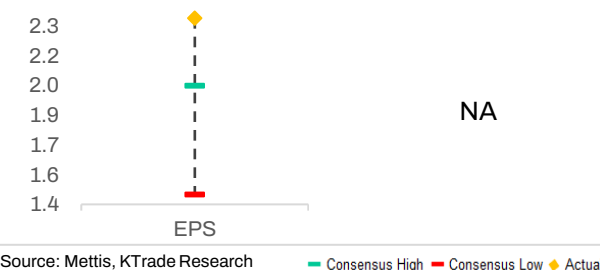


CNERGY | 1QFY27 Result Review – Earnings Above Expectation

Cnergyico PK Limited (CNERGY) announced its 1QFY27 results, posting a profit of **PkR12,877mn (EPS: PkR2.34)**, compared to a loss of PkR589mn in 1QFY26. The sharp improvement in quarterly profitability was driven by gross profit of **PkR22,349mn (vs. 1QFY26: PkR932mn)**. Gross margin improved to **15.4%** (up from 1.5% in 1QFY26), reflecting a substantial recovery in gross profitability. The effective tax rate stood at **38.2%** (vs. 1QFY26: tax benefit recorded against a pretax loss). On a sequential basis, CNERGY's profit recovered from a loss of PkR1,785mn in 4QFY26. The company did not announce a dividend for the quarter.

Consensus Forecast Range vs Actual – EPS & DPS



Unconsolidated Income Statement (PkRmn):

Description	1QFY27	1QFY26	YoY	4QFY26	QoQ	KTrade Research Comments
Revenue	145,174	61,613	136%	148,354	-2%	Increased 136%YoY, while declining 2%QoQ to PkR145.2bn, driven by inventory gains amid higher petroleum product prices.
Cost of Sales	-122,825	-60,681	102%	-156,013	-21%	Increased 102%YoY, while declining 21%QoQ to PkR122.8bn, supporting gross margin recovery.
Gross Profit	22,349	932	N.M.	-7,659	N.M.	Gross margin improved to 15.4% (vs. 1.5% in 1QFY26 and -5.2% in 4QFY26), reflecting inventory gains amid higher petroleum product prices.
Dist & Admin Cost	-717	-631	14%	-654	10%	Increased 14%YoY and 10%QoQ to PkR717mn.
Other Income	91	56	63%	63	44%	Increased 63%YoY / 44%QoQ to PkR91mn, providing a marginal contribution to overall profitability.
Operating Profit	21,723	357	N.M.	-8,249	N.M.	Recovered to PkR21.7bn (vs. PkR357mn in 1QFY26 and a loss of PkR8.2bn in 4QFY26), primarily driven by improved gross profitability.
Finance Cost	-877	-836	5%	-854	3%	Increased 5%YoY / 3%QoQ to PkR877mn, marginally weighing on earnings.
Profit / (Loss) before tax	20,846	-479	N.M.	-9,104	N.M.	Recovered to a profit of PkR20.8bn (vs. losses of PkR479mn in 1QFY26 and PkR9.1bn in 4QFY26), reflecting inventory gains and the resulting improvement in operating profitability.
Tax	-7,968	-110	N.M.	2,150	N.M.	Effective tax rate stood at 38.2%.
Profit after tax	12,877	-589	N.M.	-6,954	N.M.	Recorded a profit of PkR12.9bn (vs. a loss of PkR589mn in 1QFY26 / PkR7.0bn in 4QFY26).
EPS	2.34	-0.11		-1.27		
DPS	-	-		-		

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- Outperform >18.5% potential upside
- Neutral: 12.5% to 18.5% potential upside
- Underperform <12.5% potential upside