# Pakistan State Oil Company Limited

## Corporate Briefing Takeaways

24 June 2024

**REP-300**

The management of Pakistan State Oil Company Limited held a corporate briefing session on 24th Jun'24 to discuss the 9MFY24 financial result and future outlook.

### Brief Takeaways

- Pakistan State Oil Company Limited (PSO) reported a profit after tax (PAT) of PKR 13.4bn (EPS: PKR 28.54) for 9MFY24, a 30% YoY increase from PKR 10.3bn (EPS: PKR 21.91) in the same period last year.
- PSO has a total storage capacity of ~1.23 MMTs and operates over 3,500 retail sites, 30 of which are company-operated. The company added 37 new outlets during this period, maintaining its position as the industry leader in market share.
- PSO's white oil market share increased to 52.4% in 9MFY24 from 51.1% in SPLY, despite a 2.4% YoY reduction in sales volumes, against an industry decline to 10,501 KMT (down 5% YoY).
- Out of PSO's total borrowings, 60% are FE-25 borrowings, with the remainder being local currency borrowings sensitive to local interest rates. As per recent accounts, PSO's short-term net borrowing stands at PKR 386bn.
- PSO's trade debts, including Late Payment Surcharge (LPS), total PKR 810bn, with over PKR 500bn owed by SNGPL, PKR 150bn by GENCO, and PKR 27bn by HUBCO and PIA. PSO anticipates no further debt accumulation from SNGPL following discussions between two companies in Feb'24.
- Management indicated that due to the significant increase in consumer gas prices, PSO's liquidity position is anticipated to improve.
- The Front-End Engineering Design (FEED) study for PRL, costing approximately PKR 12bn, is expected to complete by Oct'24. The refinery upgrade project, estimated to require USD 1.5bn to USD 2bn, will be primarily financed through foreign borrowing.
- Management clarified that Sinopec was never formally engaged or disengaged in the Greenfield refinery project. PSO is currently conducting a market review to assess demand.

**Muhammad Iqbal Jawaid**
D: +92 21 38280256
UAN: +92 21 111 245 111, Ext: 255
iqbal.jawaid@arifhabibltd.com

**Disclaimer:** This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.