

Flash Note

Thursday, April 25, 2024



Oil & Gas Exploration Companies

Pakistan Oilfields Limited (POL)

Earnings: Pakistan Oilfields Limited (POL) announced its 3QFY24 result. The Company reported 3QFY24 unconsolidated earnings of PKR 12.36bn (EPS PKR 43.55), down by 24%y/y compared to PKR 16.24bn (EPS PKR 57.20) in the similar period last year. On a quarterly basis, profitability is up by +57%q/q. This brings total earnings for 9MFY24 to PKR 29.94bn (EPS PKR 105.47), up by +22%y/y, compared to PKR 30.59bn (EPS PKR 107.76) in the similar period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: During the period under review, POL reported a +3%y/y increase in revenue during 3QFY24 on the back of PKR depreciation despite lower oil prices and oil production. Exploration cost plummeted by 63%y/y to PKR 0.31bn during 3QFY24 likely owing to no dry well cost incurred during 3QFY24. Operating expenses dropped by 8%y/y to PKR 2.59bn during 3QFY24 compared to PKR 2.80bn in the same period last year. Other income declined by 72%y/y during 3QFY24 likely owing to lower exchange losses. On a quarterly basis, earnings improved by +57%y/y mainly due to higher other income and lower tax rate. Effective tax stood at 9.8% during 3QFY24 (2QFY24: 39.0%) compared to 9.5% in the same period last year bringing total effective tax rate to 26.0% during 9MFY24 compared to 18.4% in the corresponding period last year.

Exhibit: POL Financial Highlights								
For the period 3QFY24								
PKRmn	3QFY24	3QFY23	y/y	2QFY24	q/q	9MFY24	9MFY23	y/y
Net Sales	16,288	15,874	3%	17,364	-6%	50,334	45,871	13%
Operating Costs	2,590	2,800	-8%	3,706	-30%	8,816	7,993	20%
Royalty	1,820	1,807	1%	1,869	-3%	5,722	5,139	17%
Amortization of D&D Cost	163	783	-79%	47	3.5x	384	2,289	-85%
Gross Profit	11,716	10,483	12%	11,742	0%	35,411	30,450	19%
Exploration Costs	313	850	-63%	414	-24%	1,446	6,329	-79%
Administration Expenses	93	80	16%	76	23%	285	259	7%
Finance Cost	665	5,436	-88%	325	2.0x	2,262	7,785	-32%
Other Income	3,980	14,330	-72%	2,881	38%	11,753	23,069	-11%
PBT	13,703	17,945	-24%	12,899	6%	40,433	37,489	37%
PAT	12,361	16,235	-24%	7,871	57%	29,939	30,588	22%
EPS (PKR)	43.55	57.20		27.73		105.47	107.76	
DPS (PKR)	0.00	0.00		25.00		25.00	20.00	
Source: IGI Research, PSX						No of Shares: 283.86mn		

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