

Result announcement 4QFY22

Oil & Gas Exploration Companies

Pakistan Oilfields Limited

Earnings: Pakistan Oilfields Limited (POL) announced its 4QFY22 result. The Company reported 4QFY22 earnings of PKR 8.44bn (EPS PKR 29.7), up by +2.2x/y compared to PKR 3.81bn (EPS PKR 13.4) in the similar period last year. This brings total profitability for FY22 to PKR 25.94bn (EPS PKR 91.4), up by +94%/y, compared to PKR 13.38bn (EPS PKR 47.1) in the corresponding period last year.

Dividends/Payouts: POL announced final cash dividend of PKR 50/share during 4QFY22 bringing total cash payout for FY22 to PKR 70/share compared to PKR 50/share in FY21.

Operating performance: During the period under review, earnings improved on the back of higher oil prices, increase in other income and PKR depreciation. POL reported +61%/y increase in revenue during 4QFY22 on the back of rise in average oil prices and PKR depreciation against greenback. Exploration cost declined by 39%/y to PKR 0.19bn during 4QFY22 compared to PKR 0.31bn in the same period last year likely owing to no dry well cost and lower prospecting expense. Operating cost increased by +38%/y to PKR 2.52bn during 4QFY22 compared to PKR 1.83bn in the corresponding period last year. On quarterly basis, earnings increased by +28%/y mainly due to higher other income on account of exchange gains. Effective tax stood at 25.1% during 4QFY22 (3QFY22: 30.3%) compared to 34.6% in the same period last year bringing total effective tax rate for FY22 to 29.9% compared to 35.3% last year. To note, the Company did not book additional tax imposed through Budget 2023 on FY22 earnings and we await detailed financial statements for further clarity on the matter.

Exhibit: POL Financial Highlights								
For the period 4QFY22								
PKRmn	4QFY22	4QFY21	y/y	3QFY22	q/q	FY22	FY21	y/y
Net Sales	14,943	9,270	61%	13,315	12%	51,945	36,314	43%
Operating Costs	2,520	1,827	38%	2,403	5%	9,115	8,289	10%
Royalty	1,650	989	67%	1,425	16%	5,563	3,908	42%
Amortization of D&D Cost	1,329	393	3.4x	589	2.3x	3,319	2,212	50%
Gross Profit	9,443	5,855	61%	8,899	6%	33,947	21,633	57%
Exploration Costs	191	313	-39%	127	50%	877	494	77%
Administration Expenses	83	27	3.1x	53	57%	258	195	33%
Finance Cost	2,363	682	3.5x	788	3.0x	5,549	260	21.4x
Other Income	4,892	1,366	3.6x	2,088	2.3x	11,697	1,539	7.6x
PBT	11,272	5,822	94%	9,425	20%	36,987	20,678	79%
PAT	8,439	3,806	2.2x	6,573	28%	25,935	13,382	94%
EPS (PKR)	29.7	13.4		23.2		91.4	47.1	
DPS (PKR)	50	30		-		70	50	
Source: IGI Research and Company Financials						No of Shares: 133.40mn		

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