

PAKISTAN STATE OIL (PSO) – ANNUAL REPORT FY25 SUMMARY

Overview

Pakistan State Oil (PSO) maintained its leadership in FY25, demonstrating resilience amid global and domestic challenges. Leveraging strategic agility, operational excellence, and innovation, PSO sustained market leadership while supporting national energy security. With 3,649 retail outlets, 9 terminals, 19 depots, 15 airport refueling facilities, and 1.24 million tons of storage, PSO ensured uninterrupted nationwide fuel supply through local refinery upliftment and imports.

Economic and Industry Context

The global economy grew moderately in FY25, aided by easing inflation, stable crude prices (~\$83/barrel), and recovering trade and manufacturing. Pakistan's GDP rose 2.6% on fiscal discipline, lower inflation, and industrial and agricultural recovery.

The energy sector rebounded as supply chains stabilized and exchange rates steadied. Petroleum consumption increased for gasoline and diesel, while furnace oil declined due to a shift toward LNG and renewables. Lubricants and LPG grew, supported by rising automotive and household demand, alongside ongoing infrastructure investment.

Company Performance

PSO achieved a profit after tax of PKR 20.9 billion and EPS of PKR 44.5, while the Group reported a consolidated profit after tax of PKR 16.4 billion. A 100% cash dividend was declared, reflecting sustained financial strength.

The company maintained market leadership with 45.7% share in white oil, 46% in diesel, 40.8% in gasoline, and 99% in jet fuel. PSO's share price surged 127% YoY to a peak of PKR 465, demonstrating strong investor confidence.

Operational and Strategic Achievements

PSO ensured nationwide supply continuity through efficient import planning, optimized logistics, and collaboration with refineries and international suppliers.

Key milestones included:

- Advancement of the White Oil Pipeline Project in collaboration with Frontier Works Organization (FWO) to enhance inland fuel transportation efficiency.
- Strategic partnership with SOCAR (Azerbaijan) to diversify supply sources and strengthen national energy security.
- Contribution of \$245 million to Pakistan's foreign exchange reserves through international airline fueling operations.
- Integration of two additional terminals and 489 dispensing units into its network.

- Completed fuel handling facilities at eight railway sites to support efficient rail-based fuel logistics
- Rehabilitated 12,700 tons of storage capacity across seven tanks, ensuring seamless operations with over 90% storage tank availability.
- Handling of Pakistan's largest-ever fuel cargo at Keamari Terminal and receipt of the first RON-95 cargo at Zulfiqarabad Oil Terminal, marking significant milestones in logistics and infrastructure capability.
- Import of 109 LNG cargoes (6.6 million tons) to ensure stable energy availability across sectors.

Digital Transformation and Innovation

FY25 marked substantial progress in PSO's digitalization journey, driving efficiency, transparency, and data-driven decision-making.

The successful implementation of SAP S/4HANA, SAP Ariba, and Vendor Invoice Management (VIM) enhanced business integration and automation.

Major digital initiatives included:

- Faisalabad Terminal Automation System (FTAS): AI-driven predictive maintenance, automated diagnostics, and intelligent access control to minimize manual intervention.
- Keamari Terminal C Automation: Real-time logistics monitoring, safety compliance tracking, and optimized fuel distribution.
- Automatic Tank Gauging (ATG): Real-time monitoring of fuel levels and density across retail outlets to enhance forecasting and stock management.
- Real-Time Gauging Systems: Centralized monitoring of 96 critical tanks using predictive analytics for proactive inventory control.
- Digital Maintenance Platform (CMMS v2 – Service Sphere): Streamlined asset maintenance and service turnaround via the 24/7 Sahulat App.

HSE and Quality Assurance

PSO maintained top safety and quality standards through a robust HSE framework, delivering 4,000 training hours, inspecting 9,000+ tank lorries, and training 8,000+ drivers, achieving zero fatalities and 38.6 million safe man-hours. ISO 45001 certification expanded to 21 sites, supported by AI monitoring, e-HSE dashboards, and predictive analytics. Over 93,816 product samples were tested, ensuring strict quality and operational excellence.

ESG and Sustainability Leadership

PSO advanced its ESG agenda through impactful sustainability initiatives:

- Installation of 818 kW solar capacity, generating 1 million kWh of clean energy annually.
- Partnership with HUBCO Green and BYD for a national EV charging network.

- Recognition by CIPS for ethical and sustainable procurement practices.
- Launch of PGBC-certified green VIBE stores and plantation of 20,000 trees nationwide.

These initiatives align with Pakistan’s Nationally Determined Contributions (NDC 3.0) and the UN Sustainable Development Goals (SDGs).

Customer Experience and Network Expansion

Customer engagement was strengthened through initiatives such as the Fuelink App and Asaan Safar Program, enhancing convenience and connectivity across PSO’s retail network. The company further expanded its *VIBE* concept stores, adding six new outlets featuring sustainable, PGBC-certified modular designs, along with two *VIBE Cafés* in Karachi and Lahore that redefined forecourt experiences.

To diversify non-fuel offerings, PSO expanded its Shop Stop network by adding 99 new convenience stores, reaching a total of 310 outlets nationwide, that transform fuel stations into comprehensive lifestyle hubs.

In LPG business Segment (under the PAK-GAS brand), PSO reached its highest ever annual sales of ~60,000 metric tons, registering ~22% year-on-year growth; expanded its cylinder-exchange network to 81 retail outlets and introduced home-delivery services in Karachi, plus deployment in remote areas (Hunza/Gilgit) under the “Blue LPG” initiative.

Supporting Pakistan’s transition toward cleaner mobility, PSO continued to expand its Electric Vehicle (EV) charging infrastructure, installing new fast-charging stations along major highways and in key urban centers to facilitate intercity EV travel.

Human Capital and Organizational Development

With a workforce of 2,199 employees, including 17% women, PSO strengthened its inclusive, performance-driven culture. The rollout of SAP SuccessFactors digitized HR processes from onboarding to performance management. Leadership development programs, training, and wellness initiatives enhanced employee engagement and productivity, reinforcing PSO’s reputation as an employer of choice.

Corporate Social Responsibility (CSR)

Through the PSO CSR Trust, PKR 500 million was contributed toward education, healthcare, clean water, and environmental sustainability initiatives.

Subsidiaries and Strategic Ventures

PSO advanced diversification through its subsidiaries and joint ventures:

- **PSO Renewable Energy (Pvt.) Ltd.** – spearheading renewable and green energy initiatives.

- **Cerisma (Pvt.) Ltd.** – achieved operational capability as an Electronic Money Institution (EMI) after obtaining its pilot license from the State Bank of Pakistan, enabling digital payment innovation.

These platforms strengthen PSO’s position as a future-ready, technology-driven enterprise.

Awards & Accolades

In FY25, PSO earned several prestigious recognitions, including:

- Received multiple national and international recognitions in FY25, reaffirming PSO’s leadership, innovation, and commitment to excellence.
- Secured 1st position in the Oil and Gas Marketing Companies sector at the 39th Corporate Excellence Awards 2024 (MAP)
- Awarded SAFA Gold Award for Best Presented Annual Report 2023 in the Public Sector category by the South Asian Federation of Accountants (SAFA).
- Achieved 2nd position in the Best Corporate Report Award 2023 (Fuel & Energy Sector) from ICAP & ICMAP.
- Managing Director & CEO Syed Muhammad Taha named People’s CEO of the Year at the HR Pinnacle Awards 2025 for his visionary leadership.
- Won two Silver Effie Awards 2025 in the Automotive and Renaissance categories.
- Received Pakistan Digital Awards 2025
- Earned the Global Diversity, Equity and Inclusion Benchmarks (GDEIB) Award
- Recognized at the Dragons of Asia Awards with Gold, Silver and Black Dragon Awards

Future Outlook

PSO’s forward strategy centers on sustainable growth, innovation, and diversification. The company aims to expand its footprint in lubricants, LPG, and non-fuel retail, strengthen renewable energy and fintech ventures, and embed ESG metrics into performance evaluation. Guided by disciplined governance, digital leadership, and a low-carbon vision, PSO remains a cornerstone of Pakistan’s energy security and a catalyst for sustainable transformation.

Statement of Corporate Intent FY2025: Targets vs Achievements

S #	Targets	Updates/Achievements
1	Sustaining Financial Resilience: Increase EBITDA by 10% along with 3% savings in controllable expenses	Financial Resilience: <ul style="list-style-type: none"> Savings in controllable expenses of 3% was met. Profit after tax increased by 32% in FY2025, rising to PKR 20.9 billion from PKR 15.8 billion in FY2024, reflecting stronger bottom-line performance. This is in spite of the fact that EBITDA decreased by 6%, declining to PKR 91.3 billion from PKR 97.4 billion in FY2024. The reduction in EBITDA was primarily attributable to the following factors: <ul style="list-style-type: none"> On account of global oil price decline, PSO faced inventory losses in HSD amounting to PKR 7.2 billion as compared to last year. Additionally, LNG prices were also impacted by the global price decline which impacted the PSO's LNG margins by PKR 2.4bn as compared to last year. On account of continuous decline in furnace oil (HSFO) market, attributable to the shift toward alternative fuels and government policy measures, margins were negatively impacted by PKR 4.6 billion as compared to last year. Owing to reduction in borrowing rates, reimbursement against finance cost on line fill declined by PKR 2.6 billion as compared to last year.
2	Operational Excellence: Ensure 90% availability of operational storages.	Operational Excellence: Ensured greater than 90% availability of operational storages, above the identified benchmark. Retail Network Expansion: <ul style="list-style-type: none"> The retail network expanded by 107 new outlets, totalling a network of 3,649. Raising the bar in retail excellence, PSO launched VIBE, a pioneering concept store in Karachi, Lahore, and Islamabad, with plans to transform convenience stores nationwide into innovative concept outlets, setting new benchmarks and redefining the standards of convenience retailing.
3	Innovation and Diversification: Terminal Automation at Faisalabad.	Innovation: <ul style="list-style-type: none"> Launched Faisalabad Terminal Automation as planned. This initiative will help bring in efficiencies in terms of time, cost and operations. Launched new Asaan Safar outlets as part of phase I, via the Fuelink app, providing journey planning and upgraded station amenities. New customer product / services included home delivery of lubricants and pre-ordering LPG cylinders via LPG Blue in Gilgit-Baltistan. The company made significant strides in digitalizing operations, including integrating 2 new terminals and 498 dispensing unit controllers, and deploying 20 radar gauging systems to enhance real-time visibility and accuracy.

		Diversification: <ul style="list-style-type: none"> • PSO Renewable Energy (Pvt.) Limited is actively leading the development and deployment of renewable energy projects, accelerating the national transition to a low-carbon economy. PSO expanded its renewable energy portfolio, achieving a total installed solar capacity of 818kW. • PSO Fintech vertical, CERISMA, has made significant progress wherein they completed pre-pilot inspections with commendable results, having secured in-principle approval for an Electronic Money Institution (EMI) license from State Bank of Pakistan.
4	Social Responsibility: Support public charitable projects in the areas of education, healthcare, community building & disaster management and environment especially where PSO operates.	Social Responsibility: PSO actively supported charitable organizations in the areas of healthcare, community building and environment projects. Total Rs. 500 Mn were spent in FY 2025
5	Business Growth and Optimization: Sustain/increase market share in key products including white oil, black oil, LPG and Lubricants.	Business Growth and Optimization: Business Growth and Optimization: PSO sustained its dominant market leadership across white oil (motor gasoline and diesel with shares of 40.8% and 46% respectively). Also, the company exceeded expectations in high-growth segments like LPG and Lubricants. High Margin Products: <ul style="list-style-type: none"> • Lubricants: Market share expanded to 29% with sales of 41,000 metric tons. • LPG volumes surged to 60,000 metric tons, reflecting a benchmark 22.4% year-over-year (YoY) increase • Jet fuel - company held a 99% market share