

# Flash Note

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Securities

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## Oil & Gas Exploration Companies

### Pakistan Oilfields Limited (POL)

**Earnings:** Pakistan Oilfields Limited (POL) announced its 2QFY26 result. The Company reported 2QFY26 unconsolidated earnings of PKR 6.29bn (EPS PKR 22.16), down by 17%y/y compared to PKR 7.57bn (EPS PKR 26.68) in the similar period last year. On a quarterly basis, profitability is UP by +16%q/q. This brings total profitability for 1HFY26 to PKR 11.72bn (EPS PKR 41.29), up by +16%y/y, compared to PKR 10.14bn (EPS PKR 35.73) in the same period last year.

**Dividend/Payout:** The Company announced a cash dividend of PKR 27.5/share along with the result compared to PKR 25.0/share in the same period last year.

**Operating Performance:** During the period under review, POL reported a 2%y/y decline in revenue during 2QFY26 on the back of lower oil prices despite slight PKR depreciation. Exploration cost augmented by +3.3xy/y to PKR 2.04bn during 2QFY26 likely owing to higher prospecting expense (Ikhlas and Pariwali). Operating expenses declined by 3%y/y to PKR 3.38bn during 2QFY26 compared to PKR 3.48bn in the same period last year. Other income declined by 51%y/y during 2QFY26 likely owing to a drop in interest rates. On a quarterly basis, earnings increased by +16%y/y mainly due to higher other income, production and lower taxation. Effective tax stood at 26.2% during 2QFY26 (1QFY26: 33.1%) compared to 36.8% in the same period last year bringing total effective tax rate for 1HFY26 to 29.6% against 39.2% in 1HFY25.

Exhibit: POL Financial Highlights								
For the period 2QFY26								
PKRmn	2QFY26	2QFY25	y/y	1QFY26	q/q	1HFY26	1HFY25	y/y
Net Sales	14,573	14,832	-2%	13,113	11%	27,685	30,283	-9%
Operating Costs	3,384	3,480	-3%	3,149	7%	6,533	7,139	-8%
Royalty	1,691	1,597	6%	1,450	17%	3,141	3,311	-5%
Gross Profit	9,498	9,755	-3%	8,514	12%	18,012	19,833	-9%
Exploration Costs	2,037	626	3.3x	1,126	81%	3,164	8,361	-62%
Administration Expenses	84	119	-29%	122	-31%	207	232	-11%
Finance Cost	631	920	-31%	529	19%	1,160	1,859	-38%
Other Income	2,263	4,626	-51%	1,858	22%	4,121	8,372	-51%
PBT	8,526	11,988	-29%	8,118	5%	16,644	16,688	0%
PAT	6,290	7,573	-17%	5,429	16%	11,719	10,142	16%
<b>EPS (PKR)</b>	<b>22.16</b>	<b>26.68</b>		<b>19.13</b>		<b>41.29</b>	<b>35.73</b>	
DPS (PKR)	27.50	25.00		0.00		27.50	25.00	

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

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