

Result announcement: 2QFY22

Oil & Gas Exploration Companies

Pakistan Oilfields Limited

Earnings: Pakistan Oilfields Limited (POL) announced its 2QFY22 result. The Company reported 2QFY22 earnings of PKR 5.67bn (EPS PKR 19.96), up by +88%/y compared to PKR 3.02bn (EPS PKR 10.64) in the similar period last year. This brings total profitability for 1HFY22 to PKR 10.92bn (EPS PKR 38.48), up by +64%/y, compared to PKR 6.65bn (EPS PKR 23.42) in the corresponding period last year.

Dividends/Payouts: The Company announced a cash dividend of PKR 20/share along with the result for 1HFY22. The payout ratio was 52% for 1HFY22 which was lower than 1HFY21 payout ratio of 85%.

Operating performance: During the period under review, POL reported an incline of +44%/y in revenue on the back of 83%/y rise in average oil prices and 9%/y PKR depreciation. Revenue growth was limited by a drop in oil and gas production which was primarily led by Tal block and Adhi despite an uptick in production from Pindori. There was no dry well reported during 2QFY22. Exploration cost remained on the lower side owing to lower seismic activity during the quarter under review compared to higher seismic activity during 1QFY22. Profitability was further pushed up by higher other income on account of exchange gains. Effective tax stood at 36.1% during 2QFY22 (1QFY22: 29.2%) compared to 39.0% in the same period last year.

Exhibit: Financial Highlights Pakistan Oilfields Limited (POL)								
Latest result published for 1st half 2022								
PKRmn	2QFY22	2QFY21	YoY	1QFY22	QoQ	1HFY22	1HFY21	YoY
Net Sales	12,610	8,773	44%	11,077	14%	23,687	17,513	35%
Operating Costs	2,178	2,150	1%	2,014	8%	4,192	4,024	4%
Royalty	1,315	934	41%	1,173	12%	2,488	1,932	29%
Amortization of D&D Cost	627	678	-7%	774	-19%	1,401	1,241	13%
Gross Profit	8,489	5,011	69%	7,116	19%	15,605	10,316	51%
Exploration Costs	108	34	3.2x	451	-76%	559	109	5.1x
Administration Expenses	55	61	-8%	66	-16%	121	118	3%
Finance Cost / (Income)	935	(188)	n/m	1,462	-36%	2,397	(102)	n/m
Other Income	2,018	242	8.3x	2,700	-25%	4,718	545	8.7x
PBT	8,869	4,955	79%	7,421	20%	16,290	9,990	63%
PAT	5,665	3,021	88%	5,258	8%	10,923	6,649	64%
EPS (PKR)	19.96	10.64		18.52		38.48	23.42	
DPS (PKR)	20.00	20.00		-		20.00	20.00	
Source: IGI Research, Company Financials						No of Shares: 283.86mn		

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