

# Flash Note

Tuesday, October 29, 2024

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Securities

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## Oil & Gas Exploration Companies

### Pakistan Petroleum Limited (PPL)

**Earnings:** Pakistan Petroleum Limited (PPL) announced its 1QFY25 result. The Company reported 1QFY25 unconsolidated earnings of PKR 23.58bn (EPS PKR 8.67), down by 20%y/y compared to PKR 29.63bn (EPS PKR 10.89) in the similar period last year. On a quarterly basis, profitability is up by +32%q/q.

**Dividend/Payout:** The Company announced a cash dividend of PKR 2.0/share along with the result compared to PKR 2.5/share in 4QFY24.

**Operating Performance:** During the period under review, PPL reported a 15%y/y decline in revenue during 1QFY25 on the back of lower oil prices, production and PKR appreciation. Exploration cost declined by 24%y/y to PKR 1.52bn during 1QFY25 likely owing to lower prospecting expense. Operating expenses increased by +19%y/y to PKR 14.85bn during 1QFY25 compared to PKR 12.50bn in the same period last year. Other income augmented by +70%y/y during 1QFY25 likely due to higher markup income. On a quarterly basis, earnings increased by +32%y/y mainly due to lower exploration cost, administrative and operating expense. Effective tax stood at 39.1% during 1QFY25 (4QFY24: 36.9%) compared to 37.7% in the same period last year.

Exhibit: PPL Financial Highlights					
For the period 1QFY25					
PKRmn	1QFY25	1QFY24	y/y	4QFY24	q/q
Net Sales	66,177	77,448	-15%	64,137	3%
Operating Expense	14,851	12,496	19%	16,951	-12%
Royalty	10,536	12,292	-14%	10,390	1%
Gross Profit	40,790	52,660	-23%	36,796	11%
Exploration Expense	1,519	1,999	-24%	7,138	-79%
Administrative Expense	1,644	1,205	36%	1,864	-12%
Other Income	6,394	3,754	70%	5,440	18%
Other Charges	4,099	4,389	-7%	3,995	3%
Share of loss from associate	618	837	-26%	471	31%
EBIT	39,305	47,983	-18%	28,768	37%
Finance Cost	561	412	36%	396	42%
PBT	38,743	47,572	-19%	28,373	37%
PAT	23,577	29,626	-20%	17,898	32%
<b>EPS (PKR)</b>	<b>8.67</b>	<b>10.89</b>		<b>6.58</b>	
<b>DPS (PKR)</b>	<b>2.00</b>	<b>0.00</b>		<b>2.50</b>	

Source: IGI Research, PSX No of Shares: 2,720.97mn

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