



## PRESS RELEASE

# Byco Petroleum Reports A Drop In Nine-Month Gross Profit To Rs 1.2 Billion Amid Weak Demand

- ***Byco Petroleum reported a gross profit of Rs. 1.2 billion but a net loss of Rs 2.67 billion, largely due to weak demand, high exchange rate, inventory losses, and an increase in finance costs.***
- ***The company is experiencing tough market conditions as the spread of COVID-19 hurts demand but can withstand this period.***

**(Karachi, 27 April 2020)** Byco Petroleum Pakistan Ltd. (BPPL) today reported financial results for the nine months ending March 31, 2020. The company recorded gross sales of Rs 192.1 billion, up from Rs 182.9 billion in the same period of the previous fiscal year. Gross profits fell to Rs 1.2 billion from Rs 3.0 billion a year earlier due to the negative impact of the exchange rate and an increase in inventory losses. The rise in KIBOR rates pushed finance costs higher. Due to these factors, the company reported a net loss of Rs 2.67 billion (Rs 0.50 per share) for the nine months ending March 31, 2020, from a net profit of Rs 719 million (Rs 0.14 per share) in the corresponding period of 2019.

The global oil industry is currently going through one of the most challenging periods ever. The Brent oil price fell from \$67 per barrel in early-January to \$23 by late-March as the spread of COVID-19 and the ensuing travel restrictions and strict lockdowns enacted by various governments around the world weakened demand for crude oil as well as oil products.

Crude oil consumption dropped by 22% in Pakistan. The High Sulfur Furnace Oil (FO) demand has remained low for the last three years due to the decrease in consumption from the power producers. FO price fell \$30 per barrel below crude oil in the international markets following the implementation of the IMO 2020 regulation. Some recovery was witnessed in the current quarter but it got disturbed due to the global oil market turmoil.

Despite facing unfavorable conditions, Byco Petroleum continued to operate consistently during the reporting period. Thereafter, as the petroleum demand weakened in the country, the company temporarily shifted its facilities into cold circulation. However, the government's decision to stop the Oil Marketing Companies from importing oil products, which will be implemented subsequent to the reporting period, will aid domestic refineries and enabled Byco Petroleum to resume operations from the current quarter. The policy measures taken by the State Bank of Pakistan will also help businesses withstand the economic downturn. Byco Petroleum appreciates the Government of Pakistan's efforts to support the oil refining industry during this crisis. The company stands firm with Pakistan to fight the spread of COVID-19 and expects to emerge in a much better position from this challenge.

***About Byco:*** *Byco Petroleum Pakistan Limited (BPPL) is one of Pakistan's leading energy firms, engaged in the businesses of oil refining, petroleum marketing, and petroleum logistics. Byco's mission is to meet the nation's energy. The Company manufactures a wide range of petroleum products with a vision to achieve sustainable productivity and profitability while upholding high environmental, health and safety standards.*



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*Byco is Pakistan's largest oil refiner by design capacity, and is the nation's only firm having a dedicated Single Point Mooring (SPM). Byco's SPM is the only floating liquid port in the country, and the company employs a round-the-clock crew dedicated for the safety and security of the buoy and vessels in and around the SPM's anchorage area. The SPM is Pakistan's only terminal having a Tier 3 oil spill response membership.*

*Byco refines crude oil into various marketable components including Liquefied Petroleum Gas, Light Naphtha, Heavy Naphtha, High Octane Blending Component, Motor Gasoline, Kerosene, Jet Fuels, High Speed Diesel and Furnace Oil. Byco is proud to have the largest capacity crude oil storage tanks in the country. Byco's marketing network supports retail outlets in more than 80 cities all over Pakistan and is an emerging player in Pakistan's oil marketing sector. Byco's diverse and highly skilled workforce consists of approximately 900 dedicated employees across the firm's divisions.*

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