

Oil Marketing Companies

May 2016

Consumption

Production Mix

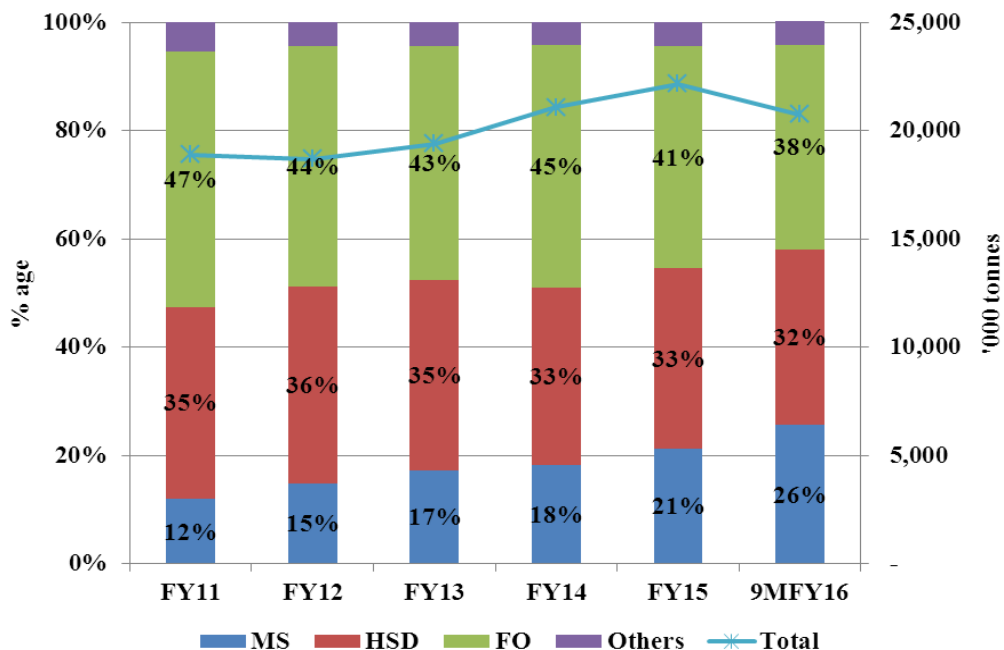
Market Share

Peer Comparison

OMC Margin

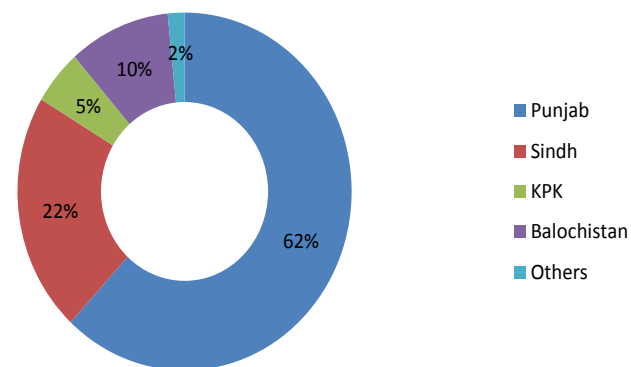
Key Challenges

National Fuel Consumption – Product Wise



- The country's petroleum products consumption have shown a rising trend over the past few years.
- Declining furnace oil consumption led to a fall during FY16
- ~95% consumption is distributed among three major products
- Punjab reflects the major consumption centre highlighted by the highest share of population

Province wise consumption



PKR '000 Tonnes

	FY11	FY12	FY13	FY14	FY15	9MFY16
Motor Spirit (MS)	2,261	2,767	3,350	4,122	4,705	4,252
High Speed Diesel (HSD)	6,700	6,801	6,820	6,902	7,379	5,390
Furnace Oil (FO)	8,921	8,284	8,389	8,902	9,096	6,254

Consumption

Production Mix

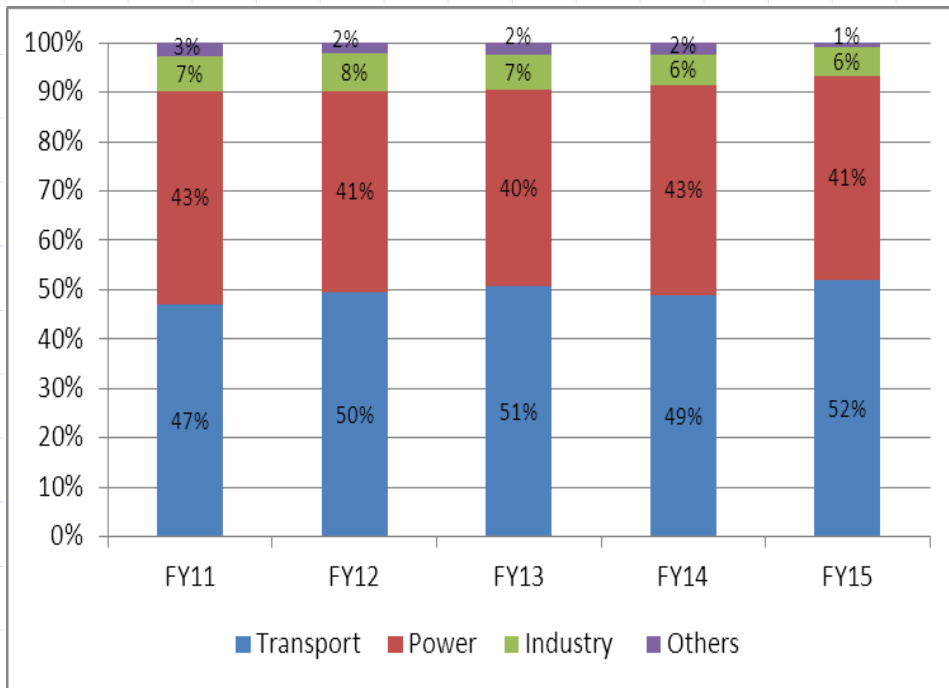
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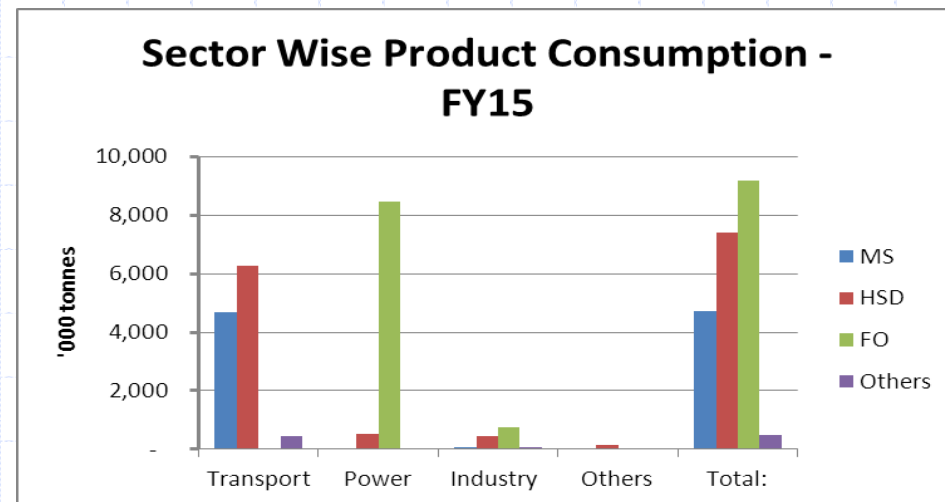
Key Challenges

National Fuel Consumption – Sector Wise



- The country's consumption is mainly driven by two sectors constituting ~ 90% of the demand.
- Transport sector demand is met by Diesel followed by Petrol.
- Furnace oil dominates the power sector demand.

	FY11	FY12	FY13	FY14	FY15
Transport	47%	50%	51%	49%	52%
Power	43%	41%	40%	43%	41%
Industry	7%	8%	7%	6%	6%
Others	3%	2%	2%	2%	1%



Consumption

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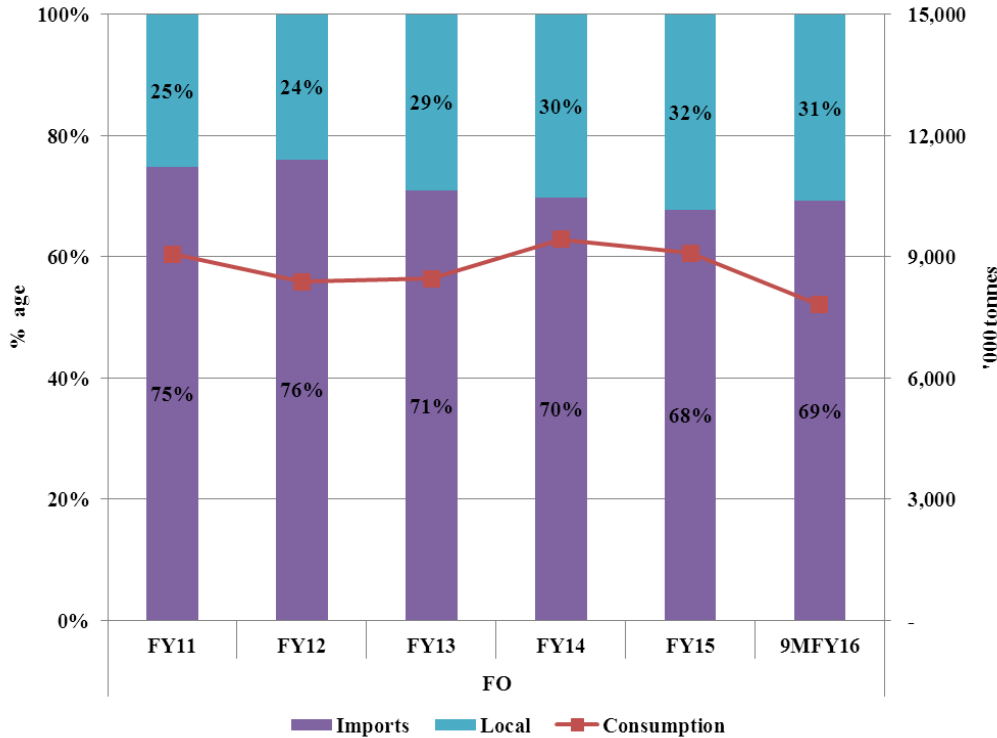
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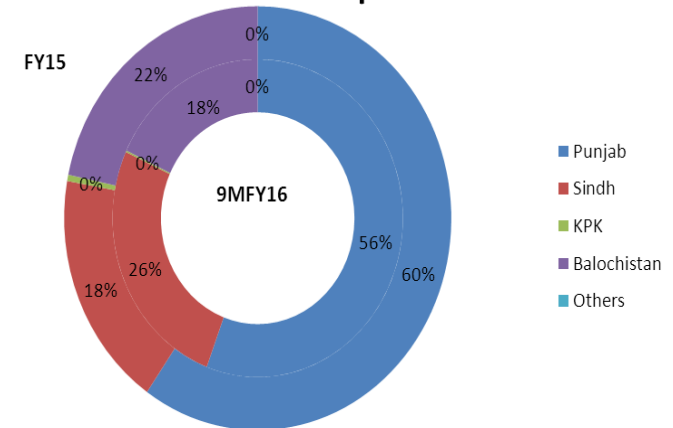
Key Challenges

FO (Production v/s Import)



- The imported LNG impacted the demand pattern of furnace oil in the power generation mix during the latest period
- A healthy portion of demand exists in Baluchistan province mainly led by Hubco (one of the largest power producer in the country)

Province wise FO Consumption



PKR '000 tonnes

	FY11	FY12	FY13	FY14	FY15	9MFY16
Imports	6,789	6,381	6,000	6,584	6,170	4,328
Production	2,283	2,008	2,461	2,844	2,927	1,926
Consumption	9,072	8,389	8,461	9,428	9,097	6,254

Consumption

Production Mix

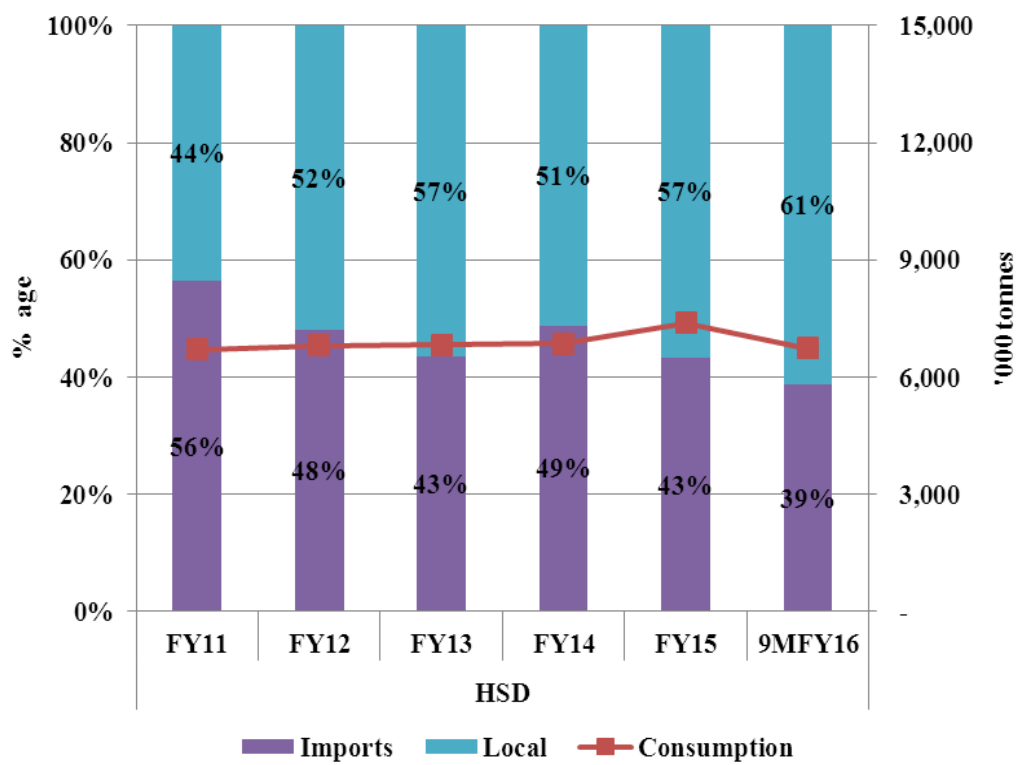
Market Share

Peer Comparison

OMC Margin

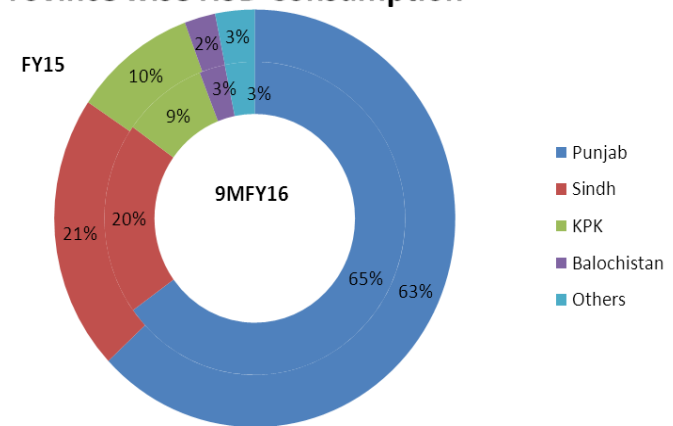
Key Challenges

HSD (*Production v/s Import*)



- The country's diesel consumption have largely remained stable
- Reduced quantum of circular debt has benefited the local production levels resulting in low reliance on imports
- Punjab consumption levels have increased marginally during the latest period

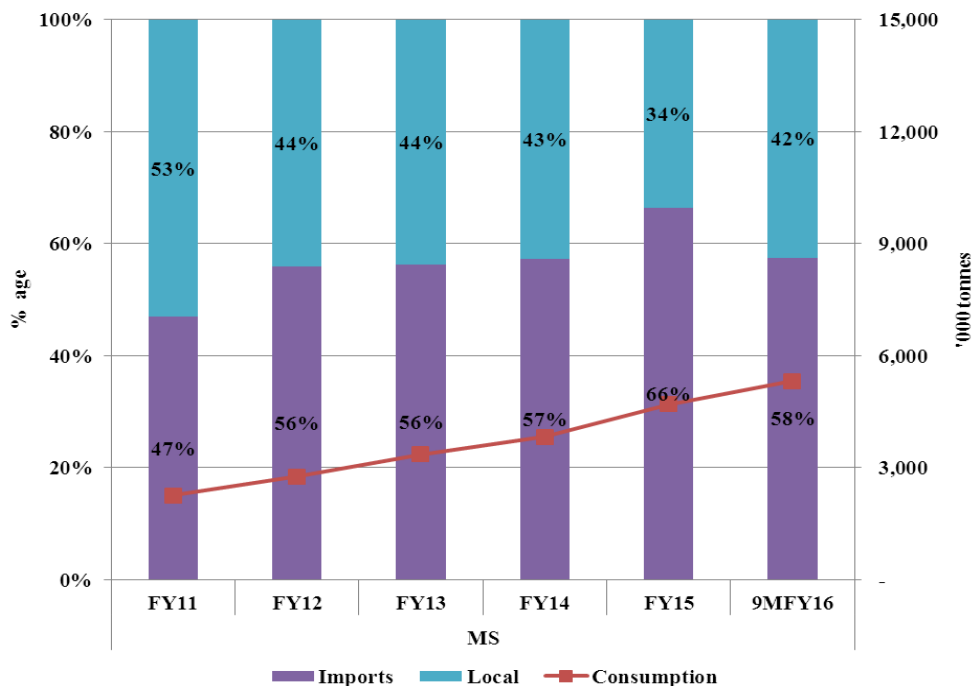
Province wise HSD Consumption



	PKR '000 tonnes					
	FY11	FY12	FY13	FY14	FY15	9MFY16
Imports	3,761	3,318	2,945	2,647	3,185	2,009
Production	2,939	3,483	3,875	4,198	4,194	4,728
Consumption	6,700	6,801	6,820	6,846	7,379	6,738

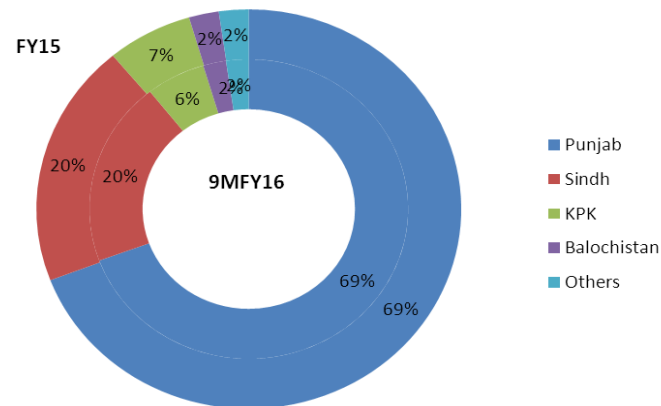


MS (Production v/s Import)



- The country's petrol consumption observed continuous rising trend due to non-availability of CNG and higher automobile demand
- The increased consumption levels led to a heavy reliance on imports to meet the domestic demand
- The consumption pattern among provinces remained same

Province wise MS Consumption



	PKR '000 tonnes					
	FY11	FY12	FY13	FY14	FY15	9MFY16
Imports	1,060	1,544	1,893	2,193	3,125	3,057
Production	1,200	1,214	1,469	1,637	1,581	2,258
Consumption	2,260	2,759	3,363	3,831	4,706	5,315

Consumption

Production Mix

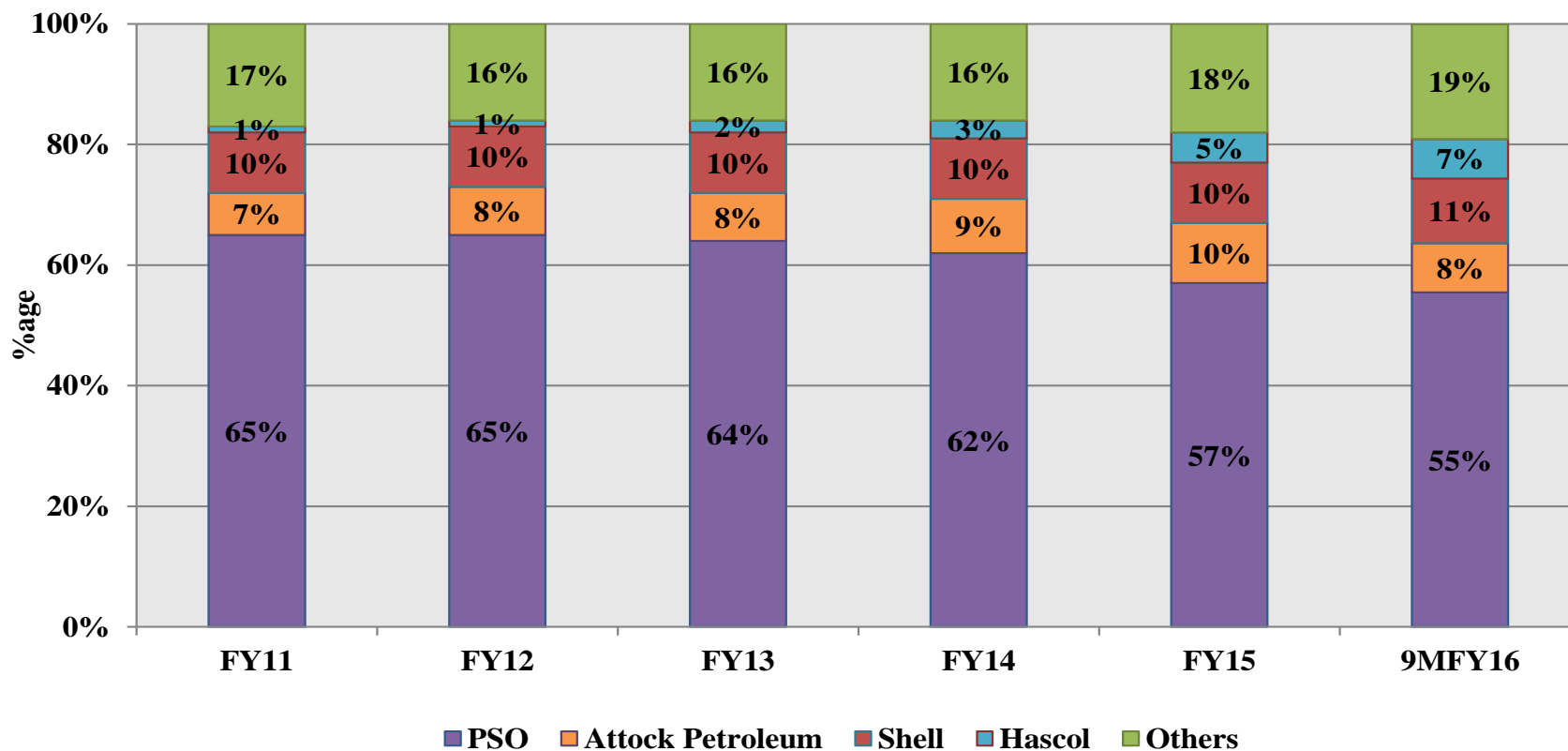
Market Share

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OMC Margin

Key Challenges

OMCs Market Share

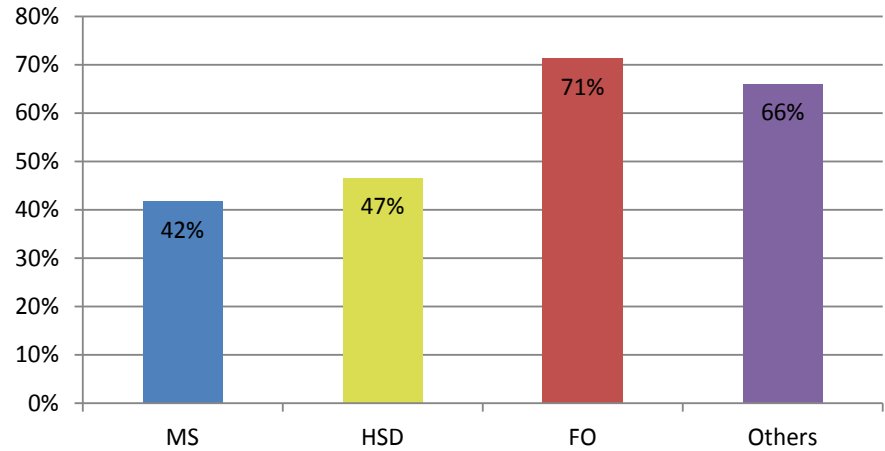


- The major portion of others is represented by Total Parco (Previously Chevron)
- Five major players represent over 95% market share
- PSO captures the largest market share though declining over the years
- Hascol emerges as the key player with constant increase in its share

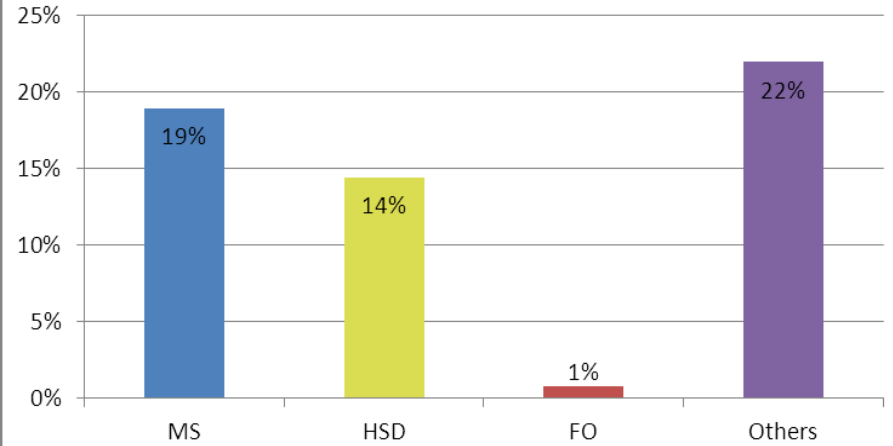


Product wise OMCs Share – FY16

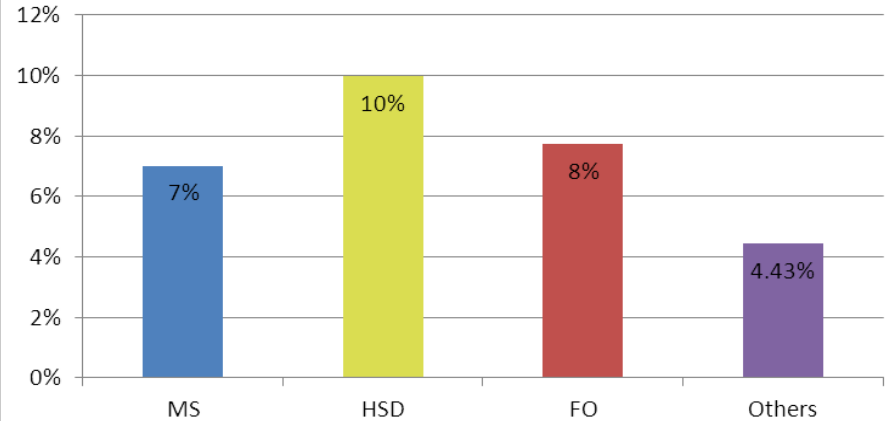
PSO



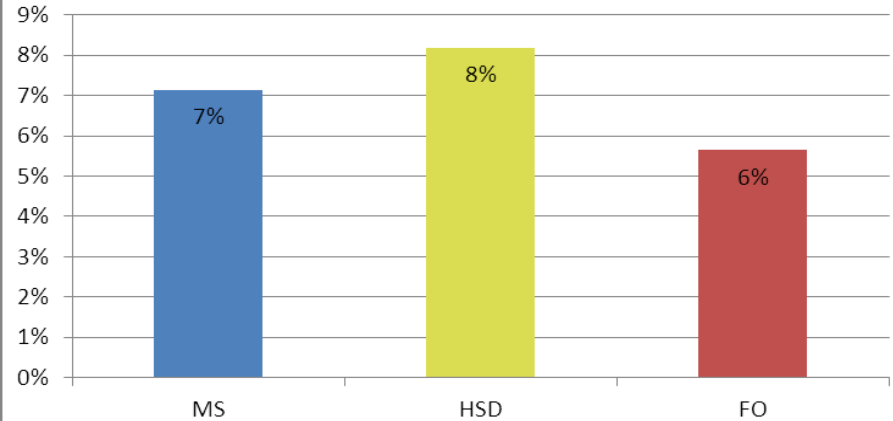
Shell



Attock Petroleum



HASCOL



Consumption

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OMC Margin

Key Challenges

Peer comparison

- OMC sector in Pakistan is dominated by players listed on the country's stock exchange.
- The listed companies of the sector represents ~80% of the volume handled
- All the major companies in the sector have observed a decline in the revenue stream mainly due to a fall in oil prices both local and international

PSO			
(PKR mln)	FY15	FY14	FY13
Revenue	1,114,411	1,409,574	1,294,503
Gross Margin	2%	3%	3%
PBT	12,033	32,969	19,210

Shell Pakistan Limited			
(PKR mln)	FY15	FY14	FY13
Revenue	249,394	292,121	288,712
Gross Margin	4%	3%	4%
PBT	2,344	546	2,424

Attock Petroleum Limited			
(PKR mln)	FY15	FY14	FY13
Revenue	205,715	240,567	191,181
Gross Margin	2%	2%	3%
PBT	4,537	5,906	5,593

Hascol Petroleum Limited			
(PKR mln)	FY15	FY14	FY13
Revenue	94,065	99,061	57,469
Gross Margin	3%	2%	2%
PBT	1,197	865	425

Consumption

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OMC Margin

Key Challenges

OMC Margin

Furnace Oil margin is ~ 3% of the imported price

Particulars (Rs/Litre)	HSD	MS
Ex Refinery Price	55.98	45.52
Petroleum Levy	8.00	10.00
IFEM	1.75	3.23
Dealer Commission	2.60	3.08
OMC Margin	2.35	2.35
Ex Depot Price	70.68	64.18
Sales Tax @ 22%	15.55	14.14
Maximum Ex Depot Price	86.23	78.30

- The OMC margins are fixed in terms of PKR for HSD and MS.
- The ECC has recently approved to increase these margins by PKR 0.6 for both the products beginning 1st July, 2016.
- It has also been decided to link the increase in margins with the CPI (Consumer Price Index) going forward
- The margin related to furnace oil remains linked with the imported price

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Market Share

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Key Challenges

Key Challenges

- ◆ Falling oil prices leading to inventory losses
- ◆ Unfavorable change in dealer commission and distribution margin may impact the profitability
- ◆ Increase in circular debt may impact the working capital cycle
- ◆ Exchange rate depreciation

Consumption

Production
Mix

Market Share

Peer
Comparison

OMC Margin

Key
Challenges

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