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REP 019

POL 1QFY27 Result Review — Bottom-line surges on top-line expansion

AKD Securities Limited

Pakistan Oilfields Limited (POL) reported 1QFY27 NPAT of PkR8.2bn (EPS: PkR28.9), up 51%YoY compared to PkR5.4bn (EPS: PkR19.1) in SPLY. The result was largely at par with our expectations, bottom-line growth was on behest of higher revenues and finance income. As per routine, the company did not announce an interim cash dividend for the quarter.

- Net sales grew by 26%YoY to PkR16.5bn (+26%YoY) compared to PkR13.1bn in 1QFY26. Top-line expansion was driven by higher average Arab Light crude prices (+26%YoY to US$90.1/bbl), upward semi-annual wellhead gas price revisions (+19%YoY), and higher gas dispatches, which offset softness in crude volumes.
- Crude oil production as per PPIS clocked in at 3,980bpd in 1QFY27 (-8%YoY from 4,315bpd in SPLY), while gas production improved to 61mmcfd (+28%YoY from 48mmcfd in SPLY). The decline in oil was majorly due to lower offtakes from the self-operated Jhandial field, while growth in natural gas was behest of higher volumes from JV assets including Tal block and Jhal Magsi South.
- Opex surged by 32%YoY to PkR4.0bn vs PkR3.0bn in SPLY, while exploration expenses fell by 83%YoY to PkR193mn from PkR1.1bn in 1QFY26 due to no dry wells during the period.
- Other income expanded by 58%YoY to PkR2.9bn vs PkR1.9bn in 1QFY26, due to robust interest income on elevated cash balances. Total liquid cash and bank balances stood strong at PkR124.8bn as of Sep'26, up 6%YoY.
- Finance costs declined by 59%YoY to PkR219mn vs PkR529mn in SPLY, providing additional support to the bottom line.
- Effective tax rate for 1QFY27 clocked in at 32% (vs. 33% in SPLY), normalizing from net tax credit reported in 4QFY26.
- We reiterate our 'BUY' stance on Pakistan Oilfields Limited with a Dec'26 target price of PkR850/sh.

POL: Income Statement

(PKRmn)	1QFY27	1QFY26	YoY	4QFY26	QoQ
Net Sales	16,496	13,113	26%	20,088	-18%
Royalty	1,871	1,450	29%	2,228	-16%
Op. Exp.	4,051	3,067	32%	2,534	60%
Exploration Exp.	193	1,126	-83%	133	46%
Operating profit	9,379	6,789	38%	13,051	-28%
Finance cost	219	529	-59%	724	-70%
Other income	2,939	1,858	58%	2,953	0%
PAT	8,192	5,429	51%	12,402	-34%
EPS	28.9	19.1	51%	43.7	-34%
DPS	0.0	0.0		72.5	-

Source: PSX & AKD Research

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

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