

Date

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Analyst

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Applicable Criteria

- Methodology | Corporate Rating | Jul-25
- Methodology | Rating Modifiers | Apr-26
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Apr-26

Related Research

- Sector Study | Refineries | Dec-25

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PACRA Maintain Entity Ratings of Attock Refinery Limited

Rating Type	Entity	
	Current (21-May-26)	Previous (23-May-25)
Action	Maintain	Maintain
Long Term	AA	AA
Short Term	A1+	A1+
Outlook	Stable	Stable
Rating Watch	-	-

Attock Refinery Limited (ATRL) is a pioneer of crude oil refining in Pakistan with operational roots tracing back to 1922 and a key entity within the diversified Attock Group. The Pakistan refining sector is highly sensitive to global crude and product price movements, with profitability influenced by geopolitical and supply-demand dynamics. During the March 2026 quarter, the Persian Gulf conflict led to a huge supply-demand gap due to the unavailability of refined products. This caused a disproportionate increase in refining margins, leading to improved profitability for the refining sector. ATRL is the only refinery in Pakistan primarily operating on 100% indigenous crude oil, which largely insulated the Company from the supply disruptions. This competitive edge enabled the Company to fully capitalize on the margin expansion during 3QFY26, despite modest pressure on overall sales volumes. Gross profit surged 132% year-on-year to PKR 22.6bln (9MFY25: PKR 9.7bln), with Gross Profit Margin improving to 10.0% (9MFY25: 4.1%). Net Profit Margin also strengthened to 7.0% (9MFY25: 3.7%). On the financial side, the Company maintains a debt-free capital structure. Shareholders' equity strengthened to PKR 159.2bln, supported by strong internal cash generation. Liquidity remained strong, with cash and short-term investments of PKR 98.3bln, while a PKR 3.0bln short-term financing facility remains fully undrawn, reflecting ample financial flexibility. On the operational front, the Company achieved an average capacity utilization of approximately 71% during 9MFY26, despite lower crude receipts and product upliftment constraints in the first half of the fiscal year, demonstrating stable operational continuity under challenging supply conditions. On the upgradation and modernization front, ATRL has progressed key preparatory work under the Brownfield Refinery Policy 2023. The Company has signed a Front-End Engineering Design (FEED) and Project Management Consultancy (PMC) agreement with Studi Tecnologie Progetti S.p.A. (STP) of Italy, as part of its planned refinery upgrade to enable Euro-V-compliant fuel production. However, final investment decisions and project execution remain contingent on the finalization of the refinery policy framework. The Company also managed to export approx 140,700 MT of furnace oil during 9MFY26.

The assigned ratings reflect ATRL's debt-free capital structure, strong liquidity profile, operational resilience, and its association with a strong and experienced sponsor group. The ratings will remain contingent on the sustainability of profitability, supported by the Company's indigenous crude advantage, disciplined cost management, strong liquidity position, and sponsor backing. Progress on the Brownfield Refinery Policy, along with execution of the associated upgradation plans, will continue to remain an important consideration for the rating trajectory.

About the Entity

Attock Refinery Limited, incorporated in 1978 and listed on the Pakistan Stock Exchange, is engaged in crude oil refining and production of key petroleum products, including HSD, MOGAS, jet fuels (JP-1/JP-8), and furnace oil. The refinery has a nameplate capacity of 53,400 barrels per day and can process a wide range of crude grades from light to heavy (10–65 API), making it uniquely capable in Pakistan's refining landscape. It is the only refinery in the country operating entirely on indigenous crude oil and is a subsidiary of The Attock Oil Company Limited (England), with majority ownership held by the Attock Group.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.