

AHL Alert: E&P

Mari Energies Limited

Result Review: Earnings declined by 19% YoY in 1HFY25

Profitability arrived at PKR 9.30/share in 2QFY25

Mari Petroleum Company Limited (MARI) announced its financial result today, posting a bottom line of PKR 30,396mn (EPS: PKR 25.32) during 1HFY25 against PKR 37,505mn (EPS: PKR 31.24) in 1HFY24, down 19% YoY. On a quarterly basis, the company's profitability arrived at PKR 11,168mn (EPS: PKR 9.30), down 39% YoY owing to i) 115% YoY surge in operating and administration cost, and ii) incremental 15% royalty on the wellhead value of the Mari D&P Lease from Nov'24. We await disclosure of detailed financial accounts for further clarity regarding higher operating and administration cost. Contrary to the expectation, MARI did not announce cash dividend during the quarter.

Result Highlights

- Topline in 1HFY25 decreased by 8% YoY, settling at PKR 86,652mn compared to PKR 93,745mn in 1HFY24 amid i) 5% YoY decrease in the wellhead price of Mari gas field, and ii) appreciation of the PKR against USD by 2% YoY. During 2QFY25, the net sales declined by 9% YoY, arriving at PKR 41,354mn given i) 5% YoY decrease in oil production, and ii) lower wellhead price of the Mari Gas Field.
- The exploration cost surged by 106% YoY to PKR 6,721mn in 1HFY25 given dry well incurred during the period followed by higher prospecting expenditure. Meanwhile, during 2QFY25, the exploration cost increased by 154% YoY to PKR 3,720mn, owing to dry well (Zarghun South-5) booked during the quarter.
- The finance income arrived at PKR 5,676mn in 1HFY25, up 39% YoY on the back of higher income on cash and cash equivalents due to increase cash position. Whereas, finance income during 2QFY25 settled at PKR 2,311mn, surging by 44% YoY due to aforementioned reason.
- The company booked effective taxation at 25% in 2QFY25 vis-à-vis 40% in 2QFY24.

Exhibit: Financial Highlights

(PKR mn)	1HFY25	1HFY24	YoY	2QFY25	2QFY24	YoY	QoQ
Net Sales	86,652	93,745	-8%	41,354	45,539	-9%	-9%
Operating Costs	23,128	14,640	58%	15,098	7,022	115%	88%
Gross Profit	49,995	67,358	-26%	18,249	32,761	-44%	-43%
Exploration Cost	6,721	3,256	106%	3,720	1,465	154%	24%
Finance Income	5,676	4,098	39%	2,311	1,606	44%	-31%
Net Profit	30,396	37,505	-19%	11,168	18,361	-39%	-42%
EPS (PKR)	25.32	31.24		9.30	15.29		
DPS (PKR)	-	10.89		-	10.89		

Source (s): Company Financials, AHL Research

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