

Flash Note

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Oil & Gas Exploration Companies

Mari Petroleum Company Limited (MARI)

Earnings: Mari Petroleum Company Limited (MARI) announced its 4QFY24 result. The Company reported 4QFY24 earnings of PKR 25.66bn (EPS PKR 192.34), up by 62%/y compared to PKR 15.84bn (EPS PKR 118.72) in the similar period last year. On a quarterly basis, profitability is up by 82%/y. This brings total profitability for FY24 to PKR 77.29bn (EPS PKR 579.36) up by +38%/y compared to PKR 56.13bn (EPS PKR 420.75) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 134/share along with the result bringing total cash payout for FY24 to PKR 232/share. MARI also announced 800% bonus shares on the back of a strong balance sheet.

Operating Performance: During the period under review, MARI reported a 15%/y decline in revenue during 4QFY24 on the back of PKR appreciation against the greenback despite higher gas production. Earnings growth was mainly driven by higher oil prices, gas production from the Mari field, exploration cost reversal and lower tax expense. Exploration cost reversal stood at PKR 5.9bn during 4QFY24 compared to exploration expense of PKR 10.9bn in the same period last year, likely owing to reassessment of expenditure. We await further clarity on this. Operating expenses declined by 11%/y to PKR 9.8bn during 4QFY24 compared to PKR 10.9bn in the corresponding period last year. Finance income leaped up by +40%/y to PKR 3.1bn during 4QFY24, likely owing to higher mark-up income. Effective tax stood at 20.5% during 4QFY24 (3QFY24: 8.3%) compared to 36.8% in the same period last year, bringing total effective tax for FY24 to 30.0% (FY23: 34.6%).

Exhibit: MARI Financial Highlights								
For the period 4QFY24								
PKRmn	4QFY24	4QFY23	y/y	3QFY24	q/q	FY24	FY23	y/y
Net Sales	39,836	46,930	-15%	48,247	-17%	181,829	145,770	25%
Royalty	4,551	5,192	-12%	5,800	-22%	22,098	17,548	26%
Operating Expense	9,765	10,934	-11%	11,499	-15%	35,904	27,112	32%
Exploration Expense	(5,859)	6,478	n/m	15,527	n/m	12,924	16,017	-19%
Gross Profit	30,212	22,707	33%	14,236	112%	104,161	79,299	31%
Other Income / (loss)	(832)	396	n/m	56	n/m	141	(363)	n/m
EBIT	29,380	23,103	27%	14,292	106%	104,302	78,937	32%
Finance Income	3,104	2,217	40%	2,007	55%	9,209	9,075	1%
PBT	32,268	25,044	29%	15,397	110%	110,363	85,847	29%
PAT	25,659	15,837	62%	14,124	82%	77,288	56,129	38%
EPS (PKR)	192.34	118.72		105.88		579.36	420.75	
DPS (PKR)	134.0	58.0		0.0		232.0	147.0	
Bonus	800%	-		-		800%	-	

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

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