

## MARI | POL – Result Previews

### MARI: Earnings projected to climb up by 75% YoY to PKR 290.13/share in 1HFY24

The management of Mari Petroleum Company Limited (MARI) is expected to unveil financial result for 1HFY23 on 29th Jan'24. We project the earnings to clock in at PKR 38,704mn (EPS: PKR 290.13) in 1HFY24 against PKR 23,862mn (EPS: PKR 178.87) in 1HFY23, up by 62% YoY. The growth in profitability comes on the back of i) 17% and 34% YoY jump in gas and oil production, respectively, ii) 29% YoY hike in the wellhead price of Mari Gas Field, and iii) 22% YoY Pak Rupee depreciation against the greenback. On a quarterly basis, net profit during 2QFY24 is expected to ascend by 75% YoY, to arrive at PKR 19,560mn (EPS: PKR 146.63) given i) higher wellhead gas price of Mari Gas Field, ii) 21% YoY devaluation of PKR against USD, and iii) 25% and 19% YoY growth in gas and oil production, respectively. The exploration cost is anticipated to decline by 55% YoY, to arrive at PKR 1,959mn in 2QFY24 amid no dry well reported during the quarter compared to two dry wells in SPLY. Additionally, we expect the company to announce a cash dividend of PKR 100.00/share (PKR 100.00/share in 1HFY24).

#### Exhibit: Financial Highlights

(PKR mn)	1HFY24e	1HFY23e	YoY	2QFY24e	2QFY23e	YoY	QoQ
Net Sales	98,904	61,002	62%	50,699	29,177	74%	5%
Operating Costs	18,154	9,537	90%	10,536	3,683	186%	38%
Gross Profit	68,312	43,783	56%	33,714	21,816	55%	-3%
Exploration Cost	3,750	5,723	-34%	1,959	4,344	-55%	9%
Net Profit	38,704	23,862	62%	19,560	11,147	75%	2%
EPS (PKR)	290.13	178.87		146.63	83.56		
DPS (PKR)	100.00	89.00		100.00	89.00		

Source (s): Company Financials, AHL Research

### POL: Profitability expected to climb up by 33% YoY to PKR 62.01/share in 1HFY24

Pakistan Oilfields Limited (POL) is expected to announce earnings of PKR 17,604mn (EPS: PKR 62.01) in 1HFY24, up by 23% YoY. The jump in bottom-line amid weakening of Pak Rupee. However, oil and gas production depleted by 6% and 3% YoY, respectively. During 4QFY23, the profitability is expected to arrive at PKR 7,895mn (EPS: PKR 27.81), ascending by 33% YoY. The jump in earnings comes on the back of Pak Rupee depreciation against greenback. Whereas realized oil price plummeted by 1% while oil and gas production reduced by 5% and 3% YoY, respectively. Moreover, we anticipate exploration costs to deplete by 69% YoY due to a decrease in geological and geophysical costs during the period. Alongside the result, the company is forecasted to announce an interim cash dividend of PKR 30.00/share (PKR 30.00/share in 1HFY24).

#### Exhibit: Financial Highlights

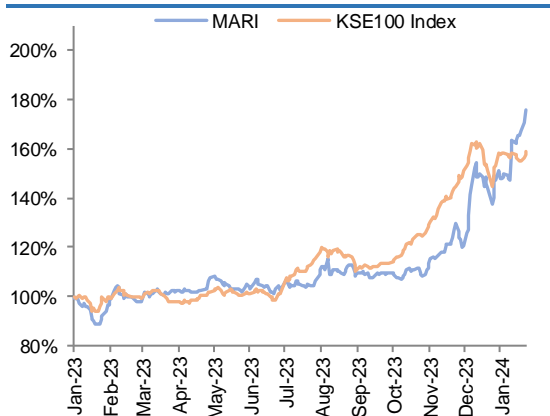
(PKR mn)	1HFY24e	1HFY23a	YoY	2QFY24e	2QFY23a	YoY	QoQ
Net Sales	32,478	29,998	8%	15,795	14,021	13%	-5%
Operating Costs	5,321	5,193	2%	2,801	3,084	-9%	11%
Gross Profit	22,296	19,967	12%	10,342	8,378	23%	-13%
Exploration Cost	1,013	5,480	-82%	294	954	-69%	-59%
Profit after Taxation	17,604	14,353	23%	7,895	5,954	33%	-19%
EPS (PKR)	62.01	50.57		27.81	20.98		
DPS (PKR)	30.00	20.00		30.00	20.00		

Source (s): Company Financials, AHL Research

## HOLD

Target Price	2,711.4
Last Closing	2,497.2
Upside	8.6%
PSX Code	MARI
Bloomberg Code	MARI PA

#### Relative Performance

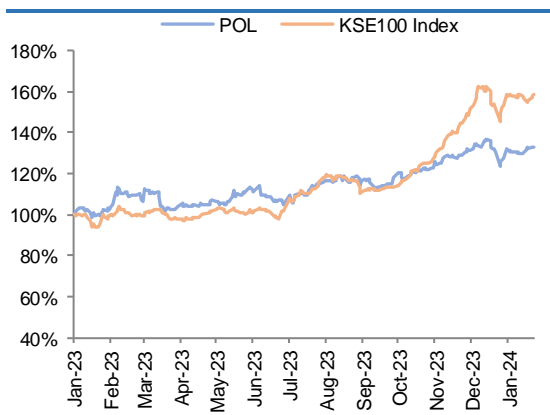


Source (s): PSX, AHL Research

## BUY

Target Price	554.82
Last Closing	439.98
Upside	26.1%
PSX Code	POL
Bloomberg Code	POL PA

#### Relative Performance



Source (s): PSX, AHL Research

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### Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2024 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -15% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -15% from last closing of market price(s)

### Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- **Discounted Cash Flow (DCF)**
- **Dividend Discount Model (DDM)**
- **Sum of the Parts (SoTP)**
- **Justified Price to Book (JPTB)**
- **Reserved Base Valuation (RBV)**

### Risks

The following risks may potentially impact our valuations of subject security (ies);

- **Market risk**
- **Interest Rate Risk**
- **Exchange Rate (Currency) Risk**

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