

## Result announcement 1QFY23

Oil &amp; Gas Exploration Companies

## Pakistan Petroleum Limited

**Earnings:** Pakistan Petroleum Limited (PPL) announced its 1QFY23 result. The Company reported unconsolidated 1QFY23 earnings of PKR 26.51bn (EPS PKR 9.78), up by +57%/y/y compared to PKR 16.99bn (EPS PKR 6.24) in the similar period last year. On a quarterly basis, profitability increased by +22xq/q during 1QFY23.

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

**Operating performance:** During the period under review, earnings augmented on the back of lower exploration cost, higher oil prices, PKR depreciation and higher other income despite lower production, higher other expenses and taxation. PPL reported +68%/y/y increase in revenue during 1QFY23 on the back of rise in average oil prices and PKR depreciation against greenback. Exploration cost declined by 69%/y/y to PKR 1.48bn during 1QFY23 compared to PKR 4.72bn in the same period last year. Other Income increased by +7%/y/y to PKR 4.84bn during 1QFY23 compared to PKR 4.54bn in the corresponding period last year whereas other charges stood at PKR 4.53bn during 1QFY23 compared to PKR 2.11bn in the same period last year. On a quarterly basis, earnings augmented by +22x/y mainly due to lower exploration and taxation. Effective tax stood at 42.0% during 1QFY23 (4QFY22: 95.8%) compared to 27.0% in the same period last year.

Exhibit: PPL Financial Highlights - Unconsolidated					
For the period 1QFY23					
PKRmn	1QFY23	1QFY22	y/y	4QFY22	q/q
Net Sales	72,611	43,154	68%	61,766	18%
Operating Expense	11,476	10,166	13%	11,067	4%
Royalty	12,533	6,309	99%	10,028	25%
Gross Profit	48,602	26,678	82%	40,671	20%
Exploration Expense	1,480	4,719	-69%	7,729	-81%
Administrative Expense	1,191	871	37%	886	34%
Other Income	4,843	4,536	7%	3,740	29%
Other Expense	4,531	2,110	2.2x	6,587	-31%
Reversal of provision for doubtful debt	-	-42	n/m	-	n/m
EBIT	46,208	23,556	96%	29,049	59%
Finance Cost	337	284	19%	352	-4%
PBT	45,871	23,272	97%	28,697	60%
PAT	26,614	16,991	57%	1,217	21.9x
<b>EPS (PKR)</b>	<b>9.78</b>	<b>6.24</b>		<b>0.45</b>	
DPS (PKR)	-	-		0.5	
Source: IGI Research and Company Financials			No of Shares: 2,720.97mn		

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