

# Flash Note

Wednesday, April 29, 2026

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Securities

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## Oil & Gas Exploration Companies

### Pakistan Petroleum Limited (PPL)

**Earnings:** Pakistan Petroleum Limited (PPL) announced its 3QFY26 result. The Company reported 3QFY26 unconsolidated earnings of PKR 20.77bn (EPS PKR 7.63), down by 5%/y compared to PKR 21.80bn (EPS PKR 8.01) in the similar period last year. On a quarterly basis, profitability is up by +2%q/q. This brings total profitability for 9MFY26 to PKR 61.16bn (EPS PKR 22.48), down by 16%/y, compared to PKR 72.71bn (EPS PKR 26.72) in the similar 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 9MFY26 to PKR 6.0/share.

**Operating Performance:** During the period under review, PPL reported a 4%/y decline in revenue during 3QFY26 likely on the back of a decline in gas production. Exploration cost declined by 56%/y to PKR 2.17bn during 3QFY26 likely in the absence of dry well cost. Operating expenses increased by +22%/y to PKR 16.10bn during 3QFY26 compared to PKR 13.24bn in the same period last year. Other income increased by +2%/y during 3QFY26 compared to PKR 4.23bn in the similar period last year. On a quarterly basis, earnings increased by +2%q/q mainly due to higher other income, lower share of loss from associate and tax expense. Effective tax stood at 35.0% during 3QFY26 (2QFY26: 36.9%) compared to 37.5% in the same period last year bringing total effective tax rate for 9MFY26 to 35.6% against 34.4% in the same period last year. However, PPL's receivables increased by PKR 11.8bn on a quarterly basis to PKR 611.66bn.

Exhibit: PPL Financial Highlights								
For the period 3QFY26								
PKRmn	3QFY26	3QFY25	y/y	2QFY26	q/q	9MFY26	9MFY25	y/y
Net Sales	61,034	63,825	-4%	61,190	0%	179,037	190,723	-6%
Operating Expense	16,098	13,240	22%	16,091	0%	45,838	40,294	14%
Royalty	9,579	9,968	-4%	9,019	6%	27,208	29,534	-8%
Gross Profit	35,357	40,617	-13%	36,080	-2%	105,991	120,895	-12%
Exploration Expense	2,168	4,919	-56%	1,330	63%	4,132	11,621	-64%
Administrative Expense	2,048	1,616	27%	2,284	-10%	5,826	4,869	20%
Other Income	4,298	4,232	2%	3,644	18%	9,966	19,474	-49%
Other Charges	2,936	2,728	8%	2,956	-1%	8,905	9,652	-8%
Share of loss from associate	84	50	70%	467	-82%	650	1,491	-56%
EBIT	32,420	35,536	-9%	32,687	-1%	96,444	112,736	-14%
Finance Cost	463	653	-29%	494	-6%	1,445	1,860	-22%
PBT	31,957	34,883	-8%	32,193	-1%	94,999	110,876	-14%
PAT	20,770	21,795	-5%	20,299	2%	61,157	72,709	-16%
<b>EPS (PKR)</b>	<b>7.63</b>	<b>8.01</b>		<b>7.46</b>		<b>22.48</b>	<b>26.72</b>	
DPS (PKR)	2.00	1.00		2.00		6.00	5.00	

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

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