

Result announcement 4QFY22

Oil & Gas Exploration Companies

Pakistan Petroleum Limited

Earnings: Pakistan Petroleum Limited (PPL) announced its 4QFY22 result. The Company reported 4QFY22 earnings of PKR 1.22bn (EPS PKR 0.45), down by 91%y/y compared to PKR 14.31bn (EPS PKR 5.26) in the similar period last year. This brings total profitability for FY22 to PKR 53.55bn (EPS PKR 19.68), up by +2%y/y, compared to PKR 52.43bn (EPS PKR 19.27) in the corresponding period last year.

Dividends/Payouts: PPL announced final cash dividend of PKR 0.5/share during 4QFY22 bringing total cash payout for FY22 to PKR 2.0/share compared to PKR 3.5/share in FY21.

Operating performance: During the period under review, earnings declined on the back of higher exploration cost, taxation and other expenses despite higher oil prices, increase in other income and PKR depreciation. PPL reported +71%y/y increase in revenue during 4QFY22 on the back of rise in average oil prices and PKR depreciation against greenback. Exploration cost augmented by +2.1xy/y to PKR 13.91bn during 4QFY22 compared to PKR 6.61bn in the same period last year likely owing to higher dry well cost and prospecting expense. Other Income increased by +3.3xy/y to PKR 3.74bn during 4QFY22 compared to PKR 1.15bn in the corresponding period last year whereas other charges stood at PKR 6.59bn during 4QFY22 compared to other income of PKR 0.16bn in the same period last year. On a quarterly basis, earnings plummeted by 94%y/y mainly due to higher exploration, other charges and taxation. Effective tax stood at 94.4% during 4QFY22 (3QFY22: 33.4%) compared to 17.0% in the same period last year bringing total effective tax rate for FY22 to 45.4% compared to 23.6% last year.

Exhibit: PPL Financial Highlights								
For the period 4QFY22								
PKRmn	4QFY22	4QFY21	y/y	3QFY22	q/q	FY22	FY21	y/y
Net Sales	61,766	36,193	71%	50,905	21%	202,199	148,429	36%
Operating Expense	11,067	7,624	45%	9,539	16%	40,091	40,077	0%
Royalty	10,028	5,387	86%	7,388	36%	30,500	22,057	38%
Gross Profit	40,671	23,182	75%	33,978	20%	131,608	86,294	53%
Exploration Expense	13,909	6,610	2.1x	1,430	9.7x	23,735	10,227	2.3x
Administrative Expense	1,570	1,061	48%	1,112	41%	4,601	3,741	23%
Other Income	3,740	1,151	3.3x	3,132	19%	14,144	4,056	3.5x
Other Expense / (Income)	6,587	-156	n/m	3,236	2.0x	15,472	7,385	2.1x
Reversal of provision for doubtful debt	0	692	n/m	0	n/m	42	-692	n/m
Share of loss from associate	160	0	n/m	73	2.2x	2,607	0	n/m
EBIT	22,186	17,510	27%	31,258	-29%	99,380	69,689	43%
Finance Cost	352	257	37%	312	13%	1,249	1,107	13%
PBT	21,834	17,253	27%	30,946	-29%	98,131	68,582	43%
PAT	1,217	14,313	-91%	20,620	-94%	53,546	52,431	2%
EPS (PKR)	0.45	5.26		7.58		19.68	19.27	
DPS (PKR)	0.5	2.0		-		2.0	3.5	
Source: IGI Research and Company Financials						No of Shares: 2,720.97mn		

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

Saad Khan

Saad.khan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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IGI Finex Securities Limited
Research Analyst(s)
Research Identity Number: BRP009
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Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	huzaifa.yaseen@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (+92-21) 32429613-4, 32462651-2
Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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