



Mari Energies Ltd reported its 3QFY26 financial results, wherein the company posted NPAT of PkR21.2bn (EPS: PkR17.6), up a 33%YoY/65%QoQ — ahead of our expectations, primarily driven by a significantly lower effective tax charge during the quarter alongside higher operating expenses. On a cumulative basis, 9MFY26 NPAT stood at PkR49.6bn (EPS: PkR41.3), up 7%YoY from PkR46.3bn (EPS: PkR38.6) in SPLY.

- Company reported net sales of PkR48.2bn during the quarter, up 6%YoY/8% QoQ, majorly led by higher gas production during the quarter. Notably, oil/gas production for the quarter was estimated at 1.4k bpd and 945mmcf (up 15%/4%YoY).
- Operating expenses clocked in at PkR10.7bn (+27%YoY/-11%QoQ), with the sequential decline due to normalization post elevated opex charge in 2QFY26. Moreover, royalty charges amounted to PkR11.2bn (-3%YoY/+6%QoQ) during the period.
- Exploration expenses clocked in at PkR4.9bn (up 68%YoY/2.6x QoQ) during the period, behest of a dry well in Sujawal Block (Pario-1) abandoned during late Mar'26, alongside continued drilling and testing activity across Waziristan and Sujawal blocks during the period.
- Finance income recovered to PkR1.2bn (+23%QoQ) but remained down 29% YoY, led by lower cash balances and decline in investment yields during the outgoing period. Notably, company's cash and short term investments amounted to PkR59bn as of 3QFY26, down 21%YoY.
- Major deviation arrived from significantly lower effective tax charges opposed to expectations, which clocked in at 1.2%, compared to 29%/35% in SPLY/2QFY26.
- We have a 'BUY' stance on Mari Energies Ltd (MARI), with a Dec'26 TP of PkR935/sh. Our thesis is anchored upon i) significant growth in self-operated production base, ii) less reliance on weakening oil prices, iii) progress on Abu Dhabi Offshore Block-5, and iv) diversification into mineral and AI/data center.

MARI: Income Statement

(PKRmn)	3QFY26	3QFY25	YoY	2QFY26	QoQ	9MFY26	9MFY25	YoY
Net Sales	48,178	45,643	6%	44,770	8%	138,300	132,295	5%
Royalty	11,242	11,628	-3%	10,649	6%	33,165	25,157	32%
Op. Exp.	10,650	8,355	27%	12,027	-11%	31,046	31,483	-1%
Exploration Exp.	4,876	2,906	68%	1,864	162%	8,952	9,627	-7%
Operating profit	21,411	22,754	-6%	20,230	6%	65,137	66,028	-1%
Finance cost	987	881	12%	988	0%	2,951	2,549	16%
Finance Income	1,236	1,750	-29%	1,002	23%	3,894	7,426	-48%
Other charges	1,262	1,538	-18%	1,127	12%	3,768	4,712	-20%
PAT	21,171	15,905	33%	12,800	65%	49,612	46,301	7%
EPS-Adjusted	17.63	13.25	33%	10.66	65%	41.32	38.56	7%
DPS-Adjusted	0.0	0.0	-	8.30	-	8.30	0.0	

Source: PSX & AKD Research

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To arrive at our period end target prices, AKDS uses different valuation techniques including:

- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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