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PSO — FY26 Analyst Briefing Takeaways

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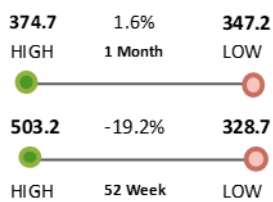
Pakistan State Oil Company Ltd (PSO) held its analyst briefing earlier today to brief investors about FY26 financial results and future outlook. Key takeaways are as follows:

- Net sales declined 3%YoY to PkR3.1tn in FY26 as rise in POL product sales partially offset the drop in LNG sales. However, profitability declined by 28% YoY to PkR15.1bn (EPS: PkR32.1) due to higher effective taxes. Company also paid out final cash payout of PkR10/sh for the year.
- PSO operates across liquid fuels (Euro 5 Octane+, MS, HSD, JP, RFO, SKO and LDO), gas fuels (Pak Gas and LNG), lubricants (DEO, Carient, Blaze), non-fuel retail (Vibe, Shop Stop, Electro EV chargers), and Digicash cards.
- Company's network spans 3,688 retail outlets (37 company-operated), 18 depots, 15 aviation stations, 1.2mn MT of total storage capacity, and 70k MT blending capacity across two lubricant plants.
- LNG segment revenue declined 36%YoY to PkR631bn due to 30 fewer LNG cargos handled during FY26. The segment reported a loss (-ve PkR7.9bn vs. PkR8.4bn in FY25) primarily due to higher finance cost allocations against circular debt receivables.
- Management noted that PSO's market share in HSD lifted from 42% to 47% and in MS from 38% to 46%+, while vowing to focus on sustaining these gains through retail network and brand development.
- Regarding LPG segment, PSO's current market share stands at 2.6%, with management planning to scale up across domestic/household markets nationwide.
- Following LPG market deregulation, management stated that PSO will establish market-benchmark retail price upon unloading and distributing its first cargo during the ongoing week.
- Country's annual LPG market stands at 2.4–2.5mn MT, with potential to reach 3.0mn MT post deregulation and easing supply constraints. PSO aims to increase its 2.6% market share through investments in port and upcountry storage infrastructure.
- With regards to digitalization of supply chain, management anticipates completion target by 4QFY27.
- Company recovered PkR34bn from SNGPL in FY26, with no new current receivables accumulating and ongoing government engagement to resolve historical trade debts.
- Regarding resumption of RLNG supplies, management confirmed that negotiations are ongoing with Qatar and are anticipated to conclude before Dec'26 end. The assessment is supported by Wood Mackenzie supply-demand study which will outline country's volume needs.
- Regarding EV infrastructure, management anticipates support by Govt. through incentives on grid connections and tariffs. PSO plans to scale up with additions by 100 sites annually, targeting 300+ EV stations over next three years.
- With regards to refinery subsidiary, PRL remains ahead of peers as company has completed FEED and technical studies. Company is engaging local/foreign investors for the US$1.5bn–2.0bn upgrade project.
- We maintain our 'BUY' stance on PSO with a Dec'26 target price of PkR900/sh, backed by volume recovery, progress on gas circular debt resolution with IMF engagement, revision in regulated OMC margins, growth in LPG segment and investments in refinery subsidiary for upgradation process.

356.9	469.5
Price (PkR/sh)	Shares (mn)
167,559.7	606.1
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
1.940	699.1
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance



Source: PSX & AKD Research

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