

# Flash Note

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Securities

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## Oil & Gas Exploration Companies

### Mari Energies Limited (MARI)

**Earnings:** Mari Energies Limited (MARI) announced its 2QFY25 result. The Company reported 2QFY25 earnings of PKR 11.17bn (EPS PKR 9.30 @1,200.62mn shares) compared to PKR 18.36bn (EPS PKR 15.29 @1,200.62mn shares) in the similar period last year. On a quarterly basis, profitability is down by 42%/y. This brings total profitability for 1HFY25 to PKR 30.40bn (EPS PKR 25.32), down by 19%/y, compared to PKR 37.50bn (EPS PKR 31.24) in the same period last year.

**Dividend/Payout:** The Company did not announce any cash dividend along with the result.

**Operating Performance:** During the period under review, MARI reported an 8%/y decline in revenue during 2QFY25 on the back of lower wellhead gas price for Mari field, oil prices, PKR appreciation and lower gas production. Royalty expense increased by 39%/y to PKR 8.01bn likely due to imposition of additional royalty on wellhead value of Mari D&P lease from Nov-24. Exploration cost stood at PKR 3.72bn during 2QFY25 compared to PKR 1.47bn in the same period last year likely due to dry well cost incurred during the quarter. Operating expenses increased by +2.2x/y to PKR 15.10bn during 2QFY25 compared to PKR 7.02bn in the corresponding period last year. Finance income leaped up by +44%/y to PKR 2.31bn during 2QFY25 likely owing to higher mark-up income. Effective tax stood at 25.1% during 2QFY25 (1QFY25: 34.0%) compared to 39.8% in the same period last year bringing total effective tax rate for 1HFY25 to 31.0% against 40.2% in the corresponding period last year.

Exhibit: MARI Financial Highlights								
For the period 2QFY25								
PKRmn	2QFY25	2QFY24	y/y	1QFY25	q/q	1HFY25	1HFY24	y/y
Net Sales	41,354	45,539	-9%	45,297	-9%	86,652	93,745	-8%
Royalty	8,008	5,756	39%	5,522	45%	13,529	11,747	15%
Operating Expense	15,098	7,022	115%	8,030	88%	23,128	14,640	58%
Exploration Expense	3,720	1,465	154%	3,001	24%	6,721	3,256	106%
Gross Profit	13,412	29,158	-54%	26,688	-50%	40,100	59,714	-33%
Other Income / (loss)	26	796	-97%	119	-78%	145	916	-84%
EBIT	13,438	29,954	-55%	26,807	-50%	40,245	60,630	-34%
Finance Income	2,311	1,606	44%	3,365	-31%	5,676	4,098	39%
Finance Cost	833	702	19%	835	0%	1,668	1,434	16%
PBT	14,908	30,502	-51%	29,129	-49%	44,036	62,698	-30%
PAT	11,168	18,361	-39%	19,228	-42%	30,396	37,505	-19%
<b>EPS (PKR) @ 1,200.62mn shares</b>	<b>9.30</b>	<b>15.29</b>		<b>16.01</b>		<b>25.32</b>	<b>31.24</b>	
<b>DPS (PKR) @ 1,200.62mn shares</b>	<b>0.0</b>	<b>10.89</b>		<b>0.0</b>		<b>0.0</b>	<b>10.89</b>	

Source: IGI Research and Company Financials No of Shares: 1,200.62mn

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