



## POL 3QFY26 Review: Earnings grow amid higher oil prices

Pakistan Oilfields Limited announced its 3QFY26 financial results, wherein the company posted NPAT of PkR7.8bn (EPS: PkR27.5), up 18%YoY/24%QoQ. The result was above our expectations, driven by higher other income and lower effective tax rate. On a cumulative basis, 9MFY26 NPAT stands at PkR19.5bn (EPS: PkR68.8), up 16% YoY from PkR16.7bn (EPS: PkR59.0) in 9MFY25.

- Net revenues clocked in at PkR15.3bn (+5%YoY/+5%QoQ), with the improvement led by 3%YoY/23%QoQ recovery in Arab Light price to US\$80.3/bbl during the period.
- Company's oil production for 3QFY26 stood at 4,155bpd (down 9%YoY), while gas production clocked in at 60mmcf (up 13%YoY from 53mmcf in SPLY). Recovery in gas production was majorly due to commencement of fields in Tal block namely Makori Deep and Razgir during the period.
- Opex rose by 9%YoY to PkR3.5bn, while exploration charges remained unchanged at PkR1.4bn during the quarter. Other income declined modestly by 5% YoY to PkR2.7bn, due to drop in investment yields during the period, where company's cash and equivalent balances stood at PkR102bn (down 1%YoY) as of 3QFY26.
- Company's effective tax rate is estimated at 22% during the quarter, compared to 30%/26% in SPLY/2QFY26.
- We reiterate our 'BUY' stance on POL, with Dec'26 target price of PkR850 per share.

### POL: Income Statement

| (PKRmn)          | 3QFY26 | 3QFY25 | YoY  | 2QFY26 | QoQ  | 9MFY26 | 9MFY25 | YoY  |
|------------------|--------|--------|------|--------|------|--------|--------|------|
| Net Sales        | 15,259 | 14,551 | 5%   | 14,573 | 5%   | 42,945 | 44,834 | -4%  |
| Royalty          | 1,747  | 1,570  | 11%  | 1,691  | 3%   | 4,888  | 4,881  | 0%   |
| Op. Exp.         | 3,516  | 3,236  | 9%   | 2,864  | 23%  | 9,446  | 9,602  | -2%  |
| Exploration Exp. | 1,410  | 1,412  | 0%   | 2,037  | -31% | 4,574  | 9,773  | -53% |
| Operating profit | 7,903  | 7,657  | 3%   | 6,894  | 15%  | 21,587 | 17,832 | 21%  |
| Finance cost     | 648    | 1,086  | -40% | 631    | 3%   | 1,808  | 2,944  | -39% |
| Other income     | 2,691  | 2,846  | -5%  | 2,263  | 19%  | 6,812  | 11,219 | -39% |
| PAT              | 7,797  | 6,612  | 18%  | 6,291  | 24%  | 19,516 | 16,753 | 16%  |
| EPS-Adjusted     | 27.47  | 23.29  | 18%  | 22.16  | 24%  | 68.76  | 59.02  | 16%  |
| DPS-Adjusted     | 0.00   | 0.00   |      | 27.50  | -    | 27.50  | 25.00  | 10%  |

Source: PSX & AKD Research

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## Valuation Methodology

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.)

## New Rating Definitions

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NEUTRAL > 0% to < 15% expected total return  
SELL < 0% expected total return

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