

# Flash Note

Tuesday, February 17, 2026

**IGI**  
Securities

SERVING YOU SINCE 1994

## Oil & Gas Marketing Companies

### Pakistan State Oil Company Limited (PSO)

**Earnings:** Pakistan State Oil Company Limited (PSO) announced its 2QFY26 result. The Company reported unconsolidated earnings of PKR 2.73bn (EPS PKR 5.82), down by 62%/y/y, during 2QFY26 compared to PKR 7.21bn (EPS PKR 15.35) in the similar period last year. On quarterly basis, earnings dropped by 71%/q/q. This brings total profitability for 1HFY26 to PKR 12.12bn (EPS PKR 25.82), up by +8%/y/y, compared to PKR 11.18bn (EPS PKR 23.81) in the same period last year.

**Dividend/Payout:** The Company did not announce any cash dividend along with the result.

**Operating Performance:** PSO reported 9%/y/y drop in revenue during 2QFY26 as volumes declined by 12%/y/y while MS and HSD prices increased. PSO reported gross profit of PKR 17.05bn, during 2QFY26 with gross margins clocking in at 2.2% compared to 3.0% in the similar period last year likely owing to inventory losses. Finance cost declined by 38%/y/y to PKR 5.45bn during 2QFY26 mainly owing to lower borrowings and decline in interest rates. On quarterly basis, finance cost declined by 9%/q/q. Other income plummeted by 42%/y/y to PKR 4.08bn during 2QFY26 compared to PKR 7.08bn in the similar period last year likely owing to lower penal income. Effective tax rate stood at 61.6% during 2QFY26 (1QFY26: 52.6%) compared to 54.4% in the same period last year bringing total effective tax rate for 1HFY26 to 56.3% against 58.5% in the same period last year. However, PSO's receivables declined by PKR 13.5bn on a quarterly basis to PKR 412.1bn while short term borrowing inched up to PKR 325.5bn against PKR 324.1bn as at Sep-25.

Exhibit: PSO Financial Highlights								
For the period 2QFY26								
PKRmn	2QFY26	2QFY25	y/y	1QFY26	q/q	1HFY26	1HFY25	y/y
Net Sales	761,413	837,712	-9%	737,186	3%	1,498,599	1,625,301	-8%
Gross Profit	17,051	25,033	-32%	30,051	-43%	47,102	50,772	-7%
S&D Expense	5,837	4,965	18%	4,895	19%	10,732	9,405	14%
Admin Expense	2,182	1,441	51%	1,533	42%	3,715	3,101	20%
Other Charges / (Income)	530	2,110	-75%	1,577	-66%	2,108	3,116	-32%
Other Op. Income	4,077	7,078	-42%	4,556	-11%	8,633	10,324	-16%
EBIT	12,578	23,595	-47%	26,603	-53%	39,180	45,474	-14%
Finance Cost	5,446	8,776	-38%	5,953	-9%	11,399	19,199	-41%
Profit Before Taxation	7,117	15,219	-53%	20,601	-65%	27,718	26,929	3%
Taxation	4,383	8,011	-45%	11,211	-61%	15,594	15,750	-1%
Profit After Taxation	2,734	7,208	-62%	9,390	-71%	12,124	11,179	8%
<b>EPS (PKR)</b>	<b>5.82</b>	<b>15.35</b>		<b>20.00</b>		<b>25.82</b>	<b>23.81</b>	
DPS (PKR)	0.0	0.0		0.0		0.0	0.0	

Source: IGI Research and Company Financials No of Shares: 469.47mn

#### Analyst

Abdullah Farhan

[Abdullah.Farhan@igi.com.pk](mailto:Abdullah.Farhan@igi.com.pk)

Tel: +92 21 111 234 234 Ext: 912

# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution. All Research Analysts are receiving fixed pay and reporting directly to Head of Research who reports to CEO.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

## Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Valuation Methodology:** To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used:** **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2026 IGI Finex Securities Limited

## Contact Details

### Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

### Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@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

Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

### 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

Fax: (+92-21) 35309169, 35301780

### Lahore Office

Shop # G-009, Ground Floor,  
Packages Mall

Tel: (+92-42) 38303560-69

Fax: (+92-42) 38303559

### Islamabad Office

3<sup>rd</sup> Floor, Kamran Centre,  
Block- B, Jinnah Avenue, Blue Area

Tel: (+92-51) 2604861-2, 2604864, 2273439

Fax: (+92-51) 2273861

### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
Regency International 949, The Mall  
Faisalabad

Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
Model Town, Town Hall Road

Tel: (+92-68) 5871652-3

Fax: (+92-68) 5871651

### Multan Office

Mezzanine Floor, Abdali Tower,  
Abdali Road

Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2026 IGI Finex Securities Limited