

AHL Alert: OMC's

Hi-Tech Lubricants Limited

Result Review: Loss of PKR 0.99/share in FY24

Profitability arrives at PKR 1.29/share in 4QFY24

Hi-Tech Lubricants Limited (HTL) announced its financial result for FY24 whereby the company declared a loss after tax (LAT) of PKR 137mn (LPS: PKR 0.99) compared to loss of PKR 247mn (LPS: PKR 1.77) in FY23. On a quarterly basis, the company registered an earnings of PKR 180mn (EPS: PKR 1.29) compared to a loss of PKR 67mn (LPS: PKR 0.48) in SPLY.

Result Highlights

- Topline of the company settled at PKR 24,317mn in FY24, up by 56% YoY. The jump in sales is due to significant jump in overall sales volumes. During 4QFY24, the net sales witnessed a massive growth of 104% YoY to PKR 8,336mn due to jump in petroleum volumetric sales amid increase in retail outlets coupled with improvement in the prices of lubricant.
- The company posted a gross profit of PKR 2,364mn with gross margins set at 9.7% in FY24 compared to gross profit of PKR 2,427mn (15.5%) in SPLY. The decline in margins is primarily driven by a reduction in lubricant sales, coupled with a significant increase in white oil sales, which is a lower-margin product. Additionally, higher discounts were offered during the quarter to attract new customers and boost sales, further impacting margins.
- Other operating income settled at PKR 358mn in FY24, up by 100% YoY.
- Meanwhile, finance costs increased by 11% YoY to PKR 801mn in lieu of higher interest rate in the period under review.
- The company recorded effective tax reversal of PKR 169mn in FY24 compared to tax reversal of PKR 149mn in SPLY.

Exhibit: Financial Highlights

(PKR mn)	FY24a	FY23a	YoY	4QFY24a	4QFY23a	YoY	QoQ
Net Sales	24,317	15,610	56%	8,336	4,096	104%	25%
Gross Profit	2,364	2,427	-3%	791	729	9%	22%
Gross margins	9.7%	15.5%		9.5%	17.8%		
Other Income	358	178	100%	38	59	-36%	-83%
Finance costs	801	722	11%	222	256	-13%	33%
PAT/(LAT)	(137)	(247)	-44%	180	(67)	nm	6x
EPS / (LPS) (PKR)	(0.99)	(1.77)		1.29	(0.48)		

Source (s): Company Financials, AHL Research

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