

KTO operational results for 1Q2019

Altynay Ibraimova — April 17, 2019

Yesterday KazTransOil reported 1Q2019 operating indicators. The volume of transportation on separate basis decreased by 0.8% and the oil turnover volume decreased by 1.4%, reaching 9 326 mn tons / km. The consolidated oil turnover decreased by 2% to 11,276mn tons/km.

Our view

We are seeing an increase in the rate of decline in turnover from 1% in 1Q2018 to 2% in 1Q2019. We estimate a decrease in oil turnover within 2% of the acceptable level. Noting the increasing relevance of dividend expectations, we maintain our recommendation to “Buy” KTO shares with 12M TP of T1582/share.

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