

Pakistan Petroleum Limited

Result Review: Profitability arrived at PKR 35.43/share in 9MFY24

Earnings declined by 16% YoY to PKR 10.16/share in 3QFY24

Pakistan Petroleum Limited (PPL) announced its financial result today, posting a net profit of PKR 96,411mn (EPS: PKR 35.43) during 9MFY24, up by 18% YoY amid reversal of tax provisions due to favourable judgement from the court, related to depletion allowance in 2QFY24. On a quarterly basis, the company's earnings settled at PKR 27,634mn (EPS: PKR 10.16), down by 16% YoY. In addition to the result, the company announced a cash dividend of PKR 1.00/share (PKR 3.50/share in 9MFY24).

Result Highlights

- Net sales in 9MFY24 increased by 5% YoY, settling at PKR 224,660mn against PKR 214,175mn in SPLY on account of Pak Rupee depreciation against the greenback by 17% YoY. During 3QFY24, the topline reduced by 2% YoY, arriving at PKR 74,906mn, owing to i) 6% and 5% YoY fall in oil and gas production, respectively, and ii) a dip in Sui wellhead price by 7% YoY.
- The exploration cost declined by 7% YoY to PKR 11,995mn in 9MFY24. Whereas, the exploration cost during 3QFY24 settled at PKR 3,406mn, plummeting by 14% YoY on account of the lower cost of the dry well (Maraab X-1) incurred during the quarter.
- Other income clocked in at PKR 11,538mn in 9MFY24, showcasing a decline of 23% YoY. Whereas, other income during 3QFY24 arrived at PKR 3,806mn, witnessing a plunge of 54% YoY due to the absence of exchange gains during the quarter.
- The company booked effective taxation at 38% in 3QFY24 vis-à-vis 35% in 3QFY23.

Exhibit: Financial Highlights

(PKR mn)	9MFY24	9MFY23	YoY	3QFY24	3QFY23	YoY	QoQ
Net Sales	224,660	214,175	5%	74,906	76,518	-2%	4%
Operating Expense	37,777	36,074	5%	12,953	12,584	3%	5%
Gross Profit	152,585	143,352	6%	51,010	52,053	-2%	4%
Exploration Expenses	11,995	12,949	-7%	3,406	3,942	-14%	-48%
Other Income	11,538	14,898	-23%	3,806	8,235	-54%	-4%
PAT	96,411	81,835	18%	27,634	32,898	-16%	-29%
EPS (PKR)	35.43	30.08		10.16	12.09		
DPS (PKR)	3.50	1.00		1.00	-		

Source (s): Company Financials, AHL Research

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