

Earning Review

APL: 1QFY22 EPS at Rs24.0, up by 61% YoY

Event

- Attock Petroleum Limited (APL PA) profitability clocked in at Rs2.4bn (EPS Rs24.0) up by 61/90% YoY/QoQ.

Impact

- Profitability increased by 61% YoY during 1QFY22 attributable to higher volumes of MS/HSD/FO (up by 27/41/13% YoY).
- Gross margins decreased by 34bps YoY to 6.4% given lower inventory gain.
- Other operating income increased by 4.9x YoY due to benefit from better handling income and impairment reversal on financial assets.
- Net finance cost inclined to Rs62mn in 1QFY22 versus Rs31mn in 1QFY21.
- Other Operating expense increased by 1.9x YoY due to exchange loss.
- Profit from associates increased to Rs25mn in 1QFY22 due to better profitability of NRL.

Outlook

- We are positive on the stock as it offers attractive dividend yield and clean balance sheet.

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Fig 1: 1QFY22 Earning Review

Rs (mn)	1QFY22	1QFY21	YoY	QoQ
Net Sales	72,838	45,115	61%	38%
COGS	68,144	42,055	62%	35%
Gross Profit	4,694	3,060	53%	103%
Other Operating Income	640	130	391%	102%
Operating Expense	1,669	864	93%	106%
Operating Profit	3,666	2,327	58%	101%
Finance Income	276	385	-28%	-20%
Finance cost	339	416	-19%	11%
Net Finance Income/(Cost)	(62)	(31)	na	na
Share of Profit/(loss) from Associates	25	(5)	na	-56%
Other charges	247	158	57%	94%
Profit before Tax	3,381	2,133	59%	89%
Provision for Taxation	993	647	53%	86%
Net Profit	2,388	1,485	61%	90%
EPS@99.53mn shares	24.00	14.92		
DPS	-	-		
Gross margins	6.44%	6.78%		
Net margins	3.28%	3.29%		
Effective tax rate	29.36%	30.35%		

Source: PSX, Company Accounts, Foundation Research, October 2021

Important disclosures:

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Recommendations definitions

If	
Expected return >+10%	Outperform.
Expected return from -10% to +10%	Neutral.
Expected return <-10%	Underperform.