

Flash Note

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Oil & Gas Exploration Companies

Pakistan Petroleum Limited (PPL)

Earnings: Pakistan Petroleum Limited (PPL) announced its 3QFY24 result. The Company reported 3QFY24 unconsolidated earnings of PKR 27.63bn (EPS PKR 10.16), down by 16%/y compared to PKR 32.90bn (EPS PKR 12.09) in the similar period last year. On a quarterly basis, profitability is down by 29%/y. This brings total 9MFY24 profitability to PKR 96.41bn (EPS PKR 35.43), up by +18%/y.

Dividend/Payout: The Company announced a cash dividend of PKR 1.0/share along with the result bringing total cash payout for 9MFY24 to PKR 3.5/share.

Operating Performance: During the period under review, PPL reported a 2%/y decline in revenue during 3QFY24 on the back of lower oil & gas production despite PKR depreciation and higher oil prices. Exploration cost declined by 14%/y to PKR 3.41bn during 3QFY24 likely owing to lower prospecting expense. Operating expenses increased by +3%/y to PKR 12.95bn during 3QFY24 compared to PKR 12.58bn in the same period last year. Other income plummeted by 54%/y during 3QFY24 likely due to absence of exchange gains. On a quarterly basis, earnings decreased by 29%/y mainly due to higher tax charge. Effective tax stood at 37.6% during 3QFY24 (2QFY24: 1.1%) compared to 34.8% in the same period last year bringing total effective tax rate for 9MFY24 to 26.7% compared to 36.5% in the corresponding period last year.

Exhibit: PPL Financial Highlights								
For the period 3QFY24								
PKRmn	3QFY24	3QFY23	y/y	2QFY24	q/q	9MFY24	9MFY23	y/y
Net Sales	74,906	76,518	-2%	72,307	4%	224,660	214,175	5%
Operating Expense	12,953	12,584	3%	12,329	5%	37,777	36,074	5%
Royalty	10,943	11,882	-8%	11,064	-1%	34,299	34,749	-1%
Gross Profit	51,010	52,053	-2%	48,915	4%	152,585	143,352	6%
Exploration Expense	3,406	3,942	-14%	6,590	-48%	11,995	12,949	-7%
Administrative Expense	1,164	996	17%	963	21%	3,333	2,786	20%
Other Income	3,806	8,235	-54%	3,978	-4%	11,538	14,898	-23%
Other Charges	5,028	4,426	14%	4,962	1%	14,230	12,469	14%
Share of loss from associate	631	89	7.1x	388	62%	1,856	225	8.20
EBIT	44,620	50,834	-12%	39,990	12%	132,742	129,821	2%
Finance Cost	366	348	5%	407	-10%	1,184	1,053	13%
PBT	44,254	50,486	-12%	39,584	12%	131,558	128,769	2%
PAT	27,634	32,898	-16%	39,150	-29%	96,411	81,835	18%
EPS (PKR)	10.16	12.09		14.39		35.43	30.08	
DPS (PKR)	1.00	0.00		2.50		3.50	1.00	
Source: IGI Research, PSX						No of Shares: 2,720.97mn		

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

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Research Analyst(s)

Research Identity Number: BRP009

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