

## Corporate Briefing Takeaways

### Management Conference Call

The management of Pakistan State Oil Company Limited (PSO) held a corporate briefing session on 28th Jun'22 to discuss the financial performance of 9MFY22 and future outlook.

### Brief Takeaways

- To recall, the company posted the highest ever 9MFY22 earnings of PKR 64,769mn (EPS: PKR 137.96) compared to PKR 18,242mn (EPS: PKR 38.86), up by 3.6x YoY on account of growth in the overall volumes. Furthermore, company's market share has improved to 50% in 9MFY22 compared to 46% in SPLY.
- The sales volumes of MS, HSD and FO witnessed a growth of 15.5%, 26.0% and 22.0%, respectively during 9MFY22.
- The management informed that the company has 112.5k tons of new storages and upgraded 32.5k tons of existing storages. Moreover, PSO has added 39 new retail outlets during the period.
- The company in collaboration with Frontier Works Organization will setup two brand new retail stations at Lahore-Sialkot motorway, which will also have EV chargers.
- The company has signed a throughput agreement with PAPCO for white oil pipeline multi-grade project.
- With regards to imposition of super tax and reduction in turnover tax, the management said that they are still waiting for an official notification.
- Regarding future demand of MS and HSD given surge in prices, the management told that there will be some strain on the volumes but if the demand of new automobiles is there then volumes will remain stable.
- On a question regarding Pakistan Refinery Limited (PRL), the management informed that it is currently undergoing thorough FEED study before commencing any upgradation process. The management further emphasized that it will continue to support the company for capital injection.
- The management iterated that furnace oil demand is high due to higher coal and LNG prices since furnace oil appears to be the cheaper source. The management forecasts similar demand pattern to prevail in the upcoming year.
- The management believes that refinery margins are high due to unprecedented times and will not last long. Therefore, according to management, PRL will require capital injection in future.
- Regarding PSO's cash flow needs, the management told that the Ministry of Energy (Petroleum Division) adequately supports the company whenever required. Furthermore, PDC has been completely settled by the government.
- The management told that it imports LNG on long term contracts from Qatar Energy.
- The management disclosed that Platts prices of gasoline and diesel stand at USD 141/bbl and USD 173/bbl, respectively.

### Analyst:

Muhammad Iqbal Jawaid  
iqbal.jawaid@arifhabibltd.com  
Contact: +92-21-32462742

## Pakistan State Oil Company Limited

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Arif Habib Limited (AHL) has shareholding in PSO.