

Oil & Gas Exploration Companies: Pakistan Petroleum Limited

Result Review: FY25 EPS clocked-in at PKR 33.82

REP-300

4QFY25 earnings arrived at PKR 7.10/share, up by 8% YoY I down 11% QoQ

Pakistan Petroleum Limited (PPL) announced its financial results for FY25 today, reporting a 19% YoY decline in earnings to PKR 92,027mn (EPS: PKR 33.82), compared to PKR 114,309mn (EPS: PKR 42.01) in the same period last year. In 4QFY25, earnings remained PKR 19,318mn (EPS: PKR 7.10), marking an 8% YoY increase from PKR 17,887mn (EPS: PKR 6.6) in 4QFY24. Alongside the result PPL announced a 4QFY25 DPS of PKR 2.50, taking full year DPS to PKR 7.50

Result Highlights

- In FY25, PPL's sales stood at PKR 242.5bn, down 16% YoY, mainly due to a 10% decline in oil production to 10,221 BOPD, and a similar decline in gas production to 480 MMCFD. Sales are also down due lower oil prices. To recall, average Arab Light price stood at USD 75.8/bbl in FY25 vs. USD 87.0/bbl in FY24. In 4QFY25, topline declined by 19% YoY and also by 19% QoQ to PKR 51,794mn. Lower YoY revenue in 4QFY25 is mainly due to lower oil and gas production.
- Gross margins for FY25 stood at 62.6% compared to 65.6% in FY24. In 4QFY25, margins stood at 57.4%.
- Exploration costs decreased by 18% YoY in FY25, amounting to PKR 15,683mn. In 4QFY25, these expenses decreased by 43% YoY to PKR 4,062mn. Expenses decreased by 43% YoY in 4QFY25 mainly due to absence of a dry well which was booked in 4QFY24.
- Other income increased by 42% YoY, totaling PKR 24,169mn in FY25, driven largely by short-term investments, which reached PKR 74.16bn by Jun'25. In 4QFY25, other income declined by 13% YoY but increased by 11% QoQ.
- Trade Debts of PPL remained at same levels compared to 3QFY25, at PKR 592.4bn.
- Cash and Short term investment position of the company decreased to PKR 80bn compared to PKR 112bn at the end of FY24 mainly due to payment related to Sui lease.
- The effective tax rate in FY25 stood at 33.8%, compared to 28.5% in FY24.

Exhibit: Financial Highlights

(PKR mn)	FY25	FY24	YoY	4QFY25	YoY	QoQ
Income Statement						
Net Revenue	242,516	288,797	-16%	51,794	-19%	-19%
Cost of Sales	90,718	99,416	-9%	20,890	-24%	-10%
Gross Profit	151,798	189,381	-20%	30,903	-16%	-24%
Exploration Cost	15,683	19,133	-18%	4,062	-43%	-17%
Other and Admin Exp.	18,441	23,536	-22%	3,920	-30%	-10%
Other Income / Expense	24,169	16,977	42%	4,695	-13%	11%
Profit before Taxation	139,083	159,782	-13%	28,206	-1%	-19%
Taxation	47,055	45,473	3%	8,888	-17%	-32%
Profit after Taxation	92,027	114,309	-19%	19,318	8%	-11%
EPS (PKR)	33.82	42.01		7.10		
DPS (PKR)	7.50	6.00		2.50		
Ratio Analysis						
Gross Margins	62.6%	65.6%		57.4%		
Net Margins	37.9%	39.6%		27.9%		
Return on Equity	13.0%	17.9%		11.3%		
Return on Assets	9.9%	12.6%		8.0%		
Payout Ratio	22.2%	14.3%		38.0%		
Effective Tax	33.8%	28.5%		37.4%		

Source (s): Company Financials, AHL Research

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Arif Habib Limited (AHL) has a shareholding in PPL.