

Oil & Gas Exploration Companies

3QFY25: E&P Sector Earnings to Drop by 9%/y

- IGI E&P universe earnings are expected to decrease by 9%/y during 3QFY25 to PKR 92.9bn compared to PKR 101.9bn in the same period last year. Earnings attrition is anticipated on the back of a) lower oil and gas production and, b) lower average oil prices and marginal PKR appreciation. However, earnings decline is likely to be limited by lower exploration cost. On sequential basis, earnings are expected to increase by +6%/q.
- We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 13.7bn (EPS: PKR 11.4), down by 3%/y. We expect Pakistan Oilfields Limited's (POL) to report earnings of PKR 6.68bn (EPS: PKR 23.5) during 3QFY25, down by 46%/y.
- We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 48.14bn (EPS: PKR 11.2), up by +1%/y, during 3QFY25 compared to PKR 47.81bn (EPS: PKR 11.1). We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 24.40bn (EPS: PKR 9.0) down by 12%/y during 3QFY25 compared to PKR 27.63bn (EPS: PKR 10.2).

E&P Sector: Earnings to decline by 9%/y to PKR 92.9bn during 3QFY25

IGI E&P universe earnings are expected to decrease by 9%/y during 3QFY25 to PKR 92.9bn compared to PKR 101.9bn in the same period last year. Earnings attrition is anticipated on the back of a) lower oil and gas production and, b) lower average oil prices and marginal PKR appreciation. However, earnings decline is likely to be limited by lower exploration cost. On sequential basis, earnings are expected to increase by +6%/q.

Exhibit: E&P sector profit after tax preview for 3qFY25

Period end = Jun

EPS	Mar/25	Dec/24	q/q	Mar/24	y/y	9M'25e	9M'24	y/y
PPL	9.0	10.0	-11%	10.2	-12%	27.7	35.4	-22%
MARI	11.4	9.3	23%	11.8	-3%	36.8	43.0	-15%
OGDC	11.2	9.6	16%	11.1	1%	30.4	39.8	-24%
POL	23.5	26.7	-12%	43.5	-46%	59.3	105.5	-44%
Total (PKRbn)	92.9	87.5	6%	101.9	-9%	266.9	349.1	-24%
DPS	Mar/25	Dec/24	q/q	Mar/24	y/y	9M'25e	9M'24	y/y
PPL	2.0	2.0		1.0		6.0	3.5	
MARI	0.0	0.0		0.0		0.0	10.9	
OGDC	4.0	4.1		2.0		11.1	6.1	
POL	0.0	25.0		0.0		25.0	25.0	

Analyst

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Source: Company Financials, IGI Research

MARI: Earnings to improve by +6%/y to PKR 11.4/share during 3QFY25e

Mari Petroleum Company Limited's (MARI) board meeting is scheduled on 25-Apr-2025 to announce financial result for 3QFY25 where we expect the Company to register earnings of PKR 13.7bn (EPS: PKR 11.4), down by 3%/y during 3QFY25 compared to PKR 14.12bn (EPS: PKR 11.8) in the same period last year. On quarterly basis, earnings are estimated to augment by +23%q/q. We attribute this drop in earnings on yearly basis during 3QFY25 to 15% additional royalty on Mari D&PL and lower oil production. However, earnings decline is likely to be limited by higher gas production and lower exploration cost. This brings total profitability for 9MFY25 to PKR 44.13bn (EPS PKR 36.8), down by 15%/y compared to PKR 51.63bn (EPS PKR 43.0) in the same period last year.

POL: Earnings to nosedive by 46%/y during 3QFY25e to PKR 23.5/share

Pakistan Oilfields Limited's (POL) board meeting is scheduled on 28-Apr-2025 to announce financial result for 3QFY25 where we expect the Company to report earnings of PKR 6.68bn (EPS: PKR 23.5) during 3QFY25, down by 46%/y, compared to PKR 12.36bn (EPS: PKR 43.5) in the same period last year. On a quarterly basis, earnings are expected to decline by 12%/y. We attribute this yearly decline in earnings during 3QFY25 to a) lower oil prices, b) lower oil production and, c) higher operating and tax expense. This brings total profitability for 9MFY25 to PKR 16.82bn (EPS PKR 59.3), down by 44%/y compared to PKR 29.94bn (EPS PKR 105.5) in the same period last year.

OGDC: Profitability to inch up by +1%/y to PKR 11.2/share during 3QFY25e

Oil & Gas Development Company Limited's (OGDC) board meeting is scheduled on 28-Apr-2025 to announce financial result for 3QFY25 where we expect the Company to post earnings of PKR 48.14bn (EPS: PKR 11.2), up by +1%/y, during 3QFY25 compared to PKR 47.81bn (EPS: PKR 11.1) in the same period last year. On sequential basis, earnings are expected to improve by +16%q/q. We attribute this yearly growth in earnings during 3QFY25 to higher other income despite lower oil prices and oil production. This brings total profitability for 9MFY25 to PKR 130.6bn (EPS PKR 30.4), down by 24%/y compared to PKR 171.10bn (EPS PKR 39.8) in the same period last year. We expect the Company to announce cash dividend of PKR 4.0/share along with the result bringing total cash payout for 9MFY25 to PKR 11.1/share.

PPL: Earnings to drop by 12%/y to PKR 9.0/share during 3QFY25e
Pakistan Petroleum Limited's (PPL) board meeting is scheduled on 29-Apr-2025 to announce financial result for 3QFY25 where we expect the Company to post earnings of PKR 24.40bn (EPS: PKR 9.0) down by 12%/y during 3QFY25 compared to PKR 27.63bn (EPS: PKR 10.2) in the same period last year. On a quarterly basis, earnings are expected to decline by 11%/q. We attribute this decline in earnings on yearly basis during 3QFY25 to a) lower oil prices and, b) decline in oil and LPG production. This brings total profitability for 9MFY25 to PKR 75.31bn (EPS PKR 27.7), down by 22%/y compared to PKR 96.41bn (EPS PKR 35.4) in the same period last year. We expect PPL to announce cash dividend of PKR 2.0/share along with the result bringing total cash payout for 9MFY25 to PKR 6.0/share

Exhibit: E&P sector quarterly earnings (PKRbn)

E&P sector earnings to decline by 9%/y.

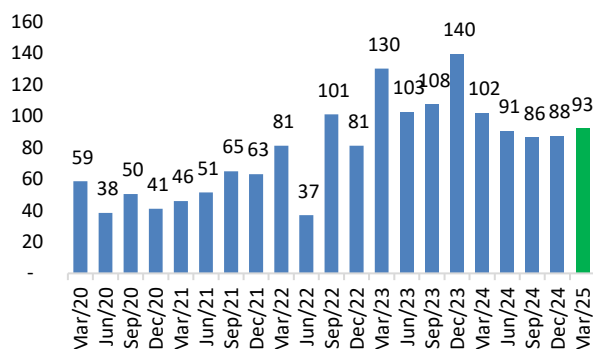


Exhibit: International oil prices (USD/bbl)

Oil prices on average declined by 6%/y while up +4%/q during 3QFY25.

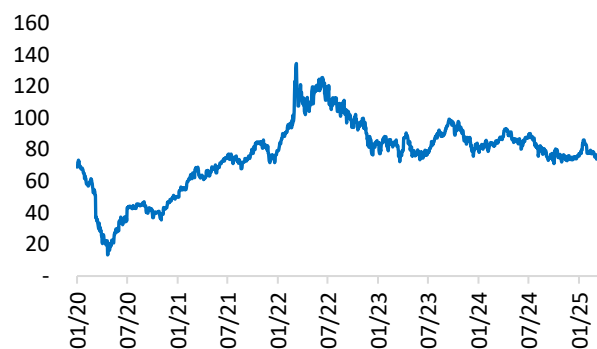


Exhibit: Quarter-wise exchange gains/(losses) (PKRmn)

E&P sector witnessed slight exchange gains during 2QFY25. Marginal exchange gains expected in 3QFY25

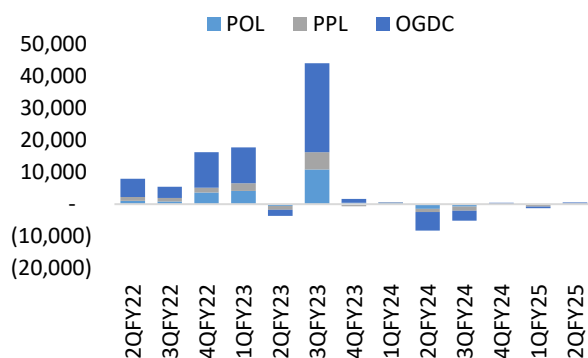
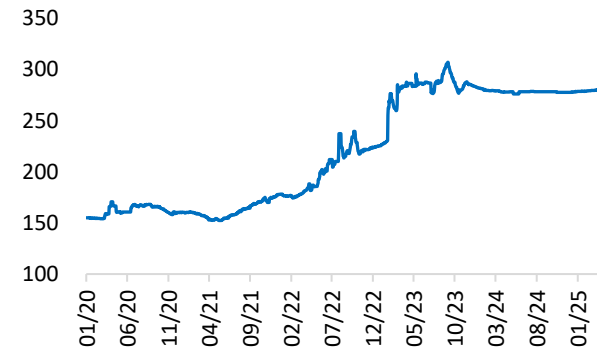


Exhibit: PKR had one of the roughest year

PKR depreciated by almost 0.6%/y on average during 3QFY25.



Source: Bloomberg, Company Financials, IGI Research

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