



POL Statistics

Last Trade	21-Oct-13
Avg Volume (52 Weeks)	313,298.00
Close	450.20
52 Weeks High	536.99
52 Weeks Low	404.5
Market Capitalization	106.5bn
Beta	0.77
Total No of Shares	236.5mn
Free-Float Shares	108mn

Source: SCS Research

Pakistan Oil Field

Profit and Loss statement

(In mn Rs)	1QFY13	1QFY12	Change
Net sales	8,864.4	6,646.0	33%
Operating costs	1,914.4	1,643.9	16%
Exersice duty	71.2	70.2	1%
Royalty	859.4	611.0	41%
Amortization	1,062.6	451.3	135%
	3,907.6	2,776.4	
Gross profit	4,956.8	3,869.6	28%
Exploration costs	249.4	201.1	24%
Admin expenses	33.8	21.9	54%
Finance cost	610.7	133.5	357%
Other charges	365.0	267.3	37%
Other Income	1,229.0	392.8	213%
PBT	4,926.8	3,638.6	35%
provision for taxation	1,320.0	1,042.7	27%
NPAT	3,606.9	2,595.9	40%
EPS	15.25	10.85	40%

Source: Company announcement

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POL profits jump by Rupee depreciation; full year earnings could get a boost

Pakistan Oilfields (POL) is now a great beneficiary of depreciating Rupee. The gross revenue notched Rs 9.4bn owing to higher realizable prices despite the fact that there is no significant jump in the overall production numbers of crude.

Many of the old structures have depleted production numbers with increasing realizable prices.

Most importantly, POL has reported jump in decommissioning cost to Rs 1.06bn whereas exploration cost remains flat as against last year i.e. Rs 249mn which is insignificant.

The lessening exploration cost delineates that company is not doing enough to drill more as against giant counterparts like OGDC or some other foreign operators or JV partners like MOL.

1QFY14 EPS jumped by 40%

POL reported 1QFY14 net earnings of Rs 3.6bn (EPS: Rs 15.25) as against Rs 2.6bn (EPS: Rs 10.85) reported in the corresponding last year.

EPS and DPS forecast (significant changes due to adverse Rupee Dollar parity)

It reinforces our belief that POL could report a handsome growth in FY14 EPS in the range of Rs 62 – Rs 64 (based on realizable parity Dollar) as against Rs 45.78 posted in FY13.

The dividend of POL could exceed Rs 55 – 60/share translating into annual dividend yield of 13% (a jump from 10%). Last year, POL passed on dividend of Rs 45/share.

It seems that POL could report handsome interim cash dividend of Rs 27 – 30/share