



**NATIONAL
REFINERY LIMITED**

**CORPORATE
BRIEFING SESSION
2024**

**PAKISTAN STOCK EXCHANGE
KARACHI**

DECEMBER 17, 2024



REFINING WITH VISION

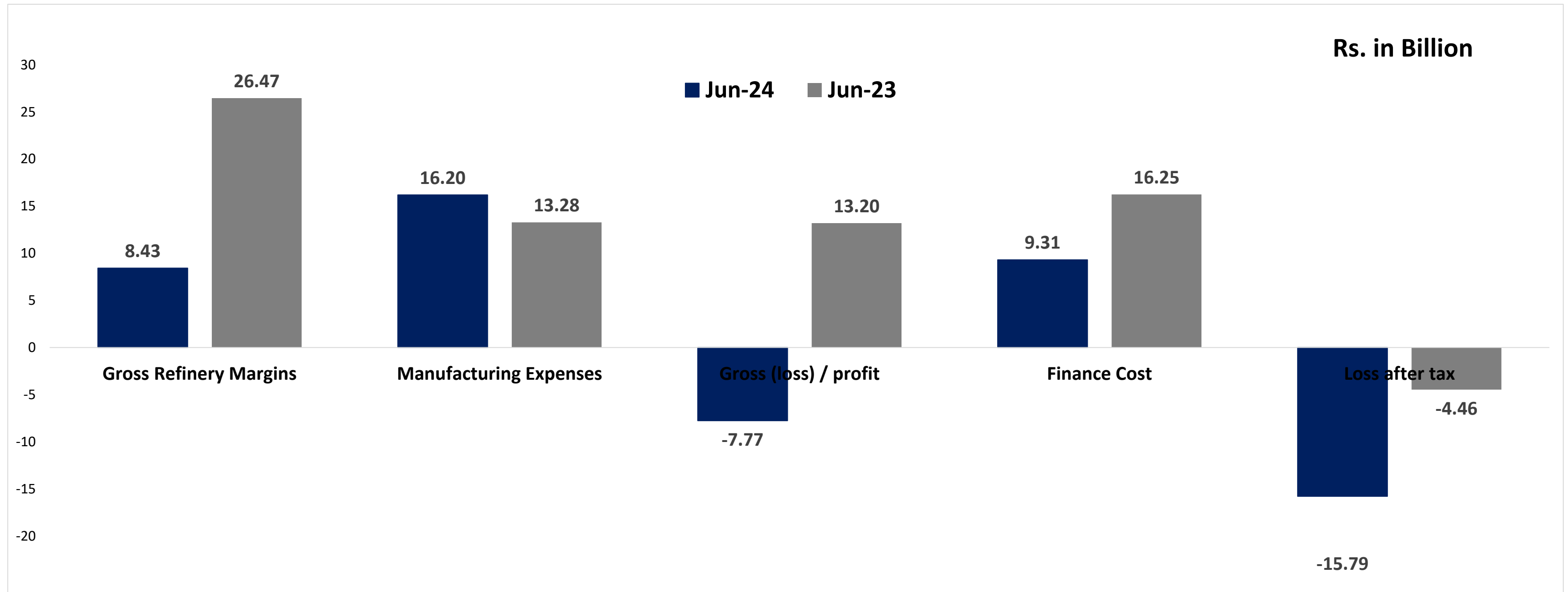


COMPANY OVERVIEW

- Established in 1963 as Public Limited Company, listed at Pakistan Stock Exchange.
- Refinery Complex consists of Two Lube Refineries commissioned in 1966 and 1985 and a Fuel Refinery added to the Complex in 1977.
- HSD Desulphurization and Isomerization units were commissioned in 2017.
- Crude oil refining capacity is 70,000 Bbl per day / 23.1 million Bbls per annum (2.3 million Tons per annum).
- Major Shareholders include: Pakistan Oilfields Limited (25%), Attock Refinery Limited (25%) and Islamic Development Bank (15%).
- The Long term credit rating of the Company is AA.
- Accreditations include: Certifications of ISO 14001:2015, 45001:2018 and 9001:2015.

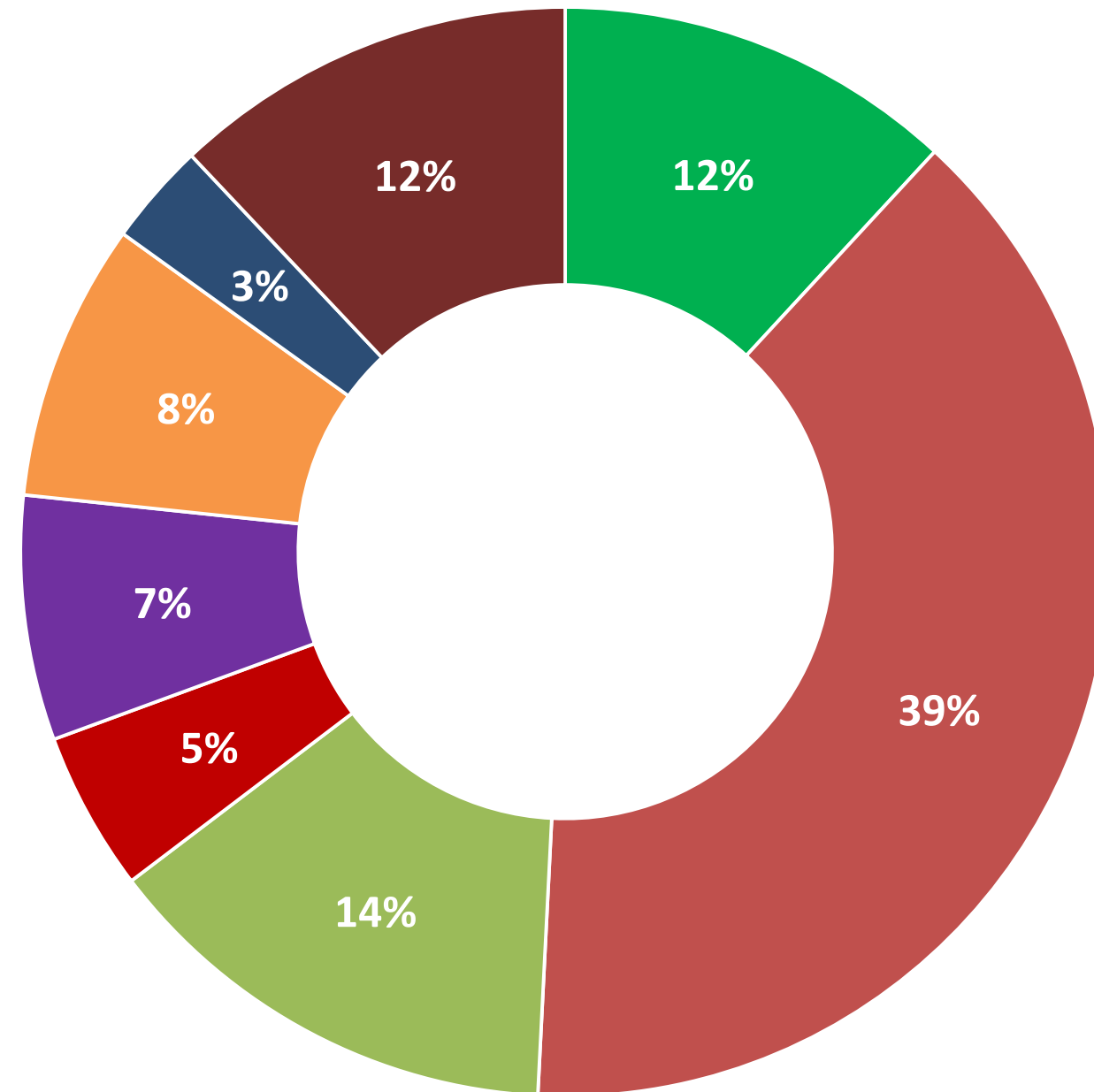


COMPANY'S FINANCIAL HIGHLIGHTS





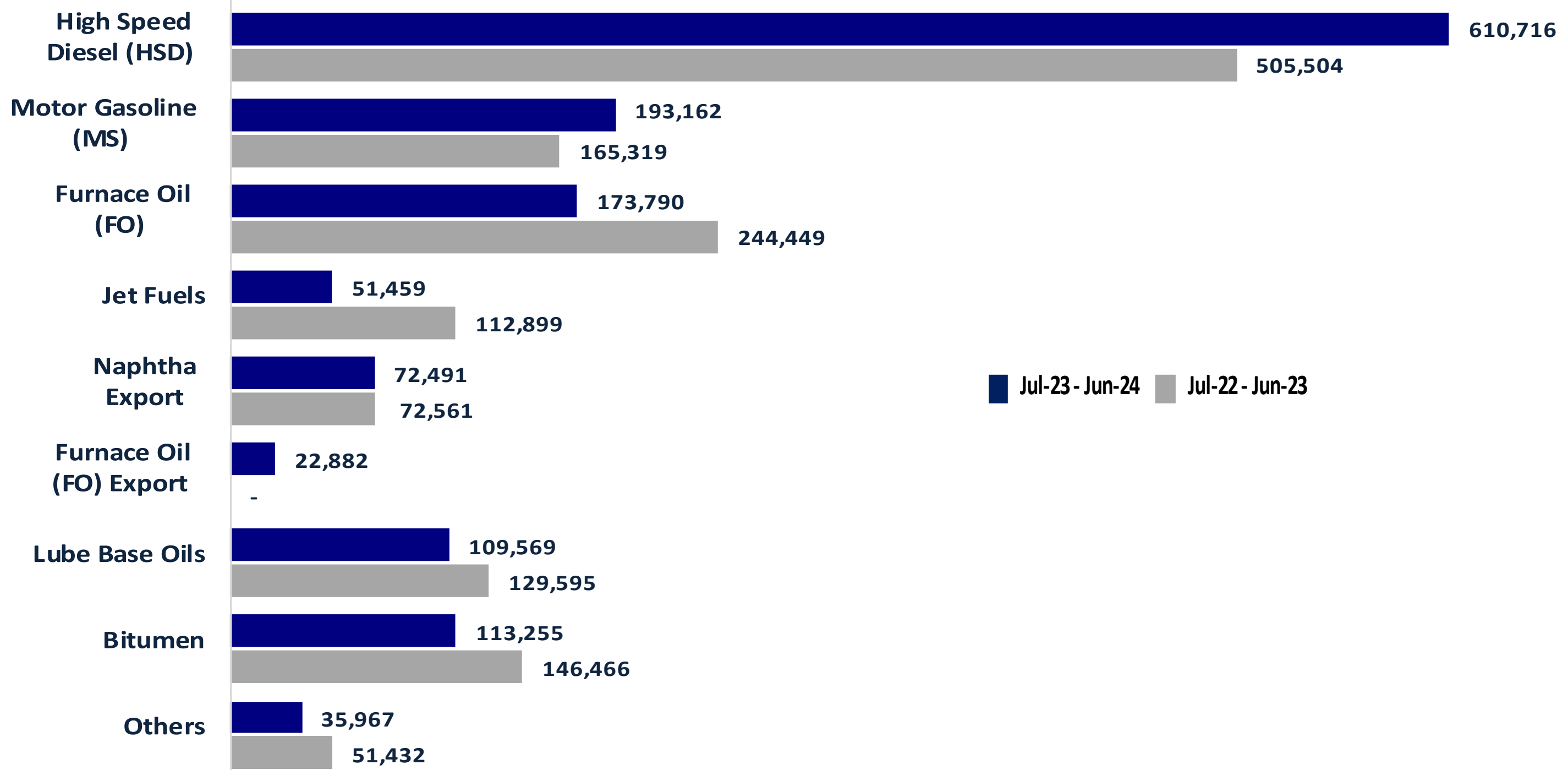
NRL Production Mix 2023-24



■ Mogas ■ HSD ■ Furnace Oil ■ Naphtha ■ LBO ■ Bitumen ■ Jet Fuels ■ Others



SALES VOLUMES (M.TONS)





KEY CHALLENGES – 2023-24

- Decline in product price, specially in 2nd and 4th quarter, resulting in inventory losses.
- Margins and premium of HSD and Motor Gasoline declined sharply in the last three quarters
- Due to price decline, product upliftment pattern by OMCs was affected.
- Smuggling of product affected the overall sales.
- Resultantly, the Company was forced to operate at lower throughput.
- Increase in Freight cost for import of crude oil.
- Higher LC charges due to country's credit rating and lower foreign exchange reserves.
- Increase in utilities' cost.



QUARTERLY PROFITABILITY / (LOSS)

RS. IN BILLION

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2023-24
Profit / (loss) after tax	3.20	(7.86)	(2.87)	(8.27)	(15.79)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2022-23
(Loss) / profit after tax	(4.39)	(1.09)	(0.54)	1.56	(4.46)



PRODUCT PRICE TREND

JUL 2023 – DEC 2023

Product	Unit	1-Jul-23	16-Jul-23	1-Aug-23	16-Aug-23	1-Sep-23	16-Sep-23	1-Oct-23	16-Oct-23	1-Nov-23	16-Nov-23	1-Dec-23	16-Dec-23
Mogas	Rs. / Litre	171 ↓	165 ↑	186 ↑	199 ↑	208 ↑	231 ↓	222 ↓	182 ↓	181 ↓	180 ↑	184 ↓	170
HSD	Rs. / Litre	197 ↓	186 ↑	207 ↑	228 ↑	244 ↑	260 ↓	247 ↓	226 ↓	221 ↓	214 ↓	208 ↓	193
JP-1	Rs. / Litre	181 ↓	164 ↑	186 ↑	211 ↑	224 ↑	235 ↓	224 ↓	205 ↓	201 ↑	202 ↓	190 ↓	183
JP-8	Rs. / Litre	163 ↑	165 ↑	186 ↑	208 ↑	224 ↑	235 ↓	228 ↓	205 ↓	201 ↓	195 ↓	193 ↓	183
Furnace Oil	Rs. / MT	150,000 ↑	160,000 ↑	176,000 ↑	190,000 ↑	202,162 ↓	194,000 ↓	190,000 ↓	173,081 ↓	160,000 ↓	155,000 →	155,000 ↓	140,000

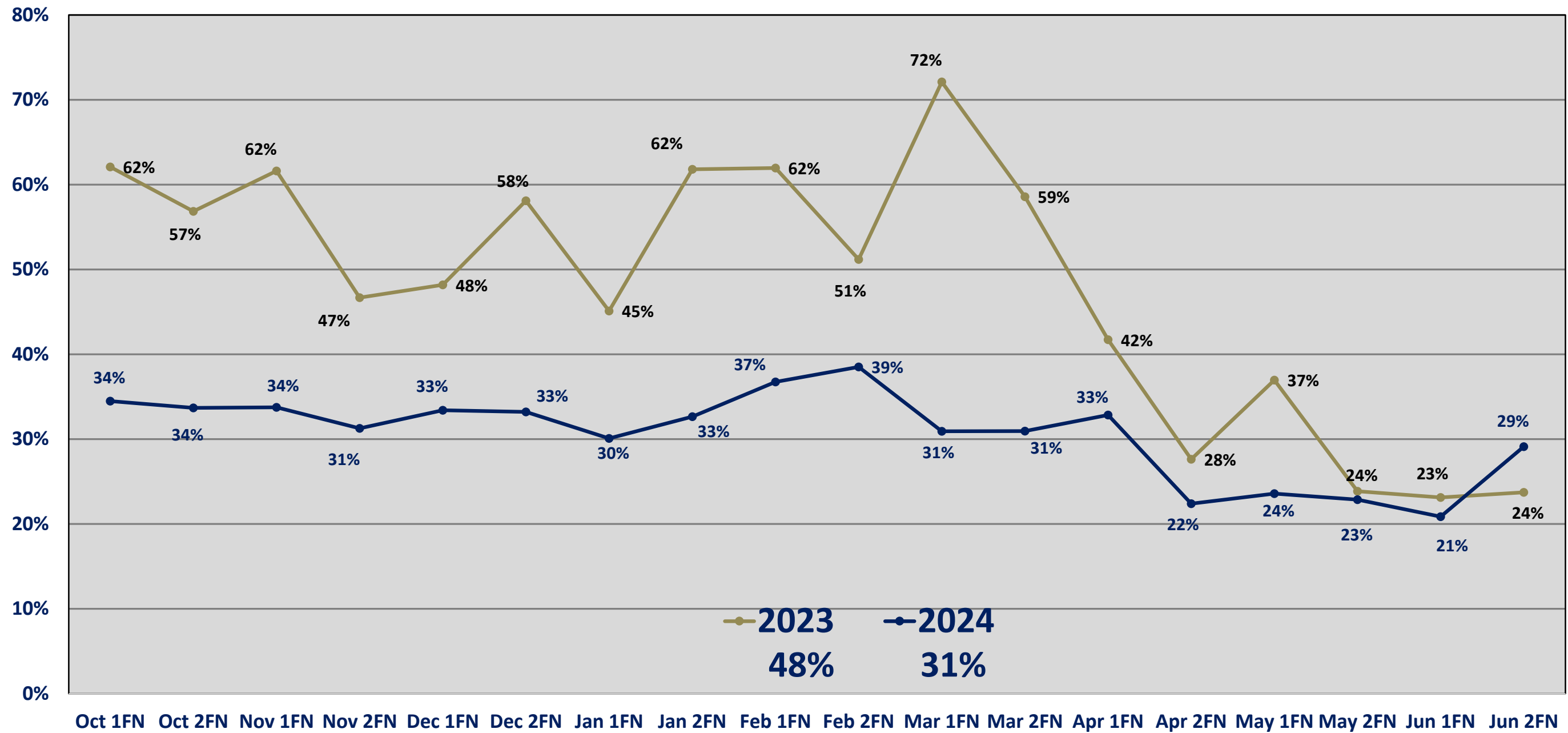
JAN 2024 – JUN 2024

Product	Unit	1-Jan-24	16-Jan-24	1-Feb-24	16-Feb-24	1-Mar-24	16-Mar-24	1-Apr-24	16-Apr-24	1-May-24	16-May-24	1-Jun-24	15-Jun-24	
Mogas	Rs. / Litre	↓	168 ↓	161 ↑	173 ↑	175 ↑	179 ↑	180 ↑	189 ↑	192 ↓	186 ↓	172 ↓	168 ↓	159
HSD	Rs. / Litre	↓	192 ↓	191 ↑	194 ↑	202 ↓	202 ↓	200 ↓	197 ↑	205 ↓	197 ↓	189 ↓	185 ↓	183
JP-1	Rs. / Litre	↓	180 ↓	179 ↑	183 ↓	177 ↑	190 ↓	182 ↓	178 ↑	178 ↑	188 ↓	183 ↓	169 ↓	164
JP-8	Rs. / Litre	↓	181 ↓	179 ↓	177 ↑	179 ↑	180 ↓	179 ↑	187 ↓	184 ↓	176 ↓	166 ↓	164 ↑	164
Furnace Oil	Rs. / MT	↓	135,000 ↑	148,662 ↑	157,523 ↓	154,000 ↓	151,000 ↓	147,500 →	147,500 →	147,500 ↓	142,500 ↑	149,000 →	149,000 →	149,000



HSD - MARGINS

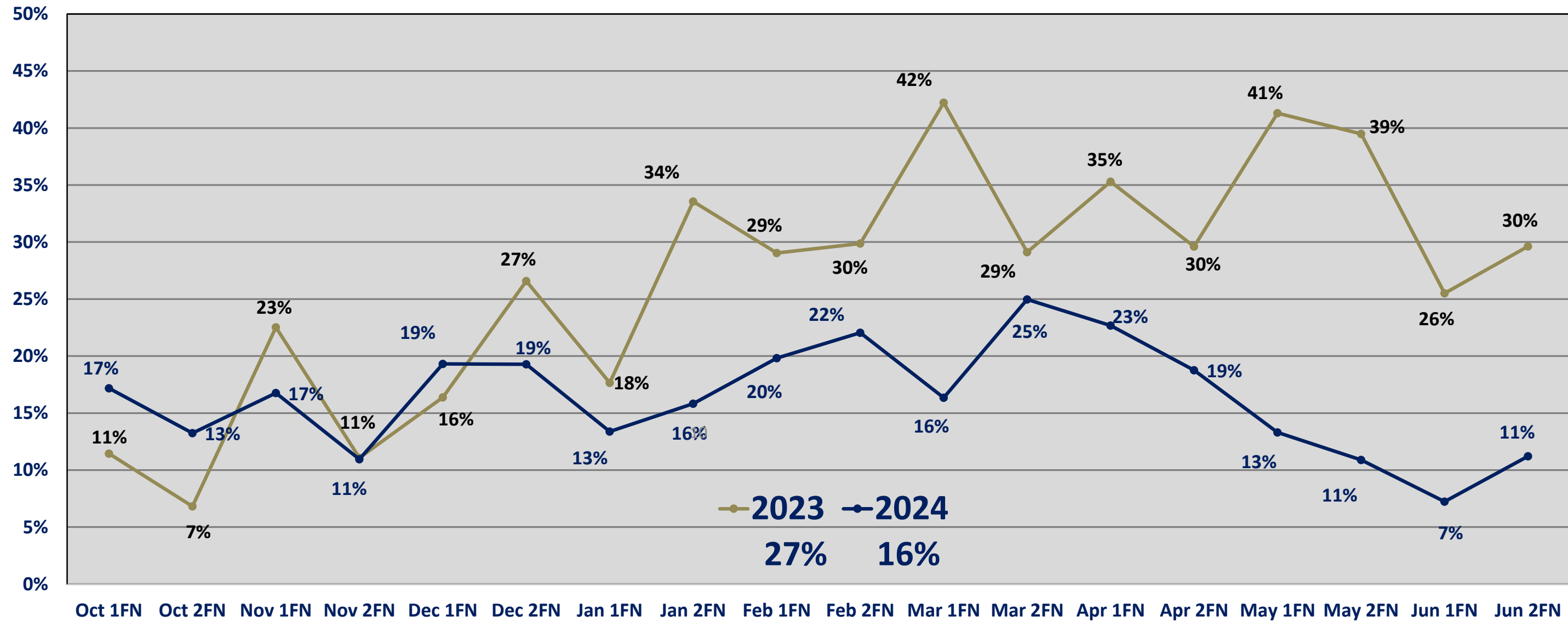
HSD Margins (% age of Arabian Light FOB)





MS - MARGINS

Motor Spirit Margins (% age of Arabian Light FOB)





BUSINESS RISK & UNCERTAINTIES

- The Volatile crude oil and product prices and margins.
- Global progress on introducing Electric Vehicles and reducing reliance on Fossil Fuel for environmental impacts.
- Country's economic challenges, including forex reserves, inflation and interest rates.
- Risk of devaluation of Pak Rupee against US Dollar.
- Availability of smuggled products through porous borders.
- Volatile Sale Pattern.
- Unavailability of reliable utilities and increasing utilities' cost.



MEASURES TAKEN / FUTURE OUTLOOK

- NRL has changed its crude mix to increase production of HSD being premium product and rationalize production of loss making Furnace oil and Bitumen.
- Due to improvement in Country's economic outlook, LC charges as well as bank mark-up rates have started to decline.
- Company has obtained medium term financing of Rs. 15 billion in order to reprofile short term borrowings.
- Company is exploring various options to improve the quality as well as volume of value added products.



FUTURE PROJECTS

- Company is considering installation of a CCR (Continuous Catalyst Regeneration) / Platforming unit along with other associated units.
- Further, company is reviewing different options to improve the bottom of the barrel.
- Government has announced the 'BrownField refining policy'. However, certain amendments were made in the Federal Budget 2024 which negatively impact the project IRR.
- Once the matter is resolved by the Government, then, the company would reassess its upgrade projects.



Q & A SESSION



THANK YOU