

Pakistan Oil and Gas Marketing Sector

1HFY25: Petroleum sales increase by 4% YoY

02-Jan-2025

Muhammad Iqbal Jawaid

D: +92 21 38280256

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

E: iqbal.jawaid@arifhabibltd.com



Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23



Best Securities House: '23
Best Investment Bank: '23



Best Brokerage House: '23 – '21
Best Corporate Finance House: '23 – '13
Best Economic Research House: : '23 – '21
Best Research Analyst: '22 – '20



Best Investment Bank: '22



Best Brokerage House: '23



Top 25 Companies
(17-'19)



Best Gender Equality Bond: '24
Best Equity Advisor: '21



Excellence Award Leading
Brokerage House for RDA '21

Petroleum Consumption

Dec'24: Petroleum sales up by 3% YoY

- The petroleum sales of the Pakistan's OMC industry clocked in at 1.28mn tons during Dec'24, depicting an increase of 3% YoY.
- The growth in dispatches is attributable to jump in HSD sales by 12% YoY to 0.57mn tons.
- The increase in HSD offtake comes on account of i) higher demand driven by a decline in the retail price (down 9% YoY), and ii) curtailment of smuggled diesel from Iran.
- Meanwhile, MS dispatches decreased by 1% YoY to 0.57mn tons in Dec'24.
- FO sales volumes plunged by 48% YoY, reaching 0.04mn tons due to lower demand for FO-based power generation.
- On a MoM basis, petroleum sales dwindled by 19% during Dec'24 owing to i) reduced mobility due to severe winter weather, ii) closure of schools due to winter holidays, and iii) higher HSD demand in Nov'24 for Rabi season.
- MS and HSD offtake plummeted by 15% and 27% MoM, respectively.
- Whereas, FO dispatches climbed up by 12% MoM in Dec'24.
- During 1HFY25, total sales of petroleum products went up by 4% YoY to 8.03mn tons vis-à-vis 7.68mn tons in SPLY.
- Product-wise data shows growth in MS and HSD, while sales of FO depicted a decline; the volumetric sales of MS, HSD, and FO clocked in at 3.75mn tons, 3.46mn tons, and 0.35mn tons, respectively.

Exhibit: OMC's Sales Volume

Mn. Ton	Dec-24	Nov-24	MoM	Dec-23	YoY	1HFY25	1HFY24	YoY
Industry								
MS	0.57	0.67	-15%	0.57	-1%	3.75	3.57	5%
HSD	0.57	0.79	-27%	0.51	12%	3.46	3.16	10%
FO	0.04	0.04	12%	0.08	-48%	0.35	0.56	-38%
Total	1.28	1.58	-19%	1.24	3%	8.03	7.68	4%
PSO								
MS	0.23	0.30	-23%	0.25	-9%	1.57	1.64	-5%
HSD	0.26	0.43	-39%	0.28	-4%	1.66	1.75	-5%
FO	0.00	0.00	-12%	0.00	17%	0.08	0.11	-29%
Total	0.57	0.80	-28%	0.60	-4%	3.69	3.85	-4%
APL								
MS	0.05	0.05	-7%	0.05	-5%	0.31	0.32	-2%
HSD	0.05	0.07	-19%	0.05	6%	0.30	0.30	1%
FO	0.00	0.01	-62%	0.02	-89%	0.06	0.14	-60%
Total	0.11	0.13	-14%	0.13	-14%	0.69	0.78	-11%
SHEL								
MS	0.05	0.06	-8%	0.06	-3%	0.35	0.34	4%
HSD	0.04	0.04	-11%	0.03	7%	0.20	0.20	2%
FO	-	-	nm	-	nm	-	-	nm
Total	0.09	0.10	-8%	0.09	5%	0.58	0.54	6%
HASCOL								
MS	0.02	0.02	1%	0.02	29%	0.15	0.14	8%
HSD	0.02	0.01	70%	0.01	94%	0.09	0.06	41%
FO	-	-	nm	-	nm	-	-	nm
Total	0.04	0.03	25%	0.03	59%	0.25	0.20	21%

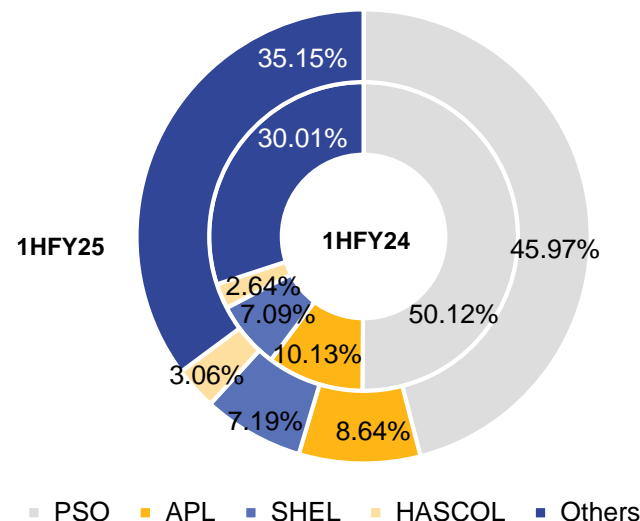
Source (s): OCAC, AHL Research

Petroleum Consumption

PSO's offtake down by 4% YoY in Dec'24

- On company-wise basis, the sales of PSO climbed decline by 4% YoY, clocking in at 0.60mn tons in Dec'24.
- PSO's offtake of MS, and HSD tumbled by 9%, and 4% YoY, respectively. Meanwhile, FO sales climbed up by 17% YoY.
- Similarly, the offtake of APL also plummeted by 14% YoY to 0.11mn tons.
- The dispatches of SHEL and HASCOL improved by 5% and 59% YoY, respectively.
- In 1HFY25, sales of PSO and APL declined by 4% and 11% YoY, respectively.
- Whereas, offtake of SHEL and HASCOL went up 6% and 21% YoY, respectively in 1HFY25.
- PSO's market share in 1HFY25 significantly declined by 4.2% to 46.0% vis-à-vis 50.1% in SPLY.
- The market share of APL decreased by 1.5% arriving at 8.6% YoY in 1HFY25.
- On the other hand, the market share of SHEL and HASCOL in 1HFY25 climbed up to 7.2% (7.1% in SPLY) and 3.1% (2.6% in SPLY), respectively.
- Meanwhile, the market share of other OMCs witnessed a massive jump of 5.1% to arrive at 35.2% in 1HFY25.
- Keeping in view the increase in sales of HSD, Petroleum Development Levy collection has increased to ~PKR 87bn in Dec'24, up 5% YoY. On a MoM basis, the PDL has declined by 21%, owing to fall in white oil sales.
- With this, the PDL collection in 1HFY25 stands at ~PKR 550bn, up 14% YoY.

Exhibit: Listed Oil Marketing Companies Market Share during 1HFY25



Source (s): OCAC, AHL Research

Exhibit: Petroleum Development Levy (PDL) Collection

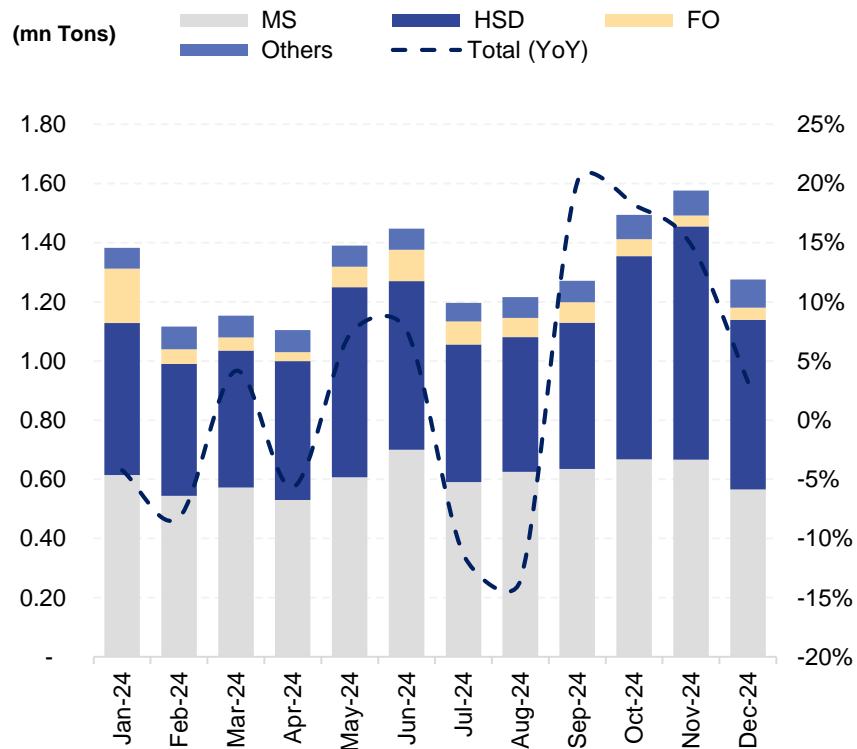
(PKR bn)	Dec'24	Nov'24	MoM	Dec'23	YoY	1HFY25	1HFY24	YoY
MS	46	54	-15%	47	-1%	306	282	8%
HSD	40	56	-27%	36	12%	244	201	22%
Total	87	110	-21%	83	5%	550	483	14%

Source (s): OCAC, AHL Research

Petroleum Consumption

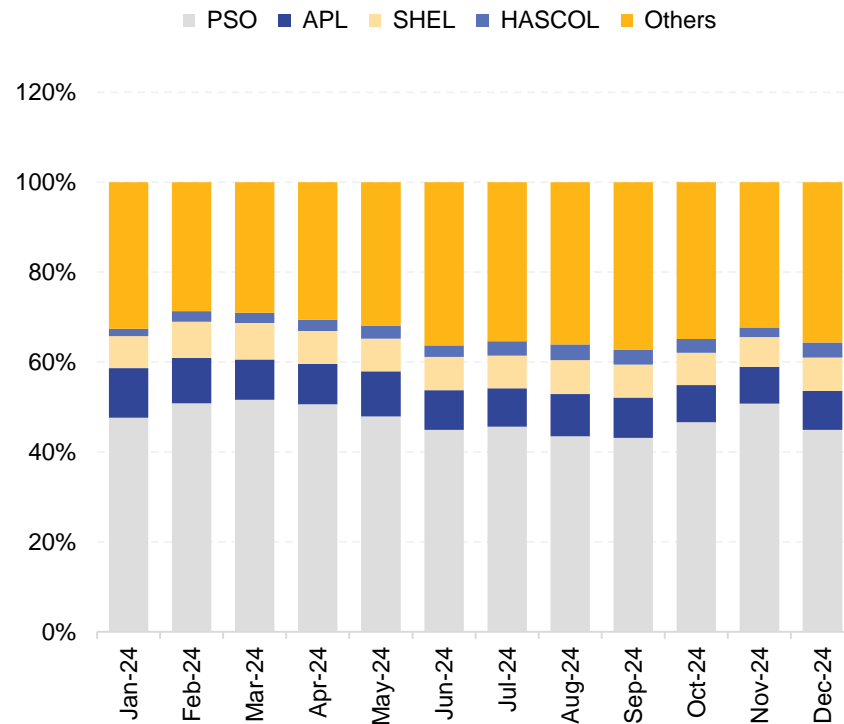
Dec'24: Petroleum sales up by 3% YoY

Exhibit: Contribution of MS, HSD, and FO in monthly sales



Source (s): OCAC, OGRA, AHL Research

Exhibit: Historical Market Share of Listed Oil Marketing Companies



Source (s): OCAC, OGRA, AHL Research

Petroleum Consumption

Dec'24: Petroleum sales up by 3% YoY

Exhibit: Major Oil Marketing Companies Sales

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec'24
Sales (K tons)													
PSO	596	658	567	594	559	665	649	546	528	548	695	799	572
TPPL	137	147	131	132	121	149	160	126	134	137	150	160	140
APL	128	153	113	103	99	140	129	102	114	114	124	131	111
SPL	90	98	89	94	81	100	107	86	92	93	107	103	95
GO	35	54	32	19	21	53	91	107	110	126	145	151	124
BYCO	52	55	26	39	40	53	56	36	33	47	46	39	35
HASCOL	27	23	27	26	27	41	38	39	42	42	46	34	43
BE	30	38	29	30	31	34	34	26	24	26	30	32	27
PEARL PARCO	19	35	-	-	-	-	30	-	13	16	10	11	14
PUMA	14	17	11	15	14	17	16	15	13	12	17	17	11
Others	107	105	91	101	111	136	136	113	113	109	123	98	104
Total	1,236	1,382	1,116	1,154	1,104	1,389	1,447	1,196	1,216	1,272	1,493	1,576	1,276
Market Share													
PSO	48%	48%	51%	51%	51%	48%	45%	46%	43%	43%	47%	51%	45%
TPPL	11%	11%	12%	11%	11%	11%	11%	11%	11%	11%	10%	10%	11%
APL	10%	11%	10%	9%	9%	10%	9%	9%	9%	9%	8%	8%	9%
SPL	7%	7%	8%	8%	7%	7%	7%	7%	8%	7%	7%	7%	7%
GO	3%	4%	3%	2%	2%	4%	6%	9%	9%	10%	10%	10%	10%
BYCO	4%	4%	2%	3%	4%	4%	4%	3%	3%	4%	3%	2%	3%
HASCOL	2%	2%	2%	2%	2%	3%	3%	3%	3%	3%	3%	2%	3%
BE	2%	3%	3%	3%	3%	2%	2%	2%	2%	2%	2%	2%	2%
PEARL PARCO	2%	3%	0%	0%	0%	0%	2%	0%	1%	1%	1%	1%	1%
PUMA	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Others	9%	8%	8%	9%	10%	10%	9%	9%	9%	9%	8%	6%	8%
Source (s): OCAC, AHL Research													

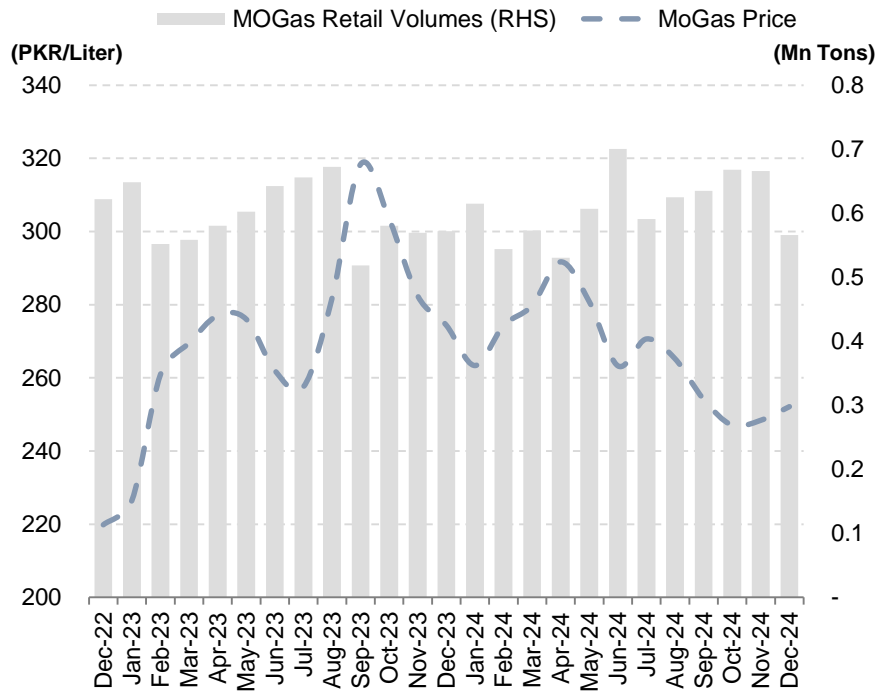
Exhibit: Major Oil Marketing Companies Sales

	1HFY25	1HFY24	YoY
PSO	3,689,778	3,851,928	-4.2%
TPPL	848,226	830,833	2.1%
APL	695,226	778,723	-10.7%
SPL	576,975	544,673	5.9%
GO	763,728	255,095	199.4%
BYCO	236,508	203,203	16.4%
HASCOL	245,467	203,085	20.9%
BE	164,985	192,962	-14.5%
PEARL PARCO	63,154	112,271	-43.7%
PUMA	85,863	106,385	-19.3%
Others	659,417	605,814	8.8%
Total	8,029,326	7,684,972	4.5%
Source (s): OCAC, AHL Research			

Petroleum Consumption

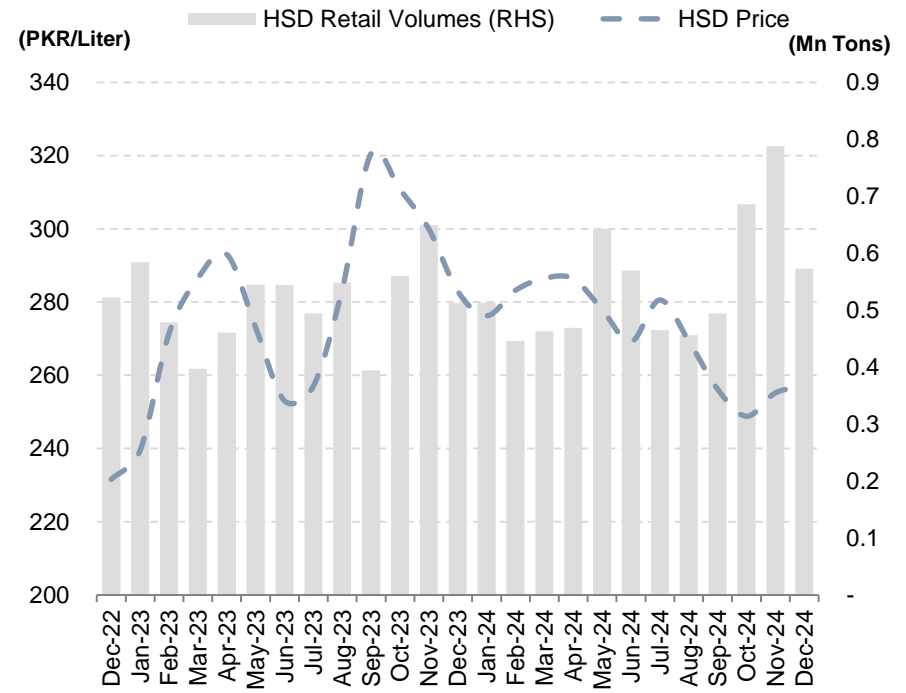
Focus Charts

Exhibit: Historical Trend of MoGas sales and Price



Source (s): OCAC, OGRA, AHL Research

Exhibit : Historical Trend of HSD sales and Price



Source (s): OCAC, OGRA, AHL Research

Analyst Certification and Disclaimer

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return from current market price, with Target period as Dec 2025 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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.