

AHL Alert: OMC's

Hi-Tech Lubricants Limited

Result Review: Earnings settled at PKR 0.14/share in 1QFY25

Profitability arrived at PKR 20mn in 1QFY25

Hi-Tech Lubricants Limited (HTL) announced its financial result for 1QFY25 whereby the company, on consolidated basis, declared a profit after tax (PAT) of PKR 20mn (EPS: PKR 0.14) compared to loss of PKR 57mn (LPS: PKR 0.41) in 1QFY24.

Result Highlights

- Topline of the company settled at PKR 7,103mn in 1QFY25, up by 74% YoY in SPLY. The jump in sales is due to significant growth in volumetric sales on the back of increase in fuel stations coupled with improvement in the prices of lubricants. On a quarterly basis sales decline by 15% YoY amid fall in demand for white oil.
- The company posted gross margins at 9.0% in 1QFY25 compared gross margins of 13.4% 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. On a QoQ basis margins decline by a 55bps.
- Other operating income settled at PKR 81mn in 1QFY25, down by 27% YoY. Whereas, on a quarterly basis, other income rose by 116% QoQ.
- Meanwhile, in 1QFY25 finance costs fell by 12% YoY to PKR 177mn in lieu of lower interest rate in tandem with fall in debt. On a quarterly basis finance cost dipped by 20% due decline in policy rate.
- The company recorded effective tax reversal of PKR 18mn in 1QFY25 compared to tax charge of PKR 37mn in SPLY.

Exhibit: Financial Highlights

(PKR mn)	1QFY25a	1QFY24a	YoY	4QFY24a	QoQ
Net Revenue	7,103	4,081	74%	8,336	-15%
Gross Profit	635	548	16%	791	-20%
Admin Expense	256	214	20%	247	4%
Distribution Expense	274	223	23%	331	-17%
Other Expenses	7	41	-82%	51	-86%
Other Income	81	111	-27%	38	116%
Finance Cost	177	201	-12%	222	-20%
PBT	2	(20)	nm	(23)	nm
Taxation	(18)	37	nm	(203)	nm
PAT	20	-57	nm	180	-89%
EPS (PKR)	0.14	(0.41)		1.29	

Source (s): Company Financials, AHL Research

Muhammad Amad, CFA

D: +92 21 38280264

UAN: +92 21 111 245 111, Ext: 255

E: muhammad.amad@arifhabibltd.com

AHL Alert: OMC's**Hi-Tech Lubricants Limited****Result Review: Earnings settled at PKR 0.14/share in 1QFY25**

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.