

Result announcement 1QFY23

Oil & Gas Exploration Companies

Mari Petroleum Company Limited

Earnings: Mari Petroleum Company Limited (MARI) announced its 1QFY23 result. The Company reported 1QFY23 earnings of PKR 12.72bn (EPS PKR 95.31), up by +40%/y compared to PKR 9.10bn (EPS PKR 68.21) in the similar period last year. On a quarterly basis, profitability is up by +2.3x/y during 1QFY23.

Operating performance: During the period under review, MARI reported +54%/y increase in revenue during 1QFY23 on the back of rise in average oil prices and PKR depreciation against greenback. However, earnings growth was limited by lower oil & gas production, higher taxation and operating cost. Exploration cost dropped by 21%/y to PKR 1.38bn during 1QFY23 compared to PKR 1.75bn in the same period last year likely owing to lower prospecting expense. Operating expenses increased by +79%/y to PKR 5.85bn during 1QFY23 compared to PKR 3.27bn in the corresponding period last year. On a quarterly basis, earnings surged by +2.2x/y mainly due to lower tax charge and exploration cost. Effective tax stood at 34.2% during 1QFY23 (4QFY22: 55.5%) compared to 30.3% in the same period last year.

Exhibit: MARI Financial Highlights For the period 1QFY23					
PKRmn	1QFY23	1QFY22	y/y	4QFY22	q/q
Net Sales	31,825	20,726	54%	27,517	16%
Royalty	4,004	2,640	52%	3,356	19%
Operating Expense	5,854	3,273	79%	5,581	5%
Exploration Expense	1,380	1,749	-21%	6,413	-78%
Gross Profit	19,269	12,276	57%	11,175	72%
Other Income / (loss)	(463)	18	n/m	(97)	n/m
EBIT	18,806	12,294	53%	11,077	70%
Finance Income	1,022	866	18%	1,918	-47%
Finance Cost	440	99	4.4x	392	12%
PBT	19,325	13,047	48%	12,585	54%
PAT	12,715	9,099	40%	5,604	2.2x
EPS (PKR)	95.31	68.21		42.01	
DPS (PKR)	-	-		60.0	
Source: IGI Research and Company Financials			No of Shares: 133.40mn		

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