

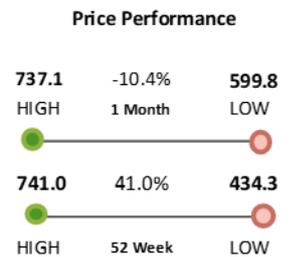
ARL ATRL— FY25 Analyst Briefing Takeaways

Attock Refinery Limited (ATRL) held its analyst briefing today to brief investors about FY25 financial results and shed light on the future outlook:

- To note, company posted NPAT of ~Pkr12bn (EPS: Pkr112.30) during FY25, down 56%YoY. The decline was driven by lower product prices and sales volume. Alongside GRMs tapering off during the year, which averaged at US\$9/bbl during FY25 (vs. US\$14/bbl in SPLY). Furthermore, GRMs during 1QFY26 were recorded at US\$8.0/bbl.
- Refinery's operated at a capacity utilization rate of 65% during the year (vs. 75% in SPLY), down 13%YoY, due to lower crude receipts. Production share of MS/HSD/RFO/Others stood at 38%/36%/15%/11% during FY25.
- Management reported that the crude conversion cost stands at \$4.5/bbl, while energy cost are \$2.5/bbl.
- Company exported 137.9k tons of LSFO during the year to address reduced ullage/throughput issues.
- Regarding the refinery policy, management is already in communication with the government to resolve the outstanding sale tax issue. Therefore, signing has been delayed until the matter is resolved.
- The sector has held discussions with the government regarding the issue, and the petroleum minister has committed to resolving it soon.
- Management reiterated that the new Refinery Policy will allow the collection of a deemed duty of 10% on MS and 2.5% on HSD (in addition to the existing 7.5%), which will be maintained in an escrow account. Refineries will be able to withdraw 27% of the project cost from this account.
- Post upgradation, addition of the Continuous Catalytic reforming (CCR) unit will enhance MS production by 25% while also meet EURO-V specifications for HSD.
- Company is targeting capex of US\$500mn for its upgradation project, to be financed 27% through an escrow account and the remaining through equity. The project is expected to be completed within 4-5 years as per the feasibility.
- Management shared that, due to a decline crude oil supply from the northern region over the years, they are in the final stages of discussion with the government for the allocation of 5,000bpd of crude from the southern region to improve capacity utilization.
- Company has acknowledged that recent oil discoveries made by E&P companies in the northern regions have increased output in that area.
- Company currently uses lighter/sweet crude, which usually yields high portions of MS and HSD (and subsequently low RFO).
- The scrip is not under our formal coverage.

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612.1	106.6
Price (Pkr/sh)	Shares (mn)
	
65,260.9	232.3
Market Capitalization (PkrRmn)	Market Capitalization (USDmn)
	
1.19	805.0
3M Avg Turnover (mn)	3M Avg DT Value(PkrRmn)



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Neutral > 0% to < 15% expected total return

Sell < 0% expected total return

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