Flash Note

Tuesday, October 28, 2025

IGI Securities
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Oil & Gas Exploration Companies

Pakistan Oilfields Limited (POL)

Earnings: Pakistan Oilfields Limited (POL) announced it 1QFY26 result. The Company reported 1QFY26 unconsolidated earnings of PKR 5.43bn (EPS PKR 19.13), up by 2.1xy/y compared to PKR 2.57bn (EPS PKR 9.05) in the similar period last year. On quarterly basis, profitability is down by 27%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 15%y/y decline in revenue during 1QFY26 on the back of lower oil prices and production despite PKR depreciation. Exploration cost plummeted by 85%y/y to PKR 1.13bn during 1QFY26 likely in the absence of dry well cost. Operating expenses declined by 14%y/y to PKR 3.15bn during 1QFY26 compared to PKR 3.66bn in the same period last year. Other income declined by 50%y/y during 1QFY26 likely owing to drop in interest rates. On quarterly basis, earnings declined by 27%y/y mainly due to higher operating cost and taxation. Effective tax stood at 33.1% during 1QFY26 (4QFY25: 25.1%) compared to 45.3% in the same period last year.

Exhibit: POL Financial Highlights
For the period 1QFY26

PKRmn	1QFY26	1QFY25	y/y	4QFY25	q/q
Net Sales	13,113	15,451	-15%	12,282	7%
Operating Costs	3,149	3,659	-14%	601	5.2x
Royalty	1,450	1,714	-15%	1,290	12%
Gross Profit	8,514	10,078	-16%	10,392	-18%
Exploration Costs	1,126	7,735	-85%	1,407	-20%
Administration Expenses	122	113	9%	22	5.5x
Finance Cost	529	939	-44%	1,830	-71%
Other Income	1,858	3,746	-50%	3,310	-44%
PBT	8,118	4,700	73%	9,919	-18%
PAT	5,429	2,569	2.1x	7,428	-27%
EPS (PKR)	**19.13**	**9.05**		**26.17**	
DPS (PKR)	0.00	0.00		50.00	

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

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- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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