

Flash Note

Monday, September 2, 2024

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Oil & Gas Exploration Companies

Pakistan Oilfields Limited (POL)

Earnings: Pakistan Oilfields Limited (POL) announced its 4QFY24 result. The Company reported 4QFY24 unconsolidated earnings of PKR 9.21bn (EPS PKR 32.45), up by +57%y/y compared to PKR 5.86bn (EPS PKR 20.66) in the similar period last year. On a quarterly basis, profitability is down by 25%q/q. This brings total earnings for FY24 to PKR 39.15bn (EPS PKR 137.93), up by +7%y/y, compared to PKR 36.45bn (EPS PKR 128.42) in the similar period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 70/share along with the result bringing total cash payout for FY24 to PKR 95/share.

Operating Performance: During the period under review, POL reported a 1%y/y decline in revenue during 4QFY24 on the back of PKR appreciation and lower oil/gas production despite higher oil prices. Exploration cost plummeted by 59%y/y to PKR 0.16bn during 4QFY24 likely owing to lower prospecting expense during 4QFY24. Operating expenses increased by +5%y/y to PKR 3.31bn during 4QFY24 compared to PKR 3.17bn in the same period last year. Other income improved by +21%y/y during 4QFY24 likely owing to higher mark up income. On a quarterly basis, earnings dropped by 25%y/y mainly due to higher tax rate and lower oil/gas production. Effective tax stood at 28.1% during 4QFY24 (3QFY24: 9.8%) compared to 51.8% in the same period last year bringing total effective tax rate to 26.5% during FY24 compared to 26.6% in the corresponding period last year.

Exhibit: POL Financial Highlights								
For the period 4QFY24								
PKRmn	4QFY24	4QFY23	y/y	3QFY24	q/q	FY24	FY23	y/y
Net Sales	14,956	15,081	-1%	16,288	-8%	65,290	60,952	7%
Operating Costs	3,311	3,167	5%	2,590	28%	12,127	11,160	9%
Royalty	1,652	1,742	-5%	1,820	-9%	7,374	6,880	7%
Amortization of D&D Cost	12	(1,114)	n/m	163	-93%	396	1,175	-66%
Gross Profit	9,982	11,287	-12%	11,716	-15%	45,394	41,737	9%
Exploration Costs	160	390	-59%	313	-49%	1,606	6,720	-76%
Administration Expenses	45	53	-16%	93	-52%	330	312	6%
Finance Cost	1,085	1,834	-41%	665	63%	3,347	9,619	-65%
Other Income	4,821	3,993	21%	3,980	21%	16,574	27,062	-39%
PBT	12,806	12,170	5%	13,703	-7%	53,239	49,659	7%
PAT	9,212	5,864	57%	12,361	-25%	39,152	36,453	7%
EPS (PKR)	32.45	20.66		43.55		137.93	128.42	
DPS (PKR)	70.00	60.00		0.00		95.00	80.00	

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

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