

## Oil & Gas Exploration Companies

### 4QFY25: E&P Sector Earnings to Drop by 16%/y/y

- IGI E&P universe earnings are expected to decrease by 16%/y/y during 4QFY25 to PKR 76.1bn compared to PKR 90.6bn in the same period last year. Earnings attrition is anticipated on the back of a) lower oil and gas production and, b) lower average oil and wellhead prices despite marginal PKR appreciation. On sequential basis, earnings are expected to drop by 17%q/q.
- We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 12.6bn (EPS: PKR 10.5), down by 51%/y/y. We expect Pakistan Oilfields Limited's (POL) to report earnings of PKR 6.3bn (EPS: PKR 22.4) during 4QFY25, down by 31%/y/y.
- We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 36.3bn (EPS: PKR 8.4), down by 4%/y/y, during 4QFY25 compared to PKR 37.9bn (EPS: PKR 8.8). We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 20.9bn (EPS: PKR 7.7), up by +17%/y/y during 4QFY25 compared to PKR 17.9bn (EPS: PKR 6.6).

### E&P Sector: Earnings to decline by 16%/y/y to PKR 76.1bn during 4QFY25

IGI E&P universe earnings are expected to decrease by 16%/y/y during 4QFY25 to PKR 76.1bn compared to PKR 90.6bn in the same period last year. Earnings attrition is anticipated on the back of a) lower oil and gas production and, b) lower average oil and wellhead prices despite marginal PKR appreciation. On sequential basis, earnings are expected to drop by 17%q/q. This brings total profitability for FY25 to PKR 266.9bn, down by 24%/y/y, compared to PKR 349.1bn last year.

Exhibit: E&P sector profit after tax preview for 4qFY25

Period end = Jun

EPS	Jun/25	Mar/25	q/q	Jun/24	y/y	FY25e	FY24	y/y
PPL	7.7	8.0	-4%	6.6	17%	34.4	42.0	-18%
MARI	10.5	13.2	-21%	21.4	-51%	49.0	64.4	-24%
OGDC	8.4	11.0	-23%	8.8	-4%	38.6	48.6	-21%
POL	22.4	23.3	-4%	32.5	-31%	81.4	137.9	-41%
<b>Total (PKRbn)</b>	<b>76.1</b>	<b>91.5</b>	<b>-17%</b>	<b>90.6</b>	<b>-16%</b>	<b>341.5</b>	<b>439.7</b>	<b>-22%</b>
DPS	Jun/25	Mar/25	q/q	Jun/24	y/y	FY25e	FY24	y/y
PPL	2.5	1.0		2.5		7.5	6.0	
MARI	15.0	0.0		14.9		15.0	25.8	
OGDC	4.5	3.0		4.0		14.6	10.1	
POL	50.0	0.0		70.0		75.0	95.0	

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Source: Company Financials, IGI Research

### MARI: Earnings to decline by 51%/y to PKR 10.5/share during 4QFY25e

Mari Petroleum Company Limited's (MARI) board meeting is scheduled on 28-Jul-2025 to announce financial result for 4QFY25 where we expect the Company to register earnings of PKR 12.6bn (EPS: PKR 10.5), down by 51%/y during 4QFY25 compared to PKR 25.7bn (EPS: PKR 21.4) in the same period last year. On quarterly basis, earnings are estimated to drop by 21%/q. We attribute this drop in earnings on yearly basis during 4QFY25 to 15% additional royalty on Mari D&PL and lower gas production. This brings total profitability for FY25 to PKR 58.9bn (EPS PKR 49.0), down by 24%/y compared to PKR 77.3bn (EPS PKR 64.4) in the same period last year. We expect the MARI to announce cash dividend of PKR 15/share along with the result.

### POL: Earnings to drop by 31%/y during 4QFY25e to PKR 22.4/share

We expect Pakistan Oilfields Limited (POL) to report earnings of PKR 6.3bn (EPS: PKR 22.4) during 4QFY25, down by 31%/y, compared to PKR 9.2bn (EPS: PKR 32.5) in the same period last year. On a quarterly basis, earnings are expected to decline by 4%/y. We attribute this yearly decline in earnings during 4QFY25 to a) lower oil prices and, b) lower oil/gas production. This brings total profitability for FY25 to PKR 23.1bn (EPS PKR 81.4), down by 41%/y compared to PKR 39.2bn (EPS PKR 137.9) in the same period last year. We expect the POL to announce cash dividend of PKR 50/share along with the result bringing total cash payout for FY25 to PKR 75/share.

### OGDC: Profitability to inch down by 4%/y to PKR 8.4/share during 4QFY25e

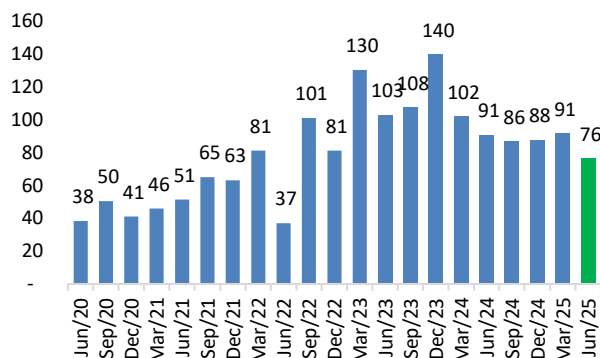
We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 36.3bn (EPS: PKR 8.4), down by 4%/y, during 4QFY25 compared to PKR 37.9bn (EPS: PKR 8.8) in the same period last year. On sequential basis, earnings are expected to drop by 23%/q. We attribute this yearly decline in earnings during 4QFY25 to lower oil prices and oil/gas production. This brings total profitability for FY25 to PKR 165.9bn (EPS PKR 38.6), down by 21%/y compared to PKR 208.9bn (EPS PKR 48.6) in the same period last year. We expect the Company to announce cash dividend of PKR 4.5/share along with the result bringing total cash payout for FY25 to PKR 14.6/share.

## PPL: Earnings to increase by +17%/y to PKR 7.7/share during 4QFY25e

We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 20.9bn (EPS: PKR 7.7), up by +17%/y during 4QFY25 compared to PKR 17.9bn (EPS: PKR 6.6) in the same period last year. On a quarterly basis, earnings are expected to decline by 4%/q. We attribute this growth in earnings on yearly basis during 4QFY25 to lower exploration cost and PKR appreciation despite lower oil prices and oil/gas production. This brings total profitability for FY25 to PKR 93.6bn (EPS PKR 34.4), down by 18%/y compared to PKR 114.3bn (EPS PKR 42.0) in the same period last year. We expect PPL to announce cash dividend of PKR 2.5/share along with the result bringing total cash payout for FY25 to PKR 7.5/share

### Exhibit: E&P sector quarterly earnings (PKRbn)

E&P sector earnings to decline by 16%/y.



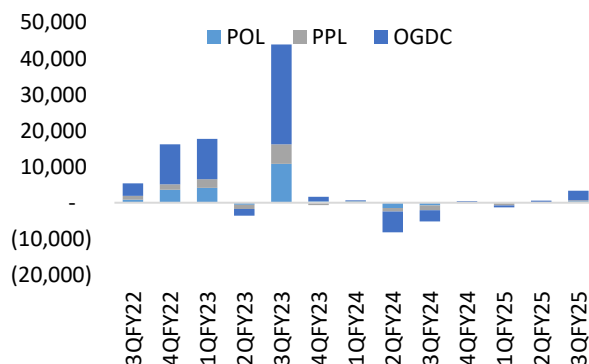
### Exhibit: International oil prices (USD/bbl)

Oil prices on average declined by 21%/y and 12%/q during 4QFY25.



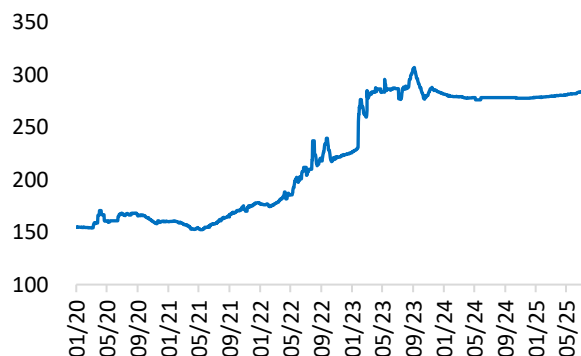
### Exhibit: Quarter-wise exchange gains/(losses) (PKRmn)

E&P sector witnessed slight exchange gains during 3QFY25. Higher exchange gains expected in 4QFY25



### Exhibit: Exchange rate movement

PKR depreciated by almost 1.4%/y on average during 4QFY25.



Source: Bloomberg, Company Financials, IGI Research

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