

Oil Marketing Companies: Pakistan State Oil Company Limited

Result Review: Company reported earnings of PKR 26.4/share in 9MFY25

REP-300

- Pakistan State Oil Company Limited (PSO) announced the financial result for 9MFY25 today, whereby the company has posted a net profit of PKR 15.3bn (EPS: PKR 32.52) compared to PKR 13.4bn (EPS: PKR 28.54) in 9MFY24, up 14% YoY. On a quarterly basis, the company booked a profit of PKR 4bn (EPS:PKR 8.71) in 3QFY25 against a profit of PKR 5.6bn (EPS: PKR 12.03) in 3QFY24.
- Net sales during 9MFY25 contracted by 13% YoY, settling at PKR 2,337bn, which comes on the back of reduction in sales volume of petroleum products (MS, HSD, and FO down by 8%, 7%, and 47% YoY, respectively). On a quarterly basis, the topline in 3QFY25 declined by 16% YoY to PKR 711bn amid decline in MS and HSD prices. The overall sales volume declined by 14% YoY in 3QFY25, MS and HSD sales declined by 15% and 13% YoY, respectively. Although we await disclosure of detailed accounts, we estimate the revenue contribution from RLNG segment to be ~PKR 250bn (down 1% YoY) given 9% YoY decline in DES price, while 27 cargos were handled in 3QFY25 (which is similar to last year).
- During 3QFY25, the company posted gross profit was recorded at PKR 22.5bn down by 9% YoY. The decline was due to the inventory loss incurred by the company during the quarter compared to inventory gains in SPLY.
- The finance costs plunged by 49% YoY to PKR 7.7bn in 3QFY25 due to 11% YoY fall in short-term borrowings (PKR 361bn in Mar'25 versus PKR 408bn in Mar'24).
- The other income climbed up by 2x YoY amid higher interest on delayed payment tagged with financial charges on line fill cost, we view.
- The company booked an effective taxation of 64.3% in 3QFY25.
- We maintain a BUY stance on PSO, with a target price of PKR 473.7/share by the end of Dec'25. The stock is currently trading at an attractive forward P/E of 4.7x FY26E.

Exhibit: Financial Highlights

(PKR mn)	9MFY25	9MFY24	YoY	3QFY25	YoY	QoQ
Income Statement						
Net Revenue	2,336,552	2,670,758	-13%	711,251	-16%	-15%
Gross Profit	73,293	79,894	-8%	22,522	-9%	-10%
Distribution Expens	14,520	13,707	6%	5,115	3%	3%
Admin Expense	5,224	4,436	18%	2,123	51%	47%
Others Income	15,164	13,290	14%	4,840	122%	34%
EBIT	64,398	71,291	-10%	18,924	-6%	-20%
Finance Cost	26,864	40,408	-34%	7,665	-49%	-13%
Profit / loss after Taxation	15,269	13,397	14%	4,090	-28%	-43%
EPS (PKR)	32.5	28.5		8.7		
Ratio Analysis						
BVPS (PKR)	526.5	481.3		526.5		
Gross Margins	3.1%	3.0%		3.2%		
Net Margins	0.7%	0.5%		0.6%		
Effective Tax Rate	60.2%	58.1%		64.3%		

Source (s): Company Financials, AHL Research

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Arif Habib Limited (AHL) has a shareholding in PSO