



NRL— FY25 Analyst Briefing Takeaways

National Refinery Limited (NRL) held its corporate briefing session today to discuss FY25 financial results and provide insights on the future outlook. Key takeaway from the session are as follows:

- In FY25, NRL earned a net revenue of PkR307.7bn, a 0.4%YoY decrease, however, incurred a third consecutive loss of PkR14.9bn (LPS:185.9), compared to a LAT of PkR15.8bn (LPS:197.5) in the previous year. Despite an improvement in gross refinery margins, the loss was primarily driven by higher manufacturing costs, including increased utilities and tariffs, alongside inventory losses in the first three quarters.
- Sales volume increased to 1.6mn tons, a 16.6%YoY increase. This was largely due to increase in HSD, MS and RFO (export) sales.
- The refinery operates at a crude oil processing capacity of 70,000 barrels/per day (23.1mn barrels/per annum).
- The 'Brownfield Refinery Policy', introduced in FY24, has facilitated the recovery of GST. NRL received PkR600mn in 1QFY26, with PkR3.1bn expected to be reimbursed during the year.
- Accounting for crude and lubes has been merged into a single company-wide reporting unit. Financials are now presented on a consolidated basis rather than by segment.
- Company-wide GRMs were US\$3.68 per barrel in FY25 as compared to US\$2.93 in the SPLY, primarily due to crude mix optimization .
- Monthly refinery throughput improved from 43% in Jul'24 to 64% in Jun'25, with management targeting sustained throughput above 70% in the coming year.
- Refinery Production slate during FY25 stood as follows: 12%/40%/16%/9%/7%/5%/2%/9% for MS/HSD/RFO/Own Use/LBO/Bitumen/Jet Fuels/others, respectively. The share of HSD increased from 39% to 40% in FY24, with management planning further growth in HSD output by optimizing the crude mix to 80% light and 20% heavy crude while reducing RFO and Bitumen production.
- Management is also evaluating the feasibility of importing crude oil from the United States, similar to a competitor, subject to economic viability.
- Export of RFO remained a focus due to subdued domestic demand, with shipments totalling 180,726 MTs.
- Key challenges highlighted include fuel price volatility, smuggling, rupee-dollar exchange losses, and the gradual introduction of EVs in the domestic market. Despite these, quarterly losses narrowed from PkR7.2bn in 1QFY25 to PkR375mn in 4QFY25.
- NRL plans a one-month turnaround of the Lube-1 refinery (25% capacity) in 2QFY26, supported by sufficient inventory levels.
- Capex plans include the CTR (Continuous Catalyst Reforming) unit, Motor Spirit Sulfur Reduction Project, and Hydrocracker/Bottom of Barrel upgrades, facilitated by sales tax reimbursements.
- Management expects continued improvement in throughput and inventory gains, alongside a revamp of the BTX unit. Profitability is anticipated to benefit from increased production of higher-margin products such as LBO, while production of lower margin items is expected to be reduced.
- The stock is not under our formal coverage.

Muhammad Ali
Ali.muhammad@akdsl.com
+92-21-111253111 EXT:637

	
345.6	80.0
Price (PkR/sh)	Shares (mn)
	
27,634.0	98.4
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
	
2.14	738.9
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance

433.3	-8.7%	345.6
HIGH	1 Month	LOW
	—	
433.3	61.8%	167.3
HIGH	52 Week	LOW
	—	

Disclosure Section

Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument and is for the personal information of the recipient containing general information only. AKD Securities Limited (hereinafter referred as AKDS) is not soliciting any action based upon it. This report is not intended to provide personal investment advice nor does it provide individually tailored investment advice. This report does not take into account the specific investment objectives, financial situation/financial circumstances and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. AKDS recommends that investors independently evaluate particular investments and strategies and it encourages investors to seek the advice of a financial advisor.

The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The securities or strategies discussed in this report may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

Reports prepared by AKDS research personnel are based on public information. AKDS makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. Facts and views presented in this report have not been reviewed by and may not reflect information known to professionals in other business areas of AKDS including investment banking personnel. AKDS has established information barriers between certain business groups maintaining complete independence of this research report.

This report has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. Neither AKDS, nor any of its affiliates or their research analysts have any authority whatsoever to make any representation or warranty on behalf of the issuer(s). AKDS Research Policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

We have taken all reasonable care to ensure that the information contained herein is accurate, up to date, and complies with all prevailing Pakistani legislations. However, no liability can be accepted for any errors or omissions, or for any loss resulting from the use of the information provided as any data and research material provided ahead of an investment decision are for information purposes only. We shall not be liable for any errors in the provision of this information, or for any actions taken in reliance thereon. We reserve the right to amend, alter, or withdraw any of the information contained in these pages at any time and without notice. No liability is accepted for such changes.

Stock Ratings

Investors should carefully read the definitions of all ratings used in each research report. In addition, research reports contain information carrying the analyst's view and investors should carefully read the entire research report and not infer its contents from the rating ascribed by the analyst. In any case, ratings or research should not be used or relied upon as investment advice. An investor's decision to buy, sell or hold a stock should depend on individual circumstances and other considerations. AKDS uses a three tier rating system: i) Buy, ii) Neutral and iii) Sell with total returns (capital upside + dividend yield) benchmarked against the expected one year forward floating (variable) risk free rate (10yr PIB) plus risk premium.

Valuation Methodology

To arrive at our period end target prices, AKDS uses different

valuation techniques including:

- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

New Rating Definitions

Buy > 15% expected total return

Neutral > 0% to < 15% expected total return

Sell < 0% expected total return

Analyst Certification of Independence

The analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report.

The research analysts, strategists or research associates principally having received compensation responsible for the preparation of this AKDS research report based upon various factors including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

Disclosure of Interest Area

AKDS and the authoring analyst do not have any interest in any companies recommended in this research report irrespective of the fact that AKD Securities Limited may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Regional Disclosures (Outside Pakistan)

The information provided in this report and the report itself is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject AKDS or its affiliates to any registration or licensing requirements within such jurisdiction or country.

Furthermore, all copyrights, patents, intellectual and other property in the information contained in this report are held by AKDS. No rights of any kind are licensed or assigned or shall otherwise pass to persons accessing this information. You may print copies of the report or information contained within herein for your own private non-commercial use only, provided that you do not change any copyright, trade mark or other proprietary notices. All other copying, reproducing, transmitting, distributing or displaying of material in this report (by any means and in whole or in part) is prohibited.

For the United States



AKD Securities Limited

602, Continental Trade Centre,
Clifton Block 8, Karachi, Pakistan.
research@akdsl.com