

## Result announcement 1QFY23

Oil & Gas Exploration Companies

### Pakistan Oilfields Limited

**Earnings:** Pakistan Oilfields Limited (POL) announced its 1QFY23 result. The Company reported 1QFY23 earnings of PKR 8.40bn (EPS PKR 29.59), up by +60%/y compared to PKR 5.26bn (EPS PKR 18.52) in the similar period last year. On a quarterly basis, profitability remained flat at PKR 8.4bn during 1QFY23 mainly owing to higher exploration expense despite higher other income, rise in oil prices and PKR depreciation.

**Dividends/Payouts:** The Company did not announce any cash dividend along with the result.

**Operating performance:** During the period under review, earnings improved on the back of higher oil prices, increase in other income, PKR depreciation and lower taxation. POL reported +44%/y increase in revenue during 1QFY23 on the back of rise in average oil prices and PKR depreciation against greenback. Exploration cost augmented by +10.0x/y to PKR 4.53bn during 1QFY23 compared to PKR 0.45bn in the same period last year likely owing to higher dry well cost, however, we await detailed accounts for further clarity. Operating cost increased by +5y/y to PKR 2.11bn during 1QFY23 compared to PKR 2.01bn in the corresponding period last year. Other income increased by +2.5x/y to PKR 6.64bn during 1QFY23 compared to PKR 2.70bn in the similar period last year likely owing to hefty exchange gains booked during the quarter. Effective tax stood at 18.0% during 1QFY23 (4QFY22: 25.1%) compared to 29.2% in the same period last year.

<b>Exhibit: POL Financial Highlights</b>					
For the period 1QFY23					
PKRmn	1QFY23	1QFY22	y/y	4QFY22	q/q
Net Sales	15,976	11,077	44%	14,943	7%
Operating Costs	2,109	2,014	5%	2,520	-16%
Royalty	1,774	1,173	51%	1,650	8%
Amortization of D&D Cost	503	774	-35%	1,329	-62%
Gross Profit	11,589	7,116	63%	9,443	23%
Exploration Costs	4,526	451	10.0x	191	23.7x
Administration Expenses	124	66	87%	31	4.0x
Finance Cost	2,835	1,462	94%	2,363	20%
Other Income	6,635	2,700	2.5x	4,892	36%
PBT	10,246	7,421	38%	11,272	-9%
PAT	8,400	5,258	60%	8,439	0%
<b>EPS (PKR)</b>	<b>29.59</b>	<b>18.52</b>		<b>29.73</b>	
DPS (PKR)	-	-		50	
Source: IGI Research and Company Financials			No of Shares: 133.40mn		

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