Day Break

Tuesday, April 21, 2026

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Oil & Gas Exploration Companies

3QFY26: E&P Sector Earnings to Increase by +13%q/q

- IGI E&P universe earnings are expected to decrease by 8%y/y during 3QFY26 to PKR 83.9bn compared to PKR 91.5bn in the same period last year. Earnings attrition is anticipated on the back of lower other income and higher operating expenses. On sequential basis, earnings are expected to increase by +13%q/q owing to higher oil prices, gas production and lower exploration cost. This brings total profitability for 9MFY26 to PKR237.5bn, down by 10%y/y, compared to PKR 265.4bn in the same period last year.
- We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 13.85bn (EPS: PKR 11.5), down by 13%y/y. We expect Pakistan Oilfields Limited (POL) to report earnings of PKR 6.42bn (EPS: PKR 22.6) during 3QFY26, down by 3%y/y.
- We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 41.4bn (EPS: PKR 9.6), down by 12%y/y. We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 22.2bn (EPS: PKR 8.2), up by +2%y/y during 3QFY26.

E&P Sector: Earnings to decline by 8%y/y to PKR 83.9bn during 3QFY26

IGI E&P universe earnings are expected to decrease by 8%y/y during 3QFY26 to PKR 83.9bn compared to PKR 91.5bn in the same period last year. Earnings attrition is anticipated on the back of lower other income and higher operating expenses. On sequential basis, earnings are expected to increase by +13%q/q owing to higher oil prices, gas production and lower exploration cost. This brings total profitability for 9MFY26 to PKR237.5bn, down by 10%y/y, compared to PKR 265.4bn in the same period last year.

Exhibit: E&P sector profit after tax preview for 3qFY26
Period end = Jun

EPS	Mar/26	Dec/25	q/q	Mar/25	y/y	9M'26e	9M'25	y/y
PPL	8.2	7.5	10%	8.0	2%	23.0	26.7	-14%
MARI	11.5	10.7	8%	13.2	-13%	35.2	38.6	-9%
OGDC	9.6	8.1	19%	11.0	-12%	26.6	30.1	-12%
POL	22.6	22.2	2%	23.3	-3%	63.9	59.0	8%
Total (PKRbn)	**83.9**	**74.1**	**13%**	**91.5**	**-8%**	**237.5**	**265.4**	**-10%**
DPS	Mar/26	Dec/25		Mar/25		9M'26e	9M'25	
PPL	2.0	2.0		1.0		6.0	5.0	
MARI	0.0	0.0		0.0		0.0	0.0	
OGDC	3.5	4.3		3.0		11.3	10.1	
POL	0.0	27.5		0.0		27.5	25.0	

Source: Company Financials, IGI Research

Analyst

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MARI: Earnings to drop by 13%y/y to PKR 11.5/share during 3QFY26e

We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 13.85bn (EPS: PKR 11.5), down by 13%y/y during 3QFY26 compared to PKR 15.91bn (EPS: PKR 13.2) in the same period last year. On quarterly basis, earnings are estimated to increase by +8%q/q. We attribute this decline in earnings on yearly basis during 3QFY26 to higher exploration cost owing to dry well at Pario-1 and higher taxation. This brings total profitability for 9MFY26 to PKR 42.3bn (EPS PKR 35.2), down by 9%y/y compared to PKR 46.3bn (EPS PKR 38.6) in the same period last year. We do not expect MARI to announce cash dividend along with the result.

POL: Earnings to drop by 3%y/y during 3QFY26e to PKR 22.6/share

We expect Pakistan Oilfields Limited (POL) to report earnings of PKR 6.42bn (EPS: PKR 22.6) during 3QFY26, down by 3%y/y, compared to PKR 6.6bn (EPS: PKR 23.3) in the same period last year. On a quarterly basis, earnings are expected to incline by +2%q/q. We attribute this yearly decline in earnings during 3QFY26 to lower oil production and absence of negative amortization booked in 3QFY25. This brings total profitability for 9MFY26 to PKR 18.14bn (EPS PKR 63.9), up by +8%y/y compared to PKR 16.75bn (EPS PKR 59.0) in the same period last year. We do not expect POL to announce cash dividend along with the result.

OGDC: Profitability to decline by 12%y/y to PKR 9.6/share during 3QFY26e

We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 41.4bn (EPS: PKR 9.6), down by 12%y/y during 3QFY26 compared to PKR 47.1bn (EPS: PKR 11.0) in the same period last year. On sequential basis, earnings are expected to increase by +19%q/q. We attribute this yearly decline in earnings during 3QFY26 to lower other income. This brings total profitability for 9MFY26 to PKR 114.5bn (EPS PKR 26.6), down by 12%y/y compared to PKR 129.6bn (EPS PKR 30.1) in the same period last year. We expect the Company to announce cash dividend of PKR 3.5/share along with the result bringing total cash payout for 9MFY26 to PKR 11.25/share.

PPL: Earnings to increase by +2%y/y to PKR 8.2/share during 3QFY26e

We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 22.2bn (EPS: PKR 8.2), up by +2%y/y during 3QFY26 compared to PKR 21.8bn (EPS: PKR 8.0) in the same period last year. On a quarterly basis, earnings are expected to increase by +10%q/q. We attribute this increase in earnings on yearly basis during 3QFY26 to lower exploration cost and higher oil production. This brings total profitability for 9MFY26 to PKR 62.6bn (EPS PKR 23.0), down by 14%y/y compared to PKR 72.7bn (EPS PKR 26.7) 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 9MFY26 to PKR 6.0/share

Exhibit: E&P sector quarterly earnings (PKRbn)

E&P sector earnings to decline by 8%y/y.

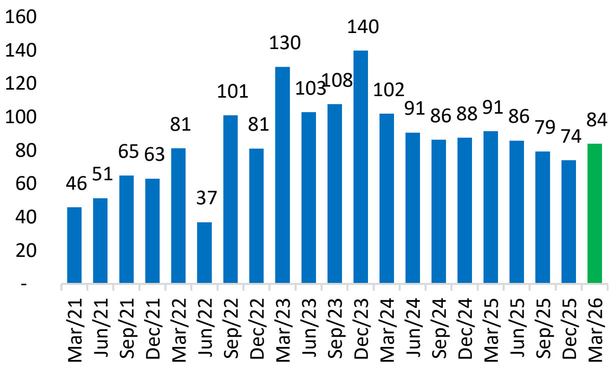


Exhibit: International oil prices (USD/bbl)

Oil prices on average increased by +2%y/y and 22%q/q during 3QFY26.

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

E&P sector witnessed slight exchange losses during 2QFY26 except for OGDC. Marginal exchange losses expected in 3QFY26

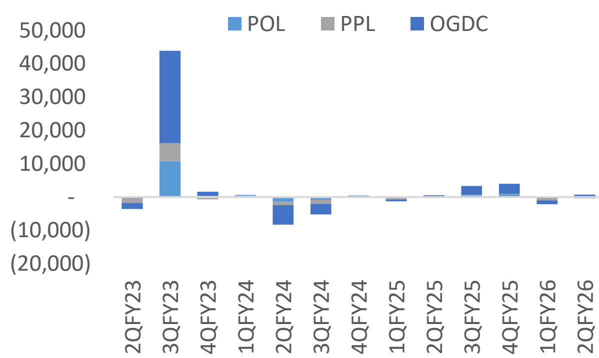
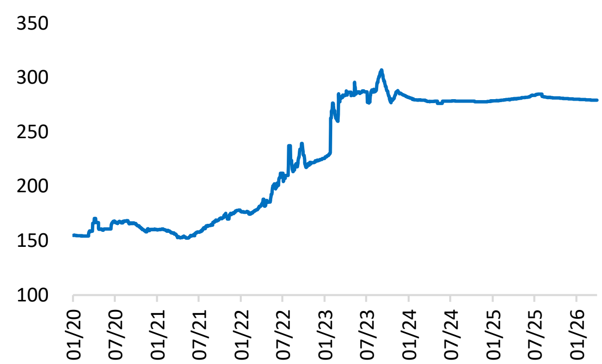


Exhibit: Exchange rate movement

PKR appreciated by almost 0.1%y/y on average during 3QFY26.



Source: Bloomberg, Company Financials, IGI Research

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