

AHL Alert: E&P

Pakistan Oilfields Limited

Result Review: EPS settled at PKR 35.73 in 1HFY25

Profitability decreased by 4% YoY to PKR 26.68/share in 2QFY25

Pakistan Oilfields Limited (POL) announced its financial result today, posting a profit after tax of PKR 10,142mn (EPS: PKR 35.73) during 1HFY25, depicting a plunge of 42% YoY amid higher exploration expense associated with a dry well during the period. On a quarterly basis, net profit during 2QFY25 arrived at PKR 7,573mn (EPS: PKR 26.68), down 4% YoY. In addition to the result, the company announced an interim cash dividend of PKR 25.00/share in 2QFY25 (PKR 25.00/share in 2QFY24).

Result Highlights

- Net sales in 1HFY25 witnessed a decline of 11% YoY, settling at PKR 30,283mn compared to PKR 34,046mn during 1HFY24 amid i) decline in oil and gas production by 5% and 9% YoY, respectively, ii) 14% YoY decline in average realized oil prices, and iii) 3.3% YoY appreciation of the Pak Rupee against the greenback. Topline in 2QFY25 arrived at PKR 14,832mn, down 15% YoY on the back of i) 17% YoY fall in average realized oil prices and ii) 4% and 14% YoY reduction in oil and gas production, respectively.
- The exploration costs surged by 7x YoY in 1HFY25, arriving at PKR 8,361mn, owed to higher cost of dry well Balkassar Deep 1A incurred in 1QFY25. Meanwhile, the exploration costs during 2QFY25 reached PKR 626mn, up 51% YoY due to higher geological and geophysical costs during the period.
- The other income registered a growth of 8% YoY, settling at PKR 8,372mn during 1HFY25 given higher income from cash and cash equivalents due to improvement in cash position. Whereas, other income during 2QFY25 arrived at PKR 4,626mn, depicting a surge of 61% YoY on account of aforementioned reason.
- The company's effective taxation arrived at 37% in 2QFY25 vis-à-vis 39% in 2QFY24.

Exhibit: Financial Highlights

(PKR mn)	1HFY25	1HFY24	YoY	2QFY25	2QFY24	YoYQoQ
Net Sales	30,283	34,046	-11%	14,832	17,364	-15%
Operating Costs	6,366	6,226	2%	3,539	3,706	-5%
Gross Profit	19,833	23,696	-16%	9,755	11,742	-17%
Exploration Cost	8,361	1,133	7x	626	414	51%
Other Income	8,372	7,773	8%	4,626	2,881	61%
PAT	10,142	17,579	-42%	7,573	7,871	-4%
EPS (PKR)	35.73	61.93		26.68	27.73	
DPS (PKR)	25.00	25.00		25.00	25.00	

Source (s): Company Financials, AHL Research

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