

AHL Alert: OMCs

Pakistan State Oil Company Limited

Result Review: EPS arrives at PKR 33.79 in FY24

Profitability reports profitability at PKR 5.25/share in 4QFY24

Pakistan State Oil Company Limited (PSO) announced its financial result for FY24 posting a profit after tax (PAT) of PKR 15.9bn (EPS: PKR 33.79) compared to PKR 5.7bn (EPS: PKR 12.06) in SPLY, surging by 3x YoY. On a quarterly basis, the profitability arrived at PKR 2.5bn (EPS: PKR 5.25) in 4QFY24 compared to a loss of PKR 4.6bn (LPS: PKR 9.85) in SPLY. Alongside the result, the company announced a final cash dividend of PKR 10.00/share.

Result Highlights

- Net sales arrived at PKR 3,572bn in FY24, up by 5% YoY given higher average selling prices of petroleum products. However, the sales volume of petroleum products declined by 9% YoY. Whereas, the topline in 4QFY24 climbed up by 3% YoY on the back of hike in price of MS and HSD coupled with an increase in sales of MS and FO by 1% and 32% YoY, respectively. Although we await disclosure detailed accounts, we believe the revenue contribution from RLNG segment to be PKR 297bn (up 17% YoY) given higher DES price (up by 5% YoY) tagged with handling of 29 cargos in 4QFY24 versus 25 cargos in SPLY.
- The gross profit margin in FY24 arrived at 2.72% vis-à-vis 2.21% in SPLY amid inventory gains during the period. During 4QFY24, the company posted gross profit margins at 1.93% compared to 1.90% in SPLY due lower inventory gains.
- Other income increased by 74% YoY in FY24 to PKR 23.6bn in contrast to PKR 13.5bn in FY23. Whereas, in 4QFY24, the other income augmented by 5x YoY arriving at PKR 10.3bn given significant interest received on delayed payments.
- The finance costs increased by 30% YoY to PKR 52.3bn in FY24 given higher short-term borrowings.
- The company booked a effective taxation at 74% in 4QFY24.

Exhibit: Financial Highlights

(PKR mn)	FY24	FY23	YoY	4QFY24	4QFY23	YoY	QoQ
Net sales	3,571,750	3,391,112	5%	900,993	874,159	3%	7%
Gross Profit	97,291	74,847	30%	17,396	16,621	5%	-29%
Gross Margin	2.72%	2.21%		1.93%	1.90%		
Other income	23,561	13,507	74%	10,272	1,963	5x	5x
Finance Cost	52,338	40,335	30%	11,930	15,192	-21%	-21%
PAT/(LAT)	15,863	5,662	3x	2,465	(4,623)	nm	-56%
EPS/(LPS) (PKR)	33.79	12.06		5.25	(9.85)		
DPS (PKR)	10.00	7.50		10.00	7.50		

Source (s): Company Financials, AHL Research

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