

Pakistan Petroleum Limited - 2QFY25

Friday, February 28, 2025

PPL announced its 2QFY25 results, reporting a PAT of PKR 27.3bn (EPS: PKR 10.05), reflecting a 16% QoQ increase but a 30% YoY decline. The company also declared a dividend of PKR 2.0/share, taking 1HFY25 payout to PKR 4.0/share.

Revenue declined by 8% QoQ and 16% YoY to PKR 60.7bn, reflecting lower oil and gas production along with weaker realized prices.

Gross profit fell by 3% QoQ and 19% YoY, as cost efficiencies partially offset revenue pressures.

Exploration expenses surged by 241% QoQ and 212% YoY to PKR 5.2bn, driven by increased drilling and seismic activity, particularly at Durug X-1, which significantly impacted profitability.

Other income rose by 49% QoQ and 1.2x times YoY to PKR 8.8bn, fueled by a sharp increase in short-term investments, which nearly doubled from PKR 70.1bn in Dec-23 to PKR 132.2bn in Dec-24, a growth of 89%

The company's effective tax rate dropped to 27% in the quarter, down from 39% in the previous quarter (ended September), contributing to a 16% QoQ increase in profit after tax. However, profitability declined compared to the SPLY primarily due to lower revenue and elevated exploration costs.

Financials (PKR in mn)	2QFY25	1QFY25	QoQ	2QFY24	YoY
Revenue	60,721	66,177	-8%	72,307	-16%
Operating Expenses	(12,203)	(14,851)	-18%	(12,329)	-1%
Royalties and other Levies	(9,030)	(10,536)	-14%	(11,064)	-18%
Gross Profit	39,488	40,790	-3%	48,915	-19%
Exploration Expenses	(5,183)	(1,519)	241%	(6,590)	-21%
Administrative Expenses	(1,609)	(1,644)	-2%	(963)	67%
Finance Costs	(645)	(561)	15%	(407)	59%
Share of Loss of associates	(824)	(618)	33%	(388)	112%
Other Charges	(2,825)	(4,099)	-31%	(5,162)	-45%
Other Income	8,848	6,394	38%	3,978	122%
Profit before Taxation	37,250	38,743	-4%	39,383	-5%
Taxation	(9,913)	(15,166)	-35%	(232)	4165%
Profit after Taxation	27,336	23,577	16%	39,150	-30%
EPS	10.05	8.67		14.39	

Source: Company Financials, HMFS Research

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