

Flash Note

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Oil & Gas Exploration Companies

Mari Petroleum Company Limited

Earnings: Mari Petroleum Company Limited (MARI) announced its 3QFY24 result. The Company reported 3QFY24 earnings of PKR 14.1bn (EPS PKR 105.88), down by 14%y/y compared to PKR 16.4bn (EPS PKR 123.16) in the similar period last year. On a quarterly basis, profitability is down by 23%y/y. This brings total profitability to PKR 51.63bn (EPS PKR 387.02) up by +28%y/y compared to PKR 40.29bn (EPS PKR 302.03) 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 a +28%y/y increase in revenue during 3QFY24 on the back of PKR depreciation against greenback and higher gas production. Earnings growth was mainly driven by PKR depreciation, higher gas production from the Mari field and lower tax expense. However, earnings growth was limited by higher exploration cost, operating expense and lower finance income. Exploration cost leaped up by +4.1x/y to PKR 15.53bn during 3QFY24 likely owing to one dry well cost and higher prospecting expense. Operating expenses augmented by +73%y/y to PKR 11.5bn during 3QFY24 compared to PKR 6.64bn in the corresponding period last year. Finance income dropped by 57%y/y to PKR 2.0bn during 3QFY24 likely in the absence of exchange gains. On a quarterly basis, earnings declined by 23%q/q mainly due to higher exploration cost. Effective tax stood at 8.3% during 3QFY24 (2QFY24: 39.8%) compared to 33.4% in the same period last year bringing total effective tax for 9MFY24 to 33.9% (9MFY23: 33.7%).

Exhibit: MARI Financial Highlights								
For the period 3QFY24								
PKRmn	3QFY24	3QFY23	y/y	2QFY24	q/q	9MFY24	9MFY23	y/y
Net Sales	48,247	37,838	28%	45,539	6%	141,992	98,840	44%
Royalty	5,800	4,674	24%	5,756	1%	17,547	12,356	42%
Operating Expense	11,499	6,641	73%	7,022	64%	26,139	16,178	62%
Exploration Expense	15,527	3,816	4.1x	1,465	10.6x	18,783	9,539	97%
Gross Profit	14,236	21,076	-32%	29,158	-51%	73,949	56,592	31%
Other Income / (loss)	56	(172)	n/m	796	-93%	972	(759)	n/m
EBIT	14,292	20,905	-32%	29,954	-52%	74,922	55,833	34%
Finance Income	2,007	4,644	-57%	1,606	25%	6,105	6,858	-11%
Finance Cost	716	451	59%	702	2%	2,150	1,323	62%
PBT	15,397	24,651	-38%	30,502	-50%	78,095	60,803	28%
PAT	14,124	16,430	-14%	18,361	-23%	51,629	40,291	28%
EPS (PKR)	105.88	123.16		137.64		387.02	302.03	
DPS (PKR)	0.0	0.0		98.0		98.0	89.0	

Source: IGI Research and Company Financials No of Shares: 133.40mn

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