKR depreciation.
- Gross profit augmented by +16% YoY to PKR 3.33bn during 4QFY19 as against PKR 2.87bn in similar period last year likely owing to inventory gains.
- Operating costs augmented by +75% YoY to PKR 1.15bn during 4QFY19 as against PKR 0.66bn in similar period last year.
- The Company also booked impairment loss on financial asset on account of changes in IFRS 9 to the tune of PKR 71mn for FY19.
- Effective tax rate remained flat at 33% during 4QFY19 compared to 41.4% reported in the corresponding period last year bringing total effective tax rate for FY19 to 30.8% as against 31.8% in the same period last year.

Exhibit:

Financial Highlights

PKRmn	4QFY19	4QFY18	YoY	3QFY19	QoQ	FY19	FY18	YoY
Net Sales	58,606	55,718	5%	48,921	20%	223,054	177,217	26%
Gross Profit	3,332	2,873	16%	881	278%	8,221	9,743	-16%
S&D Expense	1,149	655	75%	796	44%	3,590	2,541	41%
Other Op. Income	436	280	56%	241	81%	1,148	885	30%
Net Impairment Loss on Financial Asset	71	-	n/m	-	n/m	71	2	35.6x
EBIT	2,548	2,498	2%	326	682%	5,708	8,087	-29%
Other Charges	132	132	0%	25	438%	313	439	-29%
Finance Cost	92	147	-37%	170	-46%	550	678	-19%
Profit Before Taxation	2,348	2,378	-1%	396	493%	5,723	8,291	-31%
Taxation	775	984	-21%	112	595%	1,762	2,633	-33%
Profit After Taxation	1,573	1,395	13%	284	453%	3,961	5,658	-30%
EPS (PKR)	15.80	14.01		2.86		39.79	56.85	
DPS (PKR)	10.00	25.00		-		20.00	40.00	

Source: IGI Research, Company Financials

No of Shares: 99.53mn

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