

Flash Note

Wednesday, 26 August 2020

Oil & Gas - Marketing Companies

Attock Petroleum Limited (APL)

Hefty inventory losses and lower production led to a 91%YoY drop in 4QFY20 EPS to PKR 1.38; DPS PKR 4

- ✓ Attock Petroleum Limited (APL) announced financial results for 4QFY20 with earnings of PKR 0.14bn (EPS: PKR 1.38) compared to PKR 1.57bn (EPS: PKR 15.80) in the same period last year. This brings total profitability for FY20 to PKR 1.01bn (EPS PKR 10.13) down by 75% YoY compared to PKR 3.96bn (EPS PKR 39.79) in the similar period last year.
- ✓ The company announced cash dividend of PKR 4/share along with the result bringing total cash payout to PKR 9/share for FY20.
- ✓ We attribute this decline in earnings during 4QFY20 to likely inventory loss and 17%YoY decline in total volumes led by 20%/15%/12% YoY drop in HSD/MS/FO sales.
- ✓ Net Revenue dropped by 41% YoY to PKR 34.76bn during 4QFY20, likely on the back of drop in domestic MS and HSD prices due and drop in total volumes.
- ✓ Gross profit clocked in at PKR 0.96bn during 4QFY20 as against of PKR 3.33bn in similar period last year likely on the back of drop in total volumes and hefty inventory losses.
- ✓ Effective tax rate stood at 45.7% during 4QFY20 compared to 33.0% in the same period last year (3QFY20: 30.4%) bringing total effective tax rate for FY20 32.9% compared to 30.8% in the similar period last year.

Exhibit: APL Financial Highlights

PKRmn	4QFY20	4QFY19	YoY	3QFY20	QoQ	FY20	FY19	YoY
Net Sales	34,761	58,761	-41%	50,062	-31%	201,079	233,244	-14%
Gross Profit	955	3,332	-71%	(345)	n/m	3,638	10,707	-66%
S&D exp	882	1,149	-23%	915	-4%	3,079	3,539	-13%
Other Charges	13	132	-90%	(72)	n/m	118	1,094	-89%
Other Op. Income	207	436	-53%	122	70%	899	527	70%
EBIT	103	2,548	-96%	(1,209)	-n/m	1,084	5,718	-81%
Finance Cost	80	92	-13%	159	-50%	635	550	15%
Profit Before Taxation	254	2,348	-89%	(1,020)	n/m	1,503	5,723	-74%
Taxation	116	775	-85%	(310)	n/m	495	1,762	-72%
Profit After Taxation	138	1,573	-91%	(710)	n/m	1,008	3,961	-75%
EPS (PKR)	1.38	15.80		(7.14)		10.13	39.79	
DPS (PKR)	4.00	15.00		-		9.00	25.00	

Source: IGI Research, Company Financials

No of Shares: 99.53mn

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