

Flash Note

Monday, January 29, 2024

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Oil & Gas Exploration Companies

Mari Petroleum Company Limited

Earnings: Mari Petroleum Company Limited (MARI) announced its 2QFY24 result. The Company reported 2QFY24 earnings of PKR 18.36bn (EPS PKR 137.64), up by +65%y/y compared to PKR 11.15bn (EPS PKR 83.56) in the similar period last year. On a quarterly basis, profitability is down by 4%y/y. This brings total profitability to PKR 37.51bn (EPS PKR 281.14) up by +57%y/y compared to PKR 23.86bn (EPS PKR 178.87) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 98/share along with the result.

Operating Performance: During the period under review, MARI reported a +56%y/y increase in revenue during 2QFY24 on the back of PKR depreciation against greenback and higher gas production. Earnings growth was mainly driven by PKR depreciation, higher gas production from the Mari field, lower exploration cost and improved finance income. However, earnings growth was limited by higher operating cost and taxation. Exploration cost dropped by 66%y/y to PKR 1.47bn during 2QFY24, likely owing to no dry well cost incurred. Operating expenses augmented by +91%y/y to PKR 7.02bn during 2QFY24 compared to PKR 3.68bn in the corresponding period last year. Finance income increased by +35%y/y to PKR 1.61bn during 2QFY24, likely owing to higher markup income. On a quarterly basis, earnings declined by 4%q/q mainly due to lower gas production, oil prices and finance income. Effective tax stood at 39.8% during 2QFY24 (1QFY24: 40.5%) compared to 33.8% in the same period last year.

Exhibit: MARI Financial Highlights								
For the period 2QFY24								
PKRmn	2QFY24	2QFY23	y/y	1QFY24	q/q	1HFY24	1HFY23	y/y
Net Sales	45,539	29,177	56%	48,206	-6%	93,745	61,002	54%
Royalty	5,756	3,678	57%	5,991	-4%	11,747	7,682	53%
Operating Expense	7,022	3,683	91%	7,618	-8%	14,640	9,537	54%
Exploration Expense	1,465	4,344	-66%	1,791	-18%	3,256	5,723	-43%
Gross Profit	29,158	16,247	79%	30,556	-5%	59,714	35,516	68%
Other Income / (loss)	796	(124)	n/m	120	6.7x	916	(587)	n/m
EBIT	29,954	16,123	86%	30,676	-2%	60,630	34,928	74%
Finance Income	1,606	1,192	35%	2,492	-36%	4,098	2,214	85%
Finance Cost	702	432	63%	731	-4%	1,434	872	64%
PBT	30,502	16,827	81%	32,196	-5%	62,698	36,152	73%
PAT	18,361	11,147	65%	19,143	-4%	37,505	23,862	57%
EPS (PKR)	137.64	83.56		143.50		281.14	178.87	
DPS (PKR)	98.0	89.0		0.0		98.0	89.0	

Source: IGI Research and Company Financials No of Shares: 133.40mn

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