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02 September 2024

APL: FY24 EPS clocked in at PKR 111.09, Up 11% YoY; DPS PKR 17.50

Attock Petroleum Limited

PSX: APL | Bloomberg: APL PA | Reuters: APL.PSX

- Attock Petroleum Limited (APL) announced its FY24 financial results today, wherein the company reported an EPS of PKR 111.09, up 11% YoY compared to an EPS of 100.15 during FY23. Along with the result, the company announced a final cash dividend of PKR 17.50/share, taking the cumulative payout to PKR 27.50/share for FY24.
- Net revenue for the company reached PKR 526.3bn during FY24, representing 11% YoY increase, attributable to an average 16% YoY increase in overall product prices with MS and HSD, rising by 21% and 18% YoY respectively.
- Gross margins for the year contracted to 4.2% vs 5.5% during SPLY, likely due to lower inventory gains.
- Net finance income during the year clocked in at PKR 11.3bn, up 53% YoY owing to realization of higher income on short-term investments.
- On a quarterly basis, earnings clocked in at PKR 24.45/share, up 16% YoY, mainly on account of higher net finance income (+55% YoY) and lower effective tax rate (42.3% in 4QFY24 vs 53.3% in SPLY).
- We have a 'BUY' recommendation on APL with our Jun-25 price target (PT) of PKR 511/share, providing an upside of 15% along with a dividend yield of 6.2%.

Key Data

PSX Ticker	APL
Target Price (PKR)	511
Current Price (PKR)	445
Upside/(Downside) (%)	+15%
Dividend Yield (%)	6.2%
Total Return (%)	21%
12-month High (PKR)	470
12-month Low (PKR)	285
Outstanding Shares (mn)	124
Market Cap (PKR mn)	55,350

Source: Company Accounts, Akseer Research

Financial Estimates (PKR mn)	4QFY23	4QFY24	YoY	FY23	FY24	YoY
Net Sales	123,103	130,638	6%	473,938	526,317	11%
Cost of Sales	116,810	126,564	8%	447,868	504,274	13%
Gross Profit	6,294	4,074	-35%	26,071	22,042	-15%
Operating Expense	2,052	2,150	5%	9,383	7,592	-19%
Other Income	802	1,203	50%	2,144	2,002	-7%
Net finance Income	2,229	3,448	55%	7,374	11,253	53%
Profit Before Tax	5,621	5,273	-6%	20,385	22,912	12%
Taxation	2,996	2,231	-26%	7,924	9,090	15%
Net Income	2,625	3,041	16%	12,461	13,822	11%
EPS	21.09	24.45	-	100.15	111.09	-
DPS	15.00	17.50	-	27.50	27.50	-

Key Financial Ratios	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
EPS (PKR)	39.5	149.0	100.2	111.1	84.6	80.1
EPS Growth	388%	277%	-33%	11%	-24%	-5%
DPS (PKR)	21.6	36.0	27.5	27.5	25.0	24.0
PER	11.3	3.0	4.4	4.0	5.3	5.6
Dividend Yield	4.9%	8.1%	6.2%	6.2%	5.6%	5.4%
EV/EBITDA	7.1	1.7	3.1	3.3	3.2	2.1
P/B	2.4	1.5	1.2	1.0	0.9	0.8
ROE	23.9%	61.7%	30.2%	27.6%	18.0%	15.2%

Source: Company Accounts, Akseer Research

Valuation Basis

Our PT for APL has been computed using Free Cash Flow to Firm (FCFF) method. We have used a risk-free rate of 14%, a beta of 1.0, and a market risk premium of 6% to arrive at a cost of equity of 20%.

Investment Thesis

We have a 'BUY' recommendation on the stock based on our Jun-25 PT of PKR 511/share. Our price target provides an upside of 15%, including a dividend yield of 6.2%. Our investment case on APL is based on (1) a rise in product prices, and (2) an increase in volumetric sales owing to uptick in demand.

Risks

Key downside risks to our investments thesis are: (1) sharp increase in oil prices, and (2) significant loss of market share to other industry players

Company Description

Attock Petroleum Limited (APL) was incorporated as a Public Limited Company on December 03, 1995. It procures, stores, and markets petroleum and related products in Pakistan including high-speed diesel, premier motor gasoline, and jet fuels, etc. In addition the company markets and supplies fuels to retail outlets, industries, armed forces, power producers, government/semi-government entities, developmental sector and agricultural customers.

Financial Highlights - APL

Income Statement (PKR mn)	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E
Net Sales	188,645	370,075	473,938	526,317	697,033	784,478
Cost of Sales	178,663	329,072	447,868	504,274	676,099	761,851
Gross Profit	9,982	41,003	26,071	22,042	20,934	22,627
SG & A	4,152	10,215	9,383	7,592	9,450	10,742
Operating Profit	6,239	31,137	16,676	14,505	11,536	11,934
Other Income	752	(627)	661	319	647	753
Financial Income	1,334	1,608	5,087	9,634	6,943	5,924
Finance Cost	1,419	1,587	2,287	1,619	2,033	2,445
Profit before Tax	6,939	30,610	20,385	22,912	17,170	16,246
Taxation	2,019	12,073	7,924	9,090	6,645	6,284
Profit after Tax	4,920	18,536	12,461	13,822	10,526	9,962

Source: Company Accounts, Akseer Research

Balance sheet (PKR mn)	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
PPE	16,617	16,598	19,078	20,730	23,385	25,990
Other LT assets	1,070	1,378	1,657	1,652	1,711	1,774
Non-Current Assets	17,687	17,976	20,735	22,382	25,096	27,764
Current Assets	44,211	78,375	87,220	126,295	161,370	180,234
Total Assets	61,898	96,351	107,954	148,678	186,466	207,998
Non-Current Liabilities	7,381	7,346	8,635	8,668	8,703	8,738
Current Liabilities	31,795	51,686	54,099	85,212	115,502	130,023
Total Liabilities	39,177	59,032	62,734	93,880	124,205	138,761
Equity	22,721	37,319	45,220	54,797	62,261	69,237
Total Equity & liabilities	61,898	96,351	107,954	148,678	186,466	207,998

Source: Company Accounts, Akseer Research

Cashflow Statement (PKR mn)	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Net Income	4,920	18,536	12,461	13,822	10,526	9,962
Non-Cash Charges	3,423	(18,634)	(3,671)	1,125	10,951	11,591
Operating Cash Flows	8,342	(98)	8,789	14,947	21,476	21,553
Investing Cash Flow	(3,568)	(2,187)	(4,730)	(3,943)	(5,262)	(5,525)
Financing Cash Flow	1,853	(3,973)	(3,271)	(4,211)	(3,028)	(2,951)
Net change in Cash	6,628	(6,258)	789	6,793	13,187	13,078
Beginning Cash	3,482	10,110	3,852	4,641	11,434	24,621
Closing Cash	10,110	3,852	4,641	11,434	24,621	37,698

Source: Company Accounts, Akseer Research

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To arrive at our 12-months Price Target, the JV uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology.

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Rating	Expected Total Return
Buy	Greater than or equal to +15%
Hold	Between -5% and +15%
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