

Attock Petroleum Limited (APL)

- APL announced its 1QFY19 result wherein posted profit after tax of Rs1.5bn (EPS: Rs15.55) as compared to profit after tax of Rs1.3bn (EPS: Rs13.36) in same period last year, up by 16% YoY.
- APL volumetric sales decline by 8% YoY in 1QFY19 although company sales revenue increase by 50% YoY due to increase in petroleum prices
- Gross profit increase by 30% YoY owing to increase in petroleum margins (HSD and MS) and possible inventory gain
- Other operating expense up by 27% YoY possibly due to exchange loss and increase in admin cost
- Finance cost increase by 49% due to increase in interest rate
- We maintain our BUY stance on the scrip with Jun-19 TP of Rs485/share

Rs'000 (except where indicated)	1QFY19	1QFY18	YoY Δ
Net sales	57,805,877	38,531,256	50.0%
Cost of products sold	(55,243,880)	(36,560,824)	51.1%
Gross profit	2,561,997	1,970,432	30.0%
Other operating income	229,165	206,026	11.2%
Other operating expenses	(689,378)	(542,576)	27.1%
Income on bank deposits	316,679	345,163	-8.3%
Share of profit of associated companies	1,608	67,378	-97.6%
Other charges	(113,132)	(93,989)	20.4%
Finance cost	(182,409)	(122,422)	49.0%
Profit before taxation	2,124,530	1,830,012	16.1%
Taxation	(577,000)	(500,000)	15.4%
Profit after taxation	1,547,530	1,330,012	16.4%
EPS (Rs)	15.55	13.36	
Gross profit margin	4.43%	5.11%	
Effective tax rate	27.16%	27.32%	
Net profit margin	2.68%	3.45%	

Source: Company Financials, AS Research

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Valuation Methodology

To arrive at period end target price, Abbasi Securities uses different valuation methodologies:

- Comparable Method (P/E, P/B etc.)
- Discounted Cash flow Method
- Equity and Asset based valuation

Rating

BUY	Total return more than 20% from last closing of market price
HOLD	Total return is in between 10% and 20% from last closing of market price
REDUCE	Total return is less than 10% from last closing market price