Oman I Result Flash

Oil Marketing

Valuation Summary (TTM)	
Currency	OMR
Price	10.2
PER (x)	10.9
P/B (x)	2.2
P/S (x)	0.3
EV/Sales	0.3
EV/EBITDA	7.0
Div Yield	5.4
Free Float(%)	60
Shares O/S(m)	7
Beta	0.7

(In Million)	OMR	USD
Mcap	70	182
EV	65	170

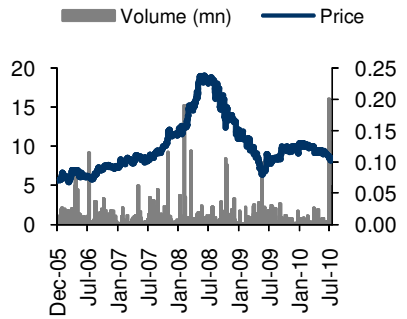
Price Performance (%)	1M	3M	12M
Al Maha	12.8%	13%	7%
.MSI	1.7%	5%	4%

Average Daily Turnover (m)	1D	10D	3M
Volume	0.005	0.002	0.004

52 Week	High	Low
Price	10.400	8.001

Major Shareholders	
ABS Lubricants	40%

Price Chart



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Valuation Data as of Oct 31, 2010

Result Flash: Al Maha Petroleum products

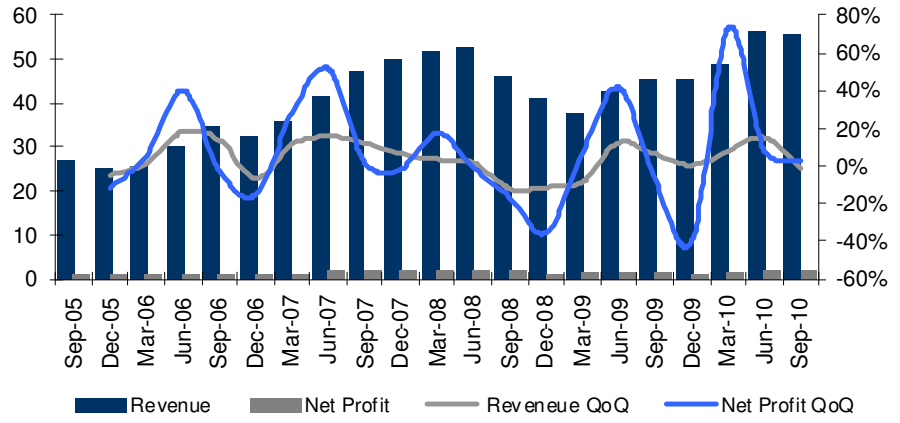
3Q10 within expected lines: Al Maha Petroleum reported its 9M10 results and were on expected lines. Revenue for 3Q10 slightly declined by 1% QoQ but improved by 23% YoY on improved sales in its retail, commercial, lubricants and aviation business. Operating expenses decreased by 1% QoQ on stabilized cost structure and increased by 24% YoY on surge in price of oil products from Sohar Refinery and change in fee structure. Profitability remained stable on QoQ basis despite YoY decline in margin trend, as the same is attributed to the change in fee structure. Net profit for the period increased by 6% QoQ and by 12% YoY on continued cost benefits.

	9M09	9M10	3Q09	4Q09	1Q10	2Q10	3Q10
Revenue	125.5	161.2	45.2	45.5	49.0	56.3	55.9
% change		28%		1%	8%	15%	-1%
Gross Profit	14.1	16.2	4.9	4.7	5.3	5.4	5.5
% change		15%		-4%	13%	2%	2%
Operating Profit	4.8	5.5	1.6	1.0	1.8	1.9	1.8
% change		15%		-37%	80%	6%	-5%
Net Profit	4.7	5.4	1.7	1.0	1.7	1.8	1.9
% change		15%		-41%	70%	6%	6%
Gross Profit Margins	11.2%	10.0%	10.8%	10.3%	10.8%	9.6%	9.8%
Operating Margins	3.8%	3.4%	3.5%	2.2%	3.7%	3.4%	3.2%
Net Profit Margins	3.7%	3.3%	3.8%	2.2%	3.5%	3.2%	3.4%

Source: Company data and United Securities Research, Fig in RO Millions

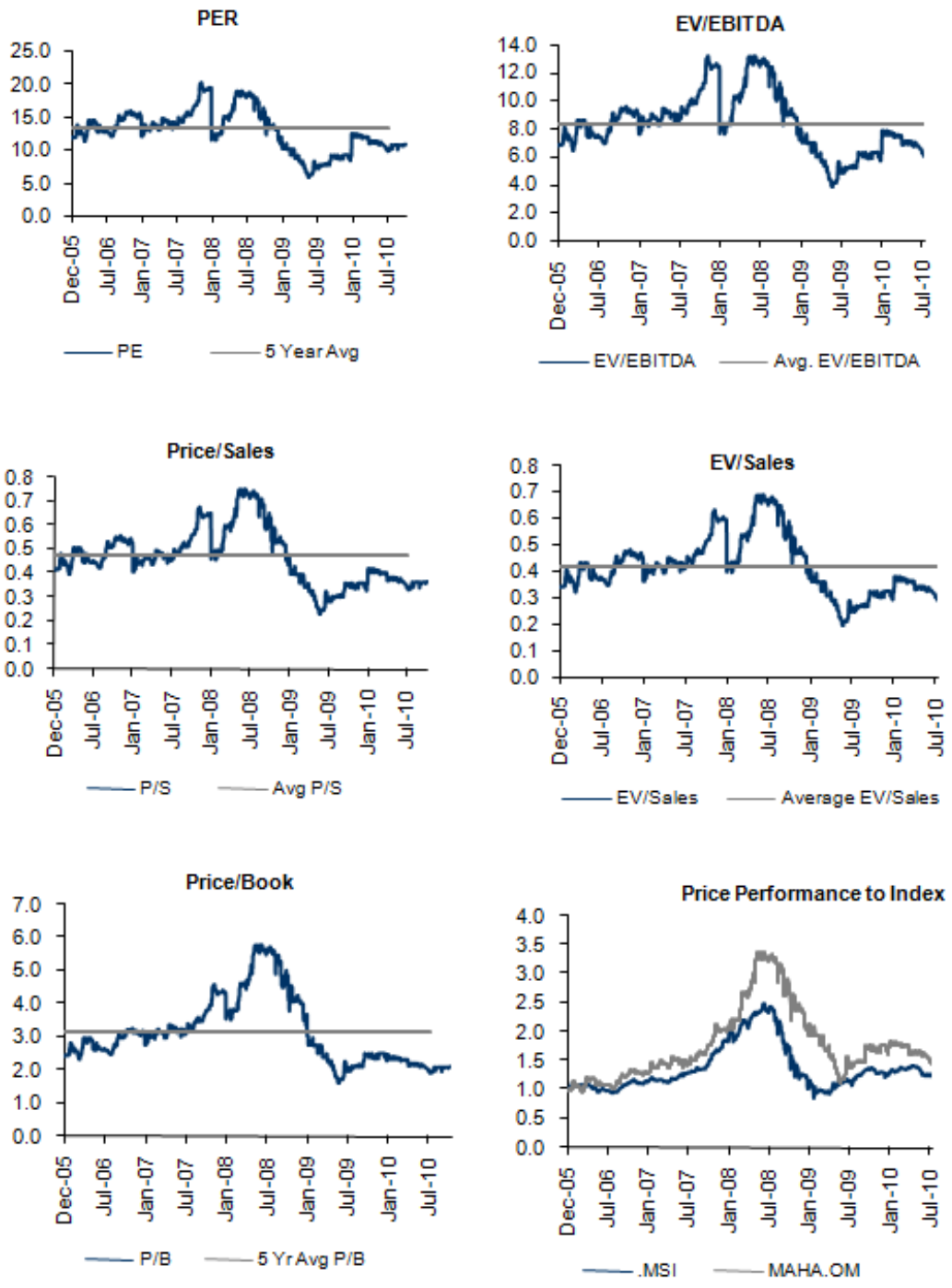
Valuations trading at a discount to peers: Al Maha Petroleum is currently trading at P/E of 10.9x, offering 13% premium to the sectors average P/E of 12.5x. The company' continues to reward its shareholders with high dividend yield of 5.4%, which is in the medium range to sector average. We remain positive on the sector considering the free cash flow yield and stable earnings momentum.

Revenue and Net Profit QoQ growth for last 20 quarters (Figures in OMR Million)



Source: Company data and United Securities Research

Historical trend in price and relative multiples



Source: Thomson Reuters and United Securities Research

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