PPL— FY25 Analyst Briefing Takeaways

AKD Securities Limited

Pakistan Petroleum Ltd (PPL) held its analyst briefing earlier today to brief investors about FY25 results and future outlook:

- PPL reported standalone NPAT of PkR92bn (EPS: 33.8) in FY25, down 19%YoY, owing to production curtailments and prior year's one-off tax reversal. Company also announced a cash dividend of PkR7.5/sh during the year.
- PPL operates 9 fields and holds partner interest in 12 more. Furthermore, company also manages 25 self-operated exploration blocks while participating in 21 partner-operated blocks.
- Indigenous gas supply declined to 2.9bcfd in FY25 (vs. 3.1bcfd in FY24) due to RLNG line-pack pressure on SNGPL's network, with PPL facing curtailment of 50mmcfd.
- Company's FY25 production clocked in at 632mmcfd. Revenue mix for gas by major fields were stood as follows: Sui 42%, Partner Operated 24%, Kandhkot 17%, Gambat South 15%, Adhi 2%. Furthermore, Sui D&PL lease was extended for 10 years up till May'25, with further renewal in progress.
- Management anticipates positive impact if RLNG cargo deferment is effective, providing positive production boost to company.
- Company announced 8 discoveries in FY25 (2 operated, 6 partner-operated), resulting in 129% reserve replacement. While, 11 wells were drilled during the year (5 operated, 6 partner-operated).
- PCA with ADNOC was signed for three pre-existing discoveries; while Reko Diq feasibility was completed during the year, with financial close underway.
- Trade debt collection stood at 91% in FY25, supported by recent gas price hikes. Furthermore, 1QFY26 collection stood at 86%.
- With regards to gas curtailment, management continues to remain engaged with authorities in this regard. Furthermore, management is also in pursuit of gas sales to third party.
- Company remains in pursuit of reallocation of Kandhkot gas from GENCO-II (due to low offtakes) towards a more suitable buyer.
- Production for FY26 is forecasted at 600-650mmcfd, contingent on gas curtailment levels. Total of 15 wells are planned for drilling, alongside 700sq. km of 2D and 600sq. km of 3D seismic activity. Furthermore, company plans to participate in new exploration rounds for both onshore and offshore blocks, alongside participation in international rounds as well.
- Management remains optimistic on Dhok Sultan oil potential, and is planning the area's further development. Notably, Dhok Sultan-03 is expected to produce up to 1.4kbpd (currently producing: 400bpd). To note, average production for Dhok Sultan oil field stood at 1.1k bpd during FY25.
- BLZ project, is the country's largest Barite-Lead-Zinc initiative, with management expecting production initiation to align with the commissioning of Reko Diq Mining Project.
- We have a 'BUY' call on PPL with a Dec'25 TP of PkR281/sh, alongside a FY26E DY of 5.5%.

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189.6 Price (PkR/sh)	2,721.0 Shares (mn)
515,868.2 Market Capitalization (PkRmn)	1,837.1 Market Capitalization (USDmn)
9.54 3M Avg Turnover (mn)	1,780.2 3M Avg DT Value(PkRmn)

Price Performance

HIGH	Change	LOW	Period
193.0	2.3%	175.9	1 Month
203.8	31.8%	127.8	52 Week

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NEUTRAL > 0% to < 15% expected total return

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