

Company Update

Mari Petroleum Company Limited (MARI)

Target Price: PKR 2,113/share;

Upside: 24.2%

2022: Dividend yld: 10%, P/E: 5.3x

Market Price: PKR 1,701.4

52 weeks: 1,701.4 — 1,761.5

Return: (3M) -3.4%, (6M) -2.6%,

(12M) -2.4%

Outstanding Shares: 0.13bn (FF%: 20)

Market Capitalisation: PKR 227bn,

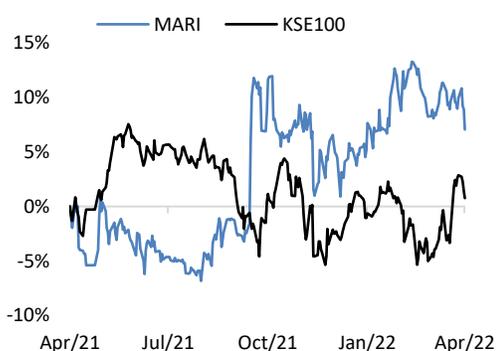
US\$ 1.21bn

Exchange: KSE100, KSEALL, MSCI FM

Key Financial Highlights

PKR/ Share	2021a	2022e	2023f
EPS	235.7	319.0	331.7
DPS	141.0	175.0	182.0
BVPS	866.1	956.7	1105.9
ROE%	27%	33%	30%
P/E	7.2x	5.3x	5.1x
DY	8.3%	10.3%	10.7%
P/B	2.0x	1.8x	1.5x

Relative Price performance



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Oil & Gas Exploration Companies

MARI: EPS to clock in at PKR 87.53 during 3QFY22, up by +68%/y

- Mari Petroleum Company Limited's (MARI) board meeting is scheduled on 25th-Apr-22 to announce financial results for 3QFY22 where we expect the Company to report earnings of earnings of PKR 11.68bn (EPS PKR 87.53) during 3QFY22, up by +68%/y.
- This will bring total 9MFY22E earnings to PKR 28.25bn (EPS PKR 211.74), up by +21%/y, against PKR 23.36bn (EPS PKR 175.08) same period last year.
- We attribute growth in the earnings primarily on the back of PKR depreciation and 65%/y rise in average oil prices. Further support to earnings is likely to emanate from higher gas production owing to increased flows from Mari field and exchange gains on the back of PKR depreciation.

Earnings to clock in at PKR 87.53/share during 3QFY22

Mari Petroleum Company Limited's (MARI) board meeting is scheduled on 25th-Apr-22 to announce financial results for 3QFY22 where we expect the Company to report earnings of earnings of PKR 11.68bn (EPS PKR 87.53) during 3QFY22, up by +68%/y, compared to profitability of PKR 6.96bn (EPS PKR 52.14) in the same period last year. On quarterly basis, earnings are expected to improve by +56%q/q largely owing to higher oil prices and PKR depreciation. This will bring total 9MFY22E earnings to PKR 28.25bn (EPS PKR 211.74), up by +21%/y, compared to PKR 23.36bn (EPS PKR 175.08) in the similar period last year.

Earnings to bolster amid higher gas production from Mari field and upward revision in wellhead gas prices

We attribute growth in the earnings primarily on the back of PKR depreciation and 65%/y rise in average oil prices. Further support to earnings is likely to emanate from higher gas production owing to increased flows from Mari field and exchange gains on the back of PKR depreciation. Exploration cost is likely to remain on the lower side amid no dry well incurred and lower seismic activity.

Exhibit: MARI Financial Highlights

For the period 3QFY22

PKRmn	3QFY22E	3QFY21	y/y	2QFY22	q/q	9MFY22E	9MFY21	y/y
Net Sales	28,029	16,122	74%	21,692	29%	70,447	55,332	27%
Royalty	3,510	2,019	74%	2,746	28%	8,897	6,920	29%
Operating Cost	4,384	3,483	26%	4,105	7%	11,761	10,638	11%
Exploration Cost	228	947	-76%	895	-75%	2,872	3,974	-28%
Gross Profit	18,786	8,994	109%	13,134	43%	44,196	31,470	40%
EBIT	19,079	8,999	112%	13,295	44%	44,669	30,965	44%
Finance Income	882	847	4%	854	3%	2,602	2,648	-2%
Finance Cost	273	225	21%	244	12%	616	726	-15%
PBT	17,573	9,621	83%	11,481	53%	42,101	32,887	28%
PAT	11,677	6,955	68%	7,471	56%	28,247	23,356	21%
EPS (PKR)	87.53	52.14		56.00		211.74	175.08	
DPS (PKR)	-	60.00		62.00		62.00	66.00	

Source: IGI Research and Company Financials

No of Shares: 133.40mn

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