

Flash Note

Friday, February 28, 2025

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Oil & Gas Exploration Companies

Pakistan Petroleum Limited (PPL)

Earnings: Pakistan Petroleum Limited (PPL) announced its 2QFY25 result. The Company reported 2QFY25 unconsolidated earnings of PKR 27.34bn (EPS PKR 10.05), down by 30%y/y compared to PKR 39.15bn (EPS PKR 14.39) in the similar period last year. On a quarterly basis, profitability is up by +16%q/q. This brings total profitability for 1HFY25 to PKR 50.91bn (EPS PKR 18.71), down by 26%y/y, compared to PKR 68.78bn (EPS PKR 25.28) in the corresponding period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 2.0/share along with the result bringing total cash payout for 1HFY25 to PKR 4.0/share compared to PKR 2.5/share in the similar period last year.

Operating Performance: During the period under review, PPL reported a 16%y/y decline in revenue during 2QFY25 on the back of lower oil prices, oil production and PKR appreciation. Exploration cost declined by 21%y/y to PKR 5.18bn during 2QFY25 likely owing to lower prospecting and dry well expense. Operating expenses inched down by 1%y/y to PKR 12.20bn during 2QFY25 compared to PKR 12.33bn in the same period last year. Other income augmented by +2.2x/y during 2QFY25 likely due to higher markup income. On a quarterly basis, earnings increased by +16%q/q mainly due to lower tax, operating expense and higher other income despite higher exploration cost. Effective tax stood at 26.6% during 2QFY25 (1QFY25: 39.1%) compared to 1.1% in the same period last year bringing total effective tax rate for 1HFY25 to 33.0% against 21.1% in the corresponding period last year.

Exhibit: PPL Financial Highlights								
For the period 2QFY25								
PKRmn	2QFY25	2QFY24	y/y	1QFY25	q/q	1HFY25	1HFY24	y/y
Net Sales	60,721	72,307	-16%	66,177	-8%	126,898	149,755	-15%
Operating Expense	12,203	12,329	-1%	14,851	-18%	27,054	24,824	9%
Royalty	9,030	11,064	-18%	10,536	-14%	19,566	23,355	-16%
Gross Profit	39,488	48,915	-19%	40,790	-3%	80,278	101,575	-21%
Exploration Expense	5,183	6,590	-21%	1,519	241%	6,702	8,589	-22%
Administrative Expense	1,609	963	67%	1,644	-2%	3,253	2,168	50%
Other Income	8,848	3,978	122%	6,394	38%	15,242	7,732	97%
Other Charges	2,825	4,962	-43%	4,099	-31%	6,924	9,350	-26%
Share of loss from associate	824	388	112%	618	33%	1,441	1,226	18%
EBIT	37,895	39,990	-5%	39,305	-4%	77,200	87,974	-12%
Finance Cost	645	407	59%	561	15%	1,207	819	47%
PBT	37,250	39,584	-6%	38,743	-4%	75,993	87,155	-13%
PAT	27,336	39,150	-30%	23,577	16%	50,914	68,777	-26%
EPS (PKR)	10.05	14.39		8.67		18.71	25.28	
DPS (PKR)	2.00	2.50		2.00		4.00	2.50	

Source: IGI Research, PSX

No of Shares: 2,720.97mn

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