

Flash Note

Friday, October 18, 2024

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Oil & Gas Exploration Companies

Pakistan Oilfields Limited (POL)

Earnings: Pakistan Oilfields Limited (POL) announced its 1QFY25 result. The Company reported 1QFY25 unconsolidated earnings of PKR 2.57bn (EPS PKR 9.05), down by 74%y/y compared to PKR 9.71bn (EPS PKR 34.2) in the similar period last year. On a quarterly basis, profitability is down by 72%q/q.

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

Operating Performance: During the period under review, POL reported a 7%y/y decline in revenue during 1QFY25 on the back of lower oil price, production and PKR appreciation. Exploration cost augmented by +10.8xy/y to PKR 7.74bn during 1QFY25 likely owing to dry well cost incurred at Balkassar Deep-1A. Operating expenses increased by +12%y/y to PKR 2.83bn during 1QFY25 compared to PKR 2.52bn in the same period last year. Other income declined by 23%y/y during 1QFY25 likely owing to lower mark-up income. On a quarterly basis, earnings dropped by 72%y/y mainly due to higher exploration cost, lower oil prices and higher taxation. Effective tax stood at 45.3% during 1QFY25 (4QFY24: 28.1%) compared to 29.8% in the same period last year.

Exhibit: POL Financial Highlights					
For the period 1QFY25					
PKRmn	1QFY25	1QFY24	y/y	4QFY24	q/q
Net Sales	15,451	16,682	-7%	14,956	3%
Operating Costs	2,826	2,520	12%	3,311	-15%
Royalty	1,714	2,034	-16%	1,652	4%
Amortization of D&D Cost	833	174	4.8	12	72.0
Gross Profit	10,078	11,954	-16%	9,982	1%
Exploration Costs	7,735	719	10.8	160	48.3
Administration Expenses	113	115	-2%	45	2.5
Finance Cost	939	1,272	-26%	1,085	-13%
Other Income	3,746	4,892	-23%	4,821	-22%
PBT	4,700	13,831	-66%	12,806	-63%
PAT	2,569	9,708	-74%	9,212	-72%
EPS (PKR)	9.05	34.20		32.45	
DPS (PKR)	0.00	0.00		70.00	

Source: IGI Research, PSX No of Shares: 283.86mn

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