



Cnergyico Reports Robust Growth in Annual Net Profit to Rs. 4.7 Billion After Another Strong Quarter, Despite Challenges

(September 20, 2022): Cnergyico Pk Limited (formerly Byco Petroleum Pakistan Limited), today reported financial results for the year ending 30th June, 2022. Despite the long-pending challenges in the refining sector, the company earned net revenues of Rs. 170 billion, up from Rs. 142.1 billion in FY-2021. Operating profit increased by more than Rs. 2.5 billion (before finance costs and taxation) in FY-2022. Net profit for the financial year rose to Rs. 4.7 billion, or Rs. 0.90 per share, increasing from Rs. 3.5 billion, or Rs. 0.67 per share, in FY-2021.

Cnergyico Pk Limited successfully capitalized on the surge in crack spreads in the aftermath of the Russia-Ukraine conflict which helped push the company's gross profits to Rs. 5.9 billion in the fourth quarter of FY-2022, up from an already strong gross profit of Rs. 3.3 billion reported for the third quarter of FY-2022. The marketing business benefited from the upward revision in margin for Diesel (HSD) and Motor Spirit (MS) from Rs. 2.97 to Rs. 3.68 per litre from December, 2021.

The growth in revenues and net profit came in spite of the macroeconomic challenges. The local currency's devaluation, as well as the unusually large difference in rates quoted by banks and the weighted average rate announced by the central bank, caused severe exchange losses to the oil sector. Additionally, problems associated with getting Letters of Credit (LCs) confirmed from international banks posed a serious threat to the oil supply chain. An increase in inflation and higher lending rates also pushed financing and other costs higher.

Cnergyico's CEO Mr. Amir Abbassciy said, "Given woefully low working capital facilities available to the Company, it was able to clock approximately 23% of its refineries capacity. Going forward this area remains of key importance for addressal, especially since the facilities are denominated in PKR and the upsurge in USD has further impacted these severely. For now it appears that this trend will continue for the foreseeable future, coupled with another rally in crude oil prices which cannot be ruled out. Additionally our focus remains on cost rationalization across the various business segments we operate in, this for us is an on-going task at hand".

Cnergyico continues to work diligently to upgrade and modernize its refineries to meet the growing demand for high-quality and environmentally friendly fuels while reducing furnace oil output. The company is looking forward to the introduction of the oil refinery policy and deregulation of fuel prices to improve the speed of innovation and growth in the oil sector.

About Cnergyico: *Cnergyico Pk Limited is one of Pakistan's leading mid stream and down stream energy firms, engaged in the businesses of oil refining, petroleum marketing, and petroleum logistics. Cnergyico's mission is to meet the nation's chemical and energy demand. 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.*

Cnergyico is Pakistan's largest oil refiner by design capacity, and is the nation's only firm having a dedicated Single Point Mooring (SPM). Cnergyico'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 Facilities and vessels in and around its anchorage area. The SPM is Pakistan's only terminal having a Tier 3 oil spill response membership.

Cnergyico refines crude oil into various marketable components including Liquefied Petroleum Gas, Light Naphtha, Heavy Naphtha, High Octane Blending Component, Motor Gasoline, Kerosene, Aviation Fuels, High Speed Diesel and Furnace Oil. The Company has the largest capacity crude oil storage tanks in the country. Cnergyico'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. Cnergyico's diverse and highly skilled workforce consists of approximately 900 dedicated employees across the firm's Divisions and business segments.