

Flash Note: PPL 2QFY24 result wrap

- Pakistan Petroleum Limited has announced its 2QFY24 result where the company posted a PAT of PKR39.2 bn vs PAT of PKR22.3 Bn SPLY, up 75%, YoY. Revenue was up 11% YoY due to higher gas rates. Gross margins clocked in at 67.6% in the outgoing quarter, hovering around historic levels.
- Exploration expenses increased 230% QoQ to PKR6.6bn. Lower sequential gross profitability coupled with higher exploration cost led to before tax profitability declining 17% QoQ to PKR39.6bn.
- However, minimal effective tax rate of 1.1% propelled after tax profitability by 32%/75% QoQ/YoY to PKR39.2bn (EPS: PKR14.39). Company also announced interim cash dividend of PKR2.5/sh compared to PKR1/sh in SPLY.

PKRmn	2QFY24	1QFY24	2QFY23	QoQ	YoY	H1FY24	H1FY23	YoY
Revenue	72,307	77,448	65,046	-7%	11%	149,755	137,657	9%
Operating Expenses	12,328	12,496	12,014	-1%	3%	24,824	23,490	6%
Royalties & Levies	11,064	12,291	10,334	-10%	7%	23,355	22,867	2%
Gross Profit	48,915	52,660	42,697	-7%	15%	101,575	91,300	11%
Exploration Expense	6,590	1,999	7,527	230%	-12%	8,589	9,007	-5%
Admin Expense	963	1,205	599	-20%	61%	2,168	1,790	21%
Other Income	3,978	3,754	1,820	6%	119%	7,732	6,663	16%
Other Costs	5,350	5,078	3,612	5%	48%	10,428	8,178	28%
Finance cost	407	412	367	-1%	11%	819	705	16%
PBT	39,584	47,719	32,412	-17%	22%	87,303	78,282	12%
Tax	433	18,094	10,089	-98%	-96%	18,527	29,346	-37%
PAT	39,150	29,627	22,323	32%	75%	68,777	48,936	41%
EPS (PKR)	14.39	10.89	8.20			25.28	17.98	
DPS (PKR)	2.50	-	1.00			2.50	1.00	
Gross Margin	67.6%	68.0%	65.6%			67.8%	66.3%	
Effective Tax Rate	1.1%	37.9%	31.1%			21.2%	37.5%	

Source: Company Accounts, Alfalah CLSA Research