

Result Review: Earnings declined by 16% YoY in FY25

FY25: Bottomline arrived at PKR 54.25/share

REP-300

Mari Petroleum Company Limited (MARI) announced its financial result today, posting earnings of PKR 65,136mn (EPS: PKR 54.25) during FY25, down 16% YoY. On a quarterly basis, the company’s profitability arrived at PKR 18,835mn (EPS: PKR 15.69), down 27% YoY owing to imposition of the incremental royalty on the revenue from the Mari D&P Lease. Alongside the result, MARI announced DPS of PKR 21.70 in 4QFY25.

Result Highlights

- Topline in FY25 decreased by 3% YoY, settling at PKR 177,097mn amid i) a 5% YoY decrease in the wellhead price of the Mari gas field and ii) appreciation of the PKR against the USD. During 4QFY25, the net sales increased by 12% YoY, arriving at PKR 44,802mn given jump in oil and gas production by 18% and 16% YoY, respectively amid 58 day turnaround at EFERT’s EnVen plant in SPLY.
- The royalty charges during FY25 augmented by 61% YoY, settling at PKR 35,611mn, which is attributable to imposition of incremental royalty on the wellhead revenue from the Mari D&P Lease. On a quarterly basis, the royalty charge surged by 130% YoY due to aforementioned reason.
- The exploration cost climbed up by 15% YoY to PKR 14,862mn in FY25. Meanwhile, during 4QFY25, MARI recorded exploration cost of PKR 5,235mn compared to a reversal of PKR 5,859mn in SPLY, owing to higher prospecting expenditure during the quarter tagged with reversal of impairment loss in SPLY.
- The finance income arrived at PKR 9,913mn in FY25, up 8% YoY on the back of higher income on cash and cash equivalents.
- The company booked effective taxation at 13% in 4QFY25 vis-à-vis 20% in 4QFY24.
- MARI’s cash and cash equivalents during Jun’25 stood at PKR 77bn compared to PKR 74bn in Mar’24.

Exhibit: Financial Highlights

(PKR mn)	FY25a	FY24a	YoY	4QFY25a	4QFY24a	YoY	QoQ
Income Statement							
Net Sales	177,097	181,829	-3%	44,802	39,836	12%	-2%
Royalty Charge	35,611	22,098	61%	10,454	4,551	130%	-10%
Operating Cost	40,863	35,904	14%	9,380	9,765	-4%	12%
Gross Profit	100,623	123,827	-19%	24,968	25,520	-2%	-3%
Exploration Cost	14,862	12,924	15%	5,235	(5,859)	-189%	80%
Other Expenses	5,359	6,742	-21%	648	1,168	-45%	-58%
Finance income	9,913	9,209	8%	2,487	3,104	-20%	42%
PAT	65,136	77,288	-16%	18,835	25,659	-27%	18%
EPS (PKR)	54.25	64.37		15.69	21.37		
DPS (PKR)	21.70	25.78		21.70	14.89		
Ratio Analysis							
BVPS (PKR)	226	187		226	187		211
Gross Margins	57%	68%		56%	64%		56%
Net Margins	37%	43%		42%	64%		35%
Return on Equity	24%	34%		29%	48%		26%
Return on Assets	15%	22%		18%	31%		17%
Payout Ratio	40%	40%		138%	70%		0%
Effective Tax	26%	30%		13%	20%		29%

Source (s): Company Financials, AHL Research

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Other Information

- In FY25, the company was able to add 110mn BOE of 2P reserves, which took the total reserves (2P and 2C) to 952mn BOE.
- The reserve replacement ratio arrived at 278% in FY25.
- During the year, the company made important discoveries such as Spinwam-1, Soho-1, and Pateji, which added 165.9mn BOE of new hydrocarbon resources.
- Despite curtailments due to higher RLNG and delay in the commencement of production from Waziristan Block, MARI managed to post highest ever hydrocarbon production of 39.13mn BOE.
- On 23rd Mar'25, the Early Production from Waziristan Block commenced and reached 70mmcf/d of gas and 700 bopd condensate.
- Gas production from Jhim East X-1 and Pateji also started during the period through Sujal Gas Processing Facility.
- During the year, the company diversified into technology business via Mari Technologies Limited and Sky47 Limited. Currently, construction of 5MW data center in Islamabad is ongoing. Meanwhile, the progress on the second data center in Karachi is proceeding as planned.
- In the mining business, the company's subsidiary Mari Minerals commenced targeted drilling in EL-322 and 323 in Aug'25.

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