

Flash Note

Wednesday, 24 January 2018

Oil & Gas - Marketing Companies

APL: Earnings down by 7%YoY to PKR 17.85/share during 2QFY18 backed by higher inventory gains

- Attock Petroleum Limited (APL) announced financial results for 2QFY18 with earnings clocking in at PKR 1.48bn (EPS PKR 17.85) as compared to PKR 1.59bn (EPS PKR 19.21) in the same period last year likely on the back of 8%YoY decline in FO sales. The company announced cash dividend of PKR 15/share, along with the result.
- Net Revenues increased by +26%YoY to PKR 37.81bn, likely on the back of increase in MS/HSD sales.
- Gross profit increased by +49%YoY to PKR 2.43bn during 2QFY18 as against PKR 1.63bn in similar period last year likely owing to inventory gains.
- Operating costs enhanced by +48%YoY to PKR 0.67bn during 2QFY18 as compared to PKR 0.46bn in the corresponding period last year likely owing to higher sales promotion expense.
- Major reason of YoY decline in earnings came from provision of other charges amounting PKR 106mn as against reversal of WPPF charges in the same period last year of PKR 621mn.
- Effective tax rate stood at 28% during 2QFY18 compared to 30% reported in the corresponding period last year.

Exhibit:

Financial Highlights

PKRmn	2QFY18	2QFY17	YoY	1HFY18	1HFY17	YoY
Net Sales	37,814	29,993	26%	76,345	61,495	24%
Gross Profit	2,428	1,628	49%	4,399	3,919	12%
S&D exp	674	455	48%	1,216	875	39%
Other Charges	107	(621)	n/m	201	(463)	n/m
Other Op. Income	208	256	-19%	414	481	-14%
EBIT	1,794	1,428	26%	3,428	3,524	-3%
Finance Cost	173	209	-17%	396	427	-7%
Profit Before Taxation	2,062	2,281	-10%	3,892	4,481	-13%
Taxation	582	688	-15%	1,082	1,324	-18%
Profit After Taxation	1,480	1,594	-7%	2,810	3,157	-11%
EPS (PKR)	17.85	19.21		33.89	38.06	
DPS (PKR)	15.00	15.00		15.00	15.00	

Source: IGI Research, Company Financials

Shares mn: 120.68 mn

Analyst

Abdullah Farhan

abdullah.farhan@igi.com.pk

Tel: (+92-21) 111-234-234 Ext.: 912

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Syed Daniyal Adil	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 973	daniyal.adil@igi.com.pk
Suleman Ashraf	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 957	suleman.ashraf@igi.com.pk
Muhammad Saad	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 816	muhammad.saad@igi.com.pk
Tanweer Kabbeer	Research/Fund Select	Tel: (+92-21) 111-234-234 Ext: 966	tanweer.kabbeer@igi.com.pk
Umesh Solanki	Database Manager	Tel: (+92-21) 111-234-234 Ext: 974	umesh.solanki@igi.com.pk

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 35777863-70	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Ejaz Rana	Regional Manager (Faisalabad)	Tel: (+92-41) 2540843-45	ejaz.rana@igi.com.pk
Asif Saleem	Branch Manager (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Branch Manager (Multan)	Tel: (+92-61) 4512003	mehtab.ali@igi.com.pk
Zeeshan Kayani	Branch Manager (Abbottabad)	Tel: (+92-992) 408243-44	zeeshan.kayani@igi.com.pk
Ihsan Mohammad	Branch Manager (Peshawar)	Tel: (92-91) 5253035	ihsan.mohammad@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of
Pakistan Stock Exchange Limited |
Corporate member of Pakistan Mercantile Exchange Limited

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Website: www.igisecurities.com.pk

Stock Exchange Office

Room # 719, 7th Floor, PSX Building, Stock Exchange Road, Karachi.
Tel: (+92-21) 32429613-4, 32462651-2, Fax: (+92-21) 32429607

Lahore Office

5-F.C.C. Ground Floor, Syed Maratib Ali Road,
Gulberg II, Lahore
Tel: (+92-42) 35777863-70, 35876075-76
Fax: (+92-42) 35763542

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road, Faisalabad
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan
Tel: (92-992) 408243 - 44

Peshawar Office

2nd Floor, The Mall Tower,
35 The Mall Peshawar Cantt.
Tel: (92-91) 5253035, 5278448

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
Block- B, Jinnah Avenue, Blue Area, Islamabad
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road, Rahim Yar Khan
Tel: (+92-68) 5871653-6, 5871652
Fax: (+92-68) 5871651

Abbottabad Office

Ground Floor, Al Fatah Shopping Center, Opp. Rad
Station, Mansehra Road, Abbottabad
Tel: (+92-99) 2408243 - 44

Sialkot Office

Suite No. 10 & 11, 1st Floor, Soni Square,
Mubarak Pura, Sialkot.
Tel: (+92-52) 3258437, 3258762