

# Flash Note

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Securities

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## Oil & Gas Exploration Companies

### Pakistan Petroleum Limited (PPL)

**Earnings:** Pakistan Petroleum Limited (PPL) announced its 3QFY25 result. The Company reported 3QFY25 unconsolidated earnings of PKR 21.80bn (EPS PKR 8.01), down by 21%y/y compared to PKR 27.63bn (EPS PKR 10.16) in the similar period last year. On a quarterly basis, profitability is down by 20%q/q. This brings total profitability for 9MFY25 to PKR 72.71bn (EPS PKR 26.72), down by 25%y/y, compared to PKR 96.41bn (EPS PKR 35.43) in the corresponding period last year.

**Dividend/Payout:** The Company announced a cash dividend of PKR 1.0/share along with the result bringing total cash payout for 9MFY25 to PKR 5.0/share compared to PKR 3.5/share in the similar period last year.

**Operating Performance:** During the period under review, PPL reported a 15%y/y decline in revenue during 3QFY25 on the back of lower oil prices and lower oil/LPG production. Exploration cost augmented by +44%y/y to PKR 4.92bn during 3QFY25 likely owing to dry well expense. Operating expenses remained flat at PKR 12.99bn during 3QFY25 compared to PKR 12.95bn in the same period last year. Other income increased by +11%y/y during 3QFY25 likely due to higher short-term investments. On a quarterly basis, earnings declined by 20%q/q mainly due to higher tax and lower other income. Effective tax stood at 38.0% during 3QFY25 (2QFY25: 26.6%) compared to 37.6% in the same period last year bringing total effective tax rate for 9MFY25 to 34.6% against 26.6% in the corresponding period last year. However, PPL's receivables increased by PKR 15.2bn on a quarterly basis to PKR 591.6bn.

<b>Exhibit: PPL Financial Highlights</b>								
For the period 3QFY25								
PKRmn	3QFY25	3QFY24	y/y	2QFY25	q/q	9MFY25	9MFY24	y/y
Net Sales	63,825	74,906	-15%	60,721	5%	190,723	224,660	-15%
Operating Expense	12,990	12,953	0%	12,203	6%	40,044	37,777	6%
Royalty	9,968	10,943	-9%	9,030	10%	29,534	34,299	-14%
Gross Profit	40,866	51,010	-20%	39,488	3%	121,145	152,585	-21%
Exploration Expense	4,919	3,406	44%	5,183	-5%	11,621	11,995	-3%
Administrative Expense	1,616	1,164	39%	1,609	0%	4,869	3,333	46%
Other Income	4,232	3,806	11%	8,848	-52%	19,474	11,538	69%
Other Charges	2,728	5,028	-46%	2,825	-3%	9,652	14,379	-33%
Share of loss from associate	50	631	-92%	824	-94%	1,491	1,856	-20%
EBIT	35,786	44,620	-20%	37,895	-6%	112,986	132,594	-15%
Finance Cost	653	366	79%	645	1%	1,860	1,184	57%
PBT	35,133	44,254	-21%	37,250	-6%	111,126	131,409	-15%
PAT	21,795	27,634	-21%	27,336	-20%	72,709	96,411	-25%
<b>EPS (PKR)</b>	<b>8.01</b>	<b>10.16</b>		<b>10.05</b>		<b>26.72</b>	<b>35.43</b>	
<b>DPS (PKR)</b>	<b>1.00</b>	<b>1.00</b>		<b>2.00</b>		<b>5.00</b>	<b>3.50</b>	
Source: IGI Research, PSX							No of Shares: 2,720.97mn	

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