

Result announcement 4QFY22

Oil & Gas Marketing Companies

Pakistan State Oil Company Limited

Earnings: Pakistan State Oil Company Limited (PSO) announced its 4QFY22 result. The Company reported 4QFY22 earnings of PKR 21.45bn (EPS PKR 45.7), up by massive +97%y/y compared to PKR 10.90bn (EPS PKR 23.2) in the similar period last year. This brings total profitability for FY22 to PKR 86.22bn (EPS PKR 183.7), up by +3.0xy/y, compared to PKR 29.14bn (EPS PKR 62.1) in the corresponding period last year.

Dividends/Payouts: PSO announced final cash dividend of PKR 10/share during 4QFY22 bringing total cash payout for FY22 to PKR 10/share compared to PKR 15.0/share in FY21.

Operating performance: During the period under review, PSO reported +2.6xy/y increase in revenue during 4QFY22 on the back of rise in domestic prices for MS, HSD and FO and higher volumes. Gross Margins increased to 7.6% during 4QFY22 likely on the back of hefty inventory gains compared to 4.8% in the similar period last year (3QFY22: 7.7%). However, earnings growth was limited due to higher taxation, lower other income and provision of impairment on financial assets. PSO booked provision of impairment on financial asset of PKR 5.47bn during 4QFY22 compared to reversal of PKR 0.23bn in the corresponding period last year. Other income declined by 82%y/y to PKR 2.49bn during 4QFY22 compared to PKR 13.67bn in the similar period last year likely owing to receipt of payments from IPPs under MoU during 4QFY21. Effective tax stood at 60.6% during 4QFY22 (3QFY22: 29.5%) compared to 35.5% in the same period last year bringing total effective tax rate for FY22 to 41.7% compared to 33.9% last year.

Exhibit: PSO Financial Highlights								
For the period 4QFY22								
PKRmn	4QFY22	4QFY21	y/y	3QFY22	q/q	FY22	FY21	y/y
Net Sales	901,658	351,286	2.6	567,950	59%	2,451,581	1,204,247	2.0
Gross Profit	68,370	16,869	4.1	43,909	56%	160,995	54,609	2.9
S&D Expense	3,621	3,772	-4%	3,005	21%	12,634	11,833	7%
Admin Expense	1,715	573	3.0	930	84%	4,178	3,057	1.4
Other Charges	3,718	1,959	90%	4,634	-20%	12,010	3,930	3.1
Provision / (Reversal) of impairment	5,471	-231	n/m	-252	n/m	5,104	898	5.7
Other Income	2,486	13,674	-82%	11,620	-79%	24,813	18,826	32%
EBIT	56,331	24,471	2.3	47,213	19%	151,882	53,717	2.8
Finance Cost	2,039	7,741	-74%	1,271	60%	4,721	10,242	-54%
Profit Before Taxation	54,425	16,882	3.2	46,242	18%	147,855	44,056	3.4
Taxation	32,972	5,985	5.5	13,661	2.4	61,633	14,917	4.1
Profit After Taxation	21,453	10,897	97%	32,580	-34%	86,223	29,139	3.0
EPS (PKR)	45.7	23.2		69.4		183.7	62.1	
DPS (PKR)	10.0	10.0		-		10.0	15.0	
Source: IGI Research and Company Financials						No of Shares: 469.47mn		

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