

Flash Note

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Oil & Gas Exploration Companies

Pakistan Petroleum Limited (PPL)

Earnings: Pakistan Petroleum Limited (PPL) announced its 4QFY24 result. The Company reported 4QFY24 unconsolidated earnings of PKR 17.90bn (EPS PKR 6.58), up by +11%y/y compared to PKR 16.10bn (EPS PKR 5.92) in the similar period last year. On a quarterly basis, profitability is down by 35%y/y. This brings total FY24 profitability to PKR 114.31bn (EPS PKR 42.01), up by +17%y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 2.5/share along with the result bringing total cash payout for FY24 to PKR 6.0/share.

Operating Performance: During the period under review, PPL reported a 11%y/y decline in revenue during 4QFY24 on the back of lower gas production and PKR appreciation despite higher oil prices and oil production. Exploration cost declined by 18%y/y to PKR 7.14bn during 4QFY24 likely owing to lower prospecting expense. Operating expenses increased by +37%y/y to PKR 16.95bn during 4QFY24 compared to PKR 12.38bn in the same period last year. Other income augmented by +2.1x/y during 4QFY24 likely due to higher markup income. On a quarterly basis, earnings decreased by 35%y/y mainly due to higher exploration cost, administrative and operating expense. Effective tax stood at 36.6% during 4QFY24 (3QFY24: 37.6%) compared to 56.3% in the same period last year bringing total effective tax rate for FY24 to 28.5% compared to 40.9% in the corresponding period last year.

Exhibit: PPL Financial Highlights								
For the period 4QFY24								
PKRmn	4QFY24	4QFY23	y/y	3QFY24	q/q	FY24	FY23	y/y
Net Sales	64,137	72,305	-11%	74,906	-14%	288,797	286,480	1%
Operating Expense	16,951	12,379	37%	12,953	31%	54,727	48,453	13%
Royalty	10,390	11,730	-11%	10,943	-5%	44,689	46,478	-4%
Gross Profit	36,796	48,197	-24%	51,010	-28%	189,381	191,549	-1%
Exploration Expense	7,138	8,679	-18%	3,406	110%	19,133	21,628	-12%
Administrative Expense	1,864	1,133	64%	1,164	60%	5,196	3,919	33%
Other Income	5,440	2,640	106%	3,806	43%	16,977	17,539	-3%
Other Charges	4,143	3,302	25%	5,028	-18%	18,340	15,771	16%
Share of loss from associate	471	458	3%	631	-25%	2,327	683	3.4x
EBIT	28,620	37,265	-23%	44,620	-36%	161,362	167,086	-3%
Finance Cost	396	432	-8%	366	8%	1,580	1,485	6%
PBT	28,225	36,832	-23%	44,254	-36%	159,782	165,601	-4%
PAT	17,898	16,103	11%	27,634	-35%	114,309	97,937	17%
EPS (PKR)	6.58	5.92		10.16		42.01	35.99	
DPS (PKR)	2.50	1.50		1.00		6.00	2.50	

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

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