

## Result announcement 4QFY22

### Oil & Gas Exploration Companies

## Mari Petroleum Company Limited

**Earnings:** Mari Petroleum Company Limited (MARI) announced its 4QFY22 result. The Company reported 4QFY22 earnings of PKR 5.60bn (EPS PKR 42.0), down by 31%y/y compared to PKR 11.04bn (EPS PKR 60.6) in the similar period last year. This brings total profitability for FY22 to PKR 33.06bn (EPS PKR 247.8), up by +5%y/y, compared to PKR 31.45bn (EPS PKR 235.7) in the corresponding period last year.

**Dividends/Payouts:** MARI announced final cash dividend of PKR 62/share during 4QFY22 bringing total cash payout for FY22 to PKR 124/share compared to PKR 141/share in FY21.

**Operating performance:** During the period under review, MARI reported +56%y/y increase in revenue during 4QFY22 on the back of rise in average oil prices, PKR depreciation against greenback and higher gas production. However, earnings growth was limited by lower oil production, higher taxation and exploration cost. Exploration cost increased by +11.3x/y to PKR 6.4bn during 4QFY22 compared to PKR 0.6bn in the same period last year likely owing to higher dry well cost and elevated prospecting expense. Operating expenses increased by +27%y/y to PKR 5.58bn during 4QFY22 compared to PKR 4.4bn in the corresponding period last year. On a quarterly basis, earnings plummeted by 49%y/y mainly due to higher tax charge on account of additional taxation imposed in Budget 2023 and higher exploration cost. Effective tax stood at 55.5% during 4QFY22 (3QFY22: 27.4%) compared to 26.8% in the same period last year bringing total effective tax rate for FY22 to 36.6% compared to 28.4% last year.

Exhibit: MARI Financial Highlights For the period 4QFY22								
PKRmn	4QFY22	4QFY21	y/y	3QFY22	q/q	FY22	FY21	y/y
Net Sales	27,517	17,686	56%	25,199	9%	95,134	73,018	30%
Royalty	3,356	2,396	40%	3,258	3%	12,000	9,315	29%
Operating Expense	5,581	4,402	27%	4,445	26%	17,403	15,040	16%
Exploration Expense	6,413	569	11.3x	1,874	3.4x	10,932	4,544	2.4x
Gross Profit	11,175	9,567	17%	14,593	-23%	51,178	41,037	25%
Other Income / (loss)	-97	817	n/m	-34	n/m	48	312	-85%
EBIT	11,077	10,384	7%	14,559	-24%	51,226	41,349	24%
Finance Income	1,918	1,292	48%	845	2.3	4,483	3,941	14%
Finance Cost	392	584	-33%	245	60%	980	1,310	-25%
PBT	12,585	11,044	14%	15,003	-16%	52,116	43,931	19%
PAT	5,604	8,089	-31%	10,889	-49%	33,063	31,445	5%
<b>EPS (PKR)</b>	<b>42.0</b>	<b>60.6</b>		<b>81.6</b>		<b>247.8</b>	<b>235.7</b>	
DPS (PKR)	62	75		-		124	141	
Source: IGI Research and Company Financials						No of Shares: 133.40mn		

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