

## PSO | APL | ATRL

REP- 300

## PSO: Inventory gains to uplift earnings by 10x in 3QFY26

Pakistan State Oil Company (PSO) is scheduled to announce its 9MFY26 financial results shortly, with the company expected to report a PAT of PKR 54,353mn (EPS: PKR 115.8), marking a strong 3.6x YoY increase, primarily driven by inventory gains amid sharp increase in international oil prices and a significant reduction in finance costs. On a QoQ basis, profitability in 3QFY26 is projected to improve by 10x to PKR 42,230mn (EPS: PKR 90.0). Net sales in 3QFY26 are expected to increase by 14% YoY to PKR 807,273mn, mainly due to a 9% YoY increase in MS volumes and a 20% YoY increase in HSD volumes. Average prices, both MS and HSD prices increased YoY by PKR 29.97/ltr to PKR 285.39/ltr and PKR 37.04/ltr to PKR 298.06/ltr, respectively. However, the topline from RLNG segment remained under pressure, where PSO's average DES price declined to USD 7.55/mmbtu from USD 8.93/mmbtu in the corresponding period last year. During the quarter, the company handled 21 cargoes (only 2 in Mar'26 due to supply disruptions amid global tensions) compared to 27 cargoes in the same period last year. Gross profit is expected to stand at PKR 83,331mn, translating into a gross margin of 10.32% amid increase in anticipated inventory gains. Meanwhile, finance costs are anticipated to decline sharply by 45% YoY to PKR 4,181mn, supported by a reduction in short-term borrowings.

## Exhibit: Financial Highlights

(PKR mn)	9MFY26e	9MFY25	YoY	3QFY26e	3QFY25	YoY	QoQ
Net Sales	2,305,872	2,336,552	-1%	807,273	711,251	14%	6%
Gross Profit	130,433	73,293	78%	83,331	22,522	270%	389%
<b>Gross Margins</b>	<b>5.66%</b>	<b>3.14%</b>		<b>10.32%</b>	<b>3.17%</b>		
Finance Cost	15,580	26,864	-42%	4,181	7,665	-45%	-23%
Other Income	13,561	15,164	-11%	4,929	4,840	2%	21%
PAT	54,353	15,269	256%	42,230	4,090	932%	1445%
EPS (PKR)	115.8	32.5		90.0	8.7		

Source (s): Company Financials, AHL Research

## APL: Profitability to increase by 4.2x YoY to PKR 85.8/share in 3QFY26

Attock Petroleum Limited (APL) is expected to announce its 9MFY26 financial results shortly. We project the company to post a PAT of PKR 17,101mn (EPS: PKR 137.5) for 9MFY26, reflecting a 122% YoY increase versus PKR 7,699mn (EPS: PKR 61.9) recorded in the same period last year. Profitability in 3QFY26 is expected to improve significantly by 4.2x YoY to PKR 10,681mn (EPS: PKR 85.8). Net sales are anticipated to register growth of 18% YoY, largely supported by increase in both MS and HSD prices. Average MS price increased by PKR 29.97/ltr YoY to PKR 285.39/ltr and average HSD price increased by PKR 37.04/ltr YoY to PKR 298.06/ltr, respectively. Volumes also increased in 3QFY26, with MS volumes improving by 4% YoY and HSD volumes up 8% YoY. Gross margins in 3QFY26 are expected to improve to 13.84% compared to 4.65% in SPLY. The company's net finance income is projected at PKR 1,300mn, up 15% YoY, primarily on the back of better cash position and line fill income.

## Exhibit: Financial Highlights

(PKR mn)	9MFY26e	9MFY25	YoY	3QFY26e	3QFY25	YoY	QoQ
Net Sales	376,157	346,736	8%	135,513	114,918	18%	10%
Gross Profit	31,089	13,409	132%	18,757	5,344	251%	293%
<b>Gross Margins</b>	<b>8.26%</b>	<b>3.87%</b>		<b>13.84%</b>	<b>4.65%</b>		
Other Income	2,161	1,653	31%	655	545	20%	-30%
Operating Profit	26,758	8,689	208%	17,376	3,646	377%	378%
Net Finance Income	3,197	4,188		1,300	1,126	15%	33%
Other Charges	2,072	12,404		1,298	328	296%	311%
PAT	17,101	7,699	122%	10,681	2,575	315%	309%
EPS (PKR)	137.5	61.9		85.8	20.7		309%
DPS (PKR)	20	12.5		-	-		

Source (s): Company Financials, AHL Research

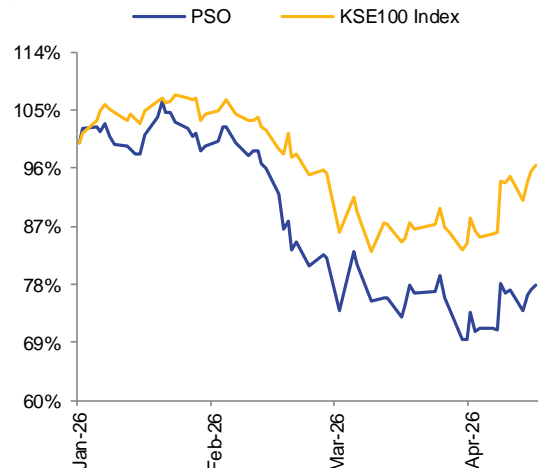
## PSO

Last Closing 369.32

PSX Code PSO

Bloomberg Code PSO PA

## Relative Performance



Source (s): PSX, AHL Research

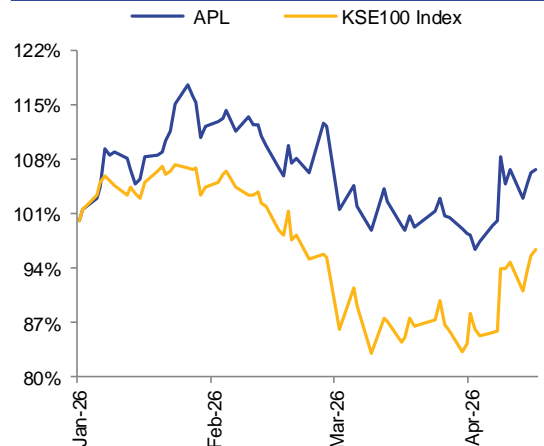
## APL

Last Closing 557.71

PSX Code APL

Bloomberg Code APL PA

## Relative Performance



Source (s): PSX, AHL Research

Menka Kirpalani | Zayan Babar Khan

[menka.kumari@arifhabibltd.com](mailto:menka.kumari@arifhabibltd.com)[zayan.babar@arifhabibltd.com](mailto:zayan.babar@arifhabibltd.com)

D: +92 21 382 80264

[www.arifhabibltd.com](http://www.arifhabibltd.com)

**ATRL: Bottomline projected to increase by 165% QoQ to PKR 86.1/share in 3QFY26**

Attock Refinery Limited (ATRL) is set to announce its 3QFY26 results, with earnings expected to remain robust. The company is projected to post a PAT of PKR 9,182mn (EPS: PKR 86.1), reflecting a sharp 439% YoY increase. Gross profit is anticipated to reach PKR 13.5bn, translating into margins of 13.8%, primarily driven by higher volumes and a significant expansion in HSD crack spreads.

The improvement in margins is largely attributable to a notable widening in refinery crack spreads, particularly for HSD. During the quarter, MS and HSD cracks averaged USD 6.2/bbl and USD 57/bbl, respectively, compared to historical averages of around USD 5/bbl for MS and USD 12/bbl for HSD, providing a strong uplift to profitability.

On the volumetric front, MS sales rose 15.6% YoY to 146k tons, while HSD sales increased 24.2% YoY to 152k tons in 3QFY26. This growth was supported by reduced curtailment and stronger demand from OMCs amid expectations of rising POL prices. In contrast, FO volumes declined 35.4% YoY to 65k tons in Mar'26. However, the bulk of FO output was exported, still at negative spreads, despite a recovery in international HSFO prices. Ex-refinery FO prices also trended upward, though margins remained under pressure.

Overall plant utilization improved to 65% versus 61% in the same period last year, reflecting better operational throughput. Meanwhile, other income is expected to come in at PKR 2.8bn, supported by ATRL's sizable cash holdings. We do not expect any dividend announcement alongside the result, in line with ATRL's historical payout pattern.

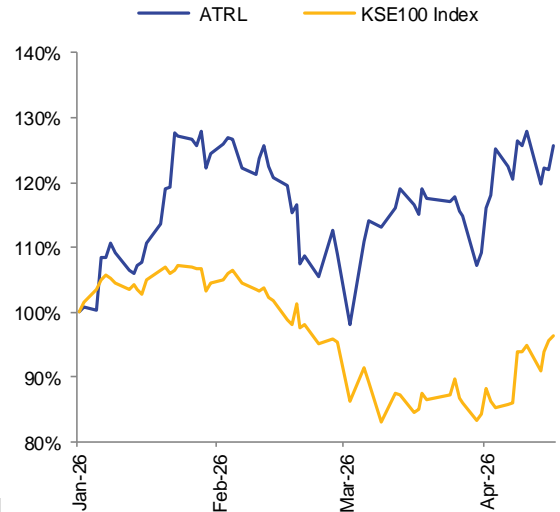
**Exhibit: Financial Highlights**

(PKR mn)	9MFY26e	9MFY25	YoY	3QFY26e	3QFY26	YoY	QoQ
Net Sales	234,751	235,316	0%	97,687	74,556	31%	26%
Cost of sales	216,303	229,948	-6%	84,211	73,758	14%	14%
Gross profit	18,448	5,367	244%	13,476	798	1589%	234%
<b>Gross profit margins</b>	<b>7.90%</b>	<b>2.30%</b>	<b>245%</b>	<b>13.80%</b>	<b>1%</b>	<b>1189%</b>	<b>165%</b>
Other charges	2,204	1,479	49%	1,557	663	135%	72%
Other income	7,307	9,916	-26%	2,785	2,402	16%	18%
Profit for the period	14,200	8,595	65%	9,182	1,703	439%	157%
<b>EPS</b>	<b>133.19</b>	<b>80.62</b>		<b>86.12</b>	<b>15.97</b>		
<b>DPS</b>	<b>2.5</b>	<b>5</b>		<b>-</b>	<b>-</b>		

Source (s): Company Financials, AHL Research

**ATRL**

Last Closing	867.75
PSX Code	ATRL
Bloomberg Code	ATRL PA

**Relative Performance**

Source (s): PSX, AHL Research

**Zayan Babar Khan**[zayan.babar@arifhabibltd.com](mailto:zayan.babar@arifhabibltd.com)

D: +92 21 382 80264

[www.arifhabibltd.com](http://www.arifhabibltd.com)

## 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 form current market price, with Target period as Dec 2026 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 +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -5% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -5% 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.