



GeoPark Limited (GPRK)

Updated August 22nd, 2025, by Aristofanis Papadatos

Key Metrics

Current Price:	\$6.5	5 Year CAGR Estimate:	13.9%	Market Cap:	\$326 M
Fair Value Price:	\$6.3	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	8/19/25
% Fair Value:	103%	5 Year Valuation Multiple Estimate:	-0.6%	Dividend Payment Date:	9/4/25
Dividend Yield:	9.1%	5 Year Price Target	\$9.3	Years Of Dividend Growth:	5
Dividend Risk Score:	F	Sector:	Energy	Rating:	Hold

Overview & Current Events

GeoPark Limited (GPRK) is a company that explores and produces oil and natural gas in Colombia, Ecuador, Argentina and Brazil. It was founded in 2002, is based in Bogota, Colombia, and has a market capitalization of \$326 million.

GeoPark is superior to other Latin American oil and gas producers in some aspects. It has a market-leading drilling success rate of 81% and has drastically reduced its operating costs, from \$19 per barrel in 2013 to \$13 per barrel in 2023-2024. Approximately 90% of its production is cash flow positive even at Brent prices of \$25-\$30. This means that GeoPark is a low-cost producer, which is of paramount importance in a commodity business. On the other hand, GeoPark is highly sensitive to the dramatic cycles of the prices of oil and gas. As a result, it has exhibited an extremely volatile performance record, with losses in 4 of the last 10 years.

In early August, GeoPark reported (8/5/24) financial results for the second quarter of fiscal 2025. The average daily production of oil and gas decreased -6% over the prior year's quarter, primarily due to the divestment of the Chilean business in January. In addition, the price of oil incurred a correction. As a result, the company incurred a loss per share of -\$0.20. We also note that the price of oil has declined below a strong support level lately, as OPEC has begun to restore its output and thus it is expected to cause a global oil surplus of ~2.0 million barrels per day in late 2025 and early 2026. Due to this headwind, we have lowered our forecast for earnings-per-share in 2025 from \$1.30 to \$0.90.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	-\$4.04	-\$0.82	-\$0.40	\$1.11	\$0.92	-\$3.84	\$0.99	\$3.83	\$2.24	\$1.84	\$0.90	\$1.32
DPS	---	---	---	---	\$0.04	\$0.06	\$0.12	\$0.42	\$0.53	\$0.58	\$0.59	\$0.68
Shares	58.0	60.0	60.3	65.6	62.9	60.7	62.1	58.3	55.9	51.2	51.0	50.0

Since its founding, GeoPark has consistently grown its production, from zero to approximately 37,000 barrels per day. In addition, the company has established a new position in Vaca Muerta, Argentina, one of the most prolific regions in Latin America, with ~16 billion barrels of reserves. Less than 10% of these reserves have been developed. GeoPark expects to more than triple its output in this area, from 6,000 barrels per day in 2024 to 19,500 barrels per day in 2029.

On the other hand, as an oil and gas producer, GeoPark has proved highly sensitive to the wild swings of the prices of oil and gas. The company has exhibited an extremely volatile performance record, just like the vast majority of its peers.

We expect modest oil prices in the upcoming years due to the expected restoration of the output of OPEC and an unprecedented boom in clean energy projects. Nevertheless, due to a low comparison base this year, we expect 8% average annual growth of earnings-per-share over the next five years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	---	13.8	19.3	---	13.9	3.7	4.8	5.0	7.2	7.0
Avg. Yld.	---	---	---	---	0.2%	0.6%	0.9%	3.0%	4.9%	6.3%	9.1%	7.4%

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



GeoPark Limited (GPRK)

Updated August 22nd, 2025, by Aristofanis Papadatos

As a cyclical business, GeoPark has widely fluctuating earnings and price-to-earnings ratios. We estimate that a price-to-earnings ratio of about 7.0, which is in line with the 5-year average of the stock, is fair under normal conditions. The stock is currently trading at a price-to-earnings ratio of 7.2. If it trades at our assumed fair valuation level in five years, it will incur a -0.6% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	4%	---	12%	11%	24%	32%	66%	52%

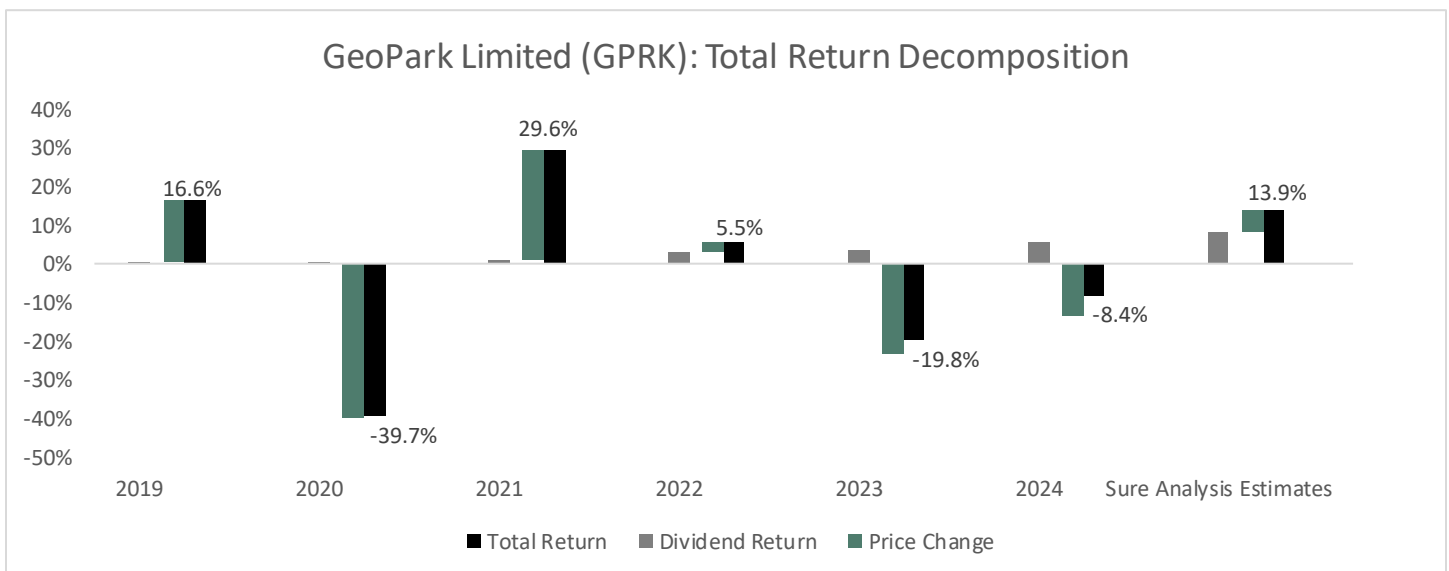
GeoPark operates in Latin America, which is one of the richest areas in the world in reference to oil and gas resources. Latin America is also characterized by extremely low production costs. This is a significant competitive advantage of GeoPark. In addition, the company has a strong balance sheet, with an interest coverage ratio of 4.9. A healthy balance sheet is paramount in the oil industry, as it will help the company endure a potential downturn in its business. Moreover, the stock is offering a 9.1% dividend but the payout ratio has climbed to 66%. Therefore, the dividend may be cut whenever the next downturn of the energy sector shows up.

GeoPark is inevitably vulnerable to the downturns of the energy sector, as its earnings are highly sensitive to the prices of oil and gas. Its losses in 4 of the last 10 years reflect this vulnerability. Consequently, the stock is not suitable for income-oriented investors. It is suitable only for investors with a strong conviction for higher oil and gas prices in the future.

Final Thoughts & Recommendation

GeoPark thrived in recent years thanks to the above average oil prices that resulted from the Ukrainian crisis and the deep production cuts of OPEC but the cartel has begun to restore its output at a fast pace. The stock could offer a 13.9% average annual return over the next five years thanks to its 9.1% starting dividend yield and 8% growth of earnings-per-share, partly offset by a -0.6% potential valuation headwind. The stock receives a hold rating but it is suitable only for investors who can remain patient during periods of low oil prices, which exert pressure on the stock. If the oil demand of China keeps decelerating, it is likely to weigh on the stock of GeoPark. The vast underperformance vs. the S&P 500 over the last five years (-31% vs. +87%) and over the last decade (+85% vs. +219%) is a stern reminder of the risk of GeoPark.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



GeoPark Limited (GPRK)

Updated August 22nd, 2025, by Aristofanis Papadatos

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	210	193	330	601	629	394	689	1,050	757	661
Gross Profit	17	50	156	335	354	151	387	593	403	366
Gross Margin	8.3%	25.8%	47.3%	55.7%	56.4%	38.2%	56.2%	56.5%	53.3%	55.4%
SG&A Exp.	43	38	43	56	75	56	51	55	53	64
D&A Exp.	106	76	75	92	106	118	89	97	121	---
Operating Profit	(53)	(0)	100	262	259	68	312	525	314	289
Op. Margin	-25.2%	-0.2%	30.4%	43.5%	41.2%	17.2%	45.3%	50.0%	41.5%	43.6%
Net Profit	(234)	(49)	(24)	72	58	(233)	61	224	111	96
Net Margin	-112%	-25.5%	-7.3%	12.0%	9.2%	-59.2%	8.9%	21.4%	14.7%	14.6%
Free Cash Flow	(23)	44	37	131	109	93	88	299	102	471
Income Tax	(17)	12	43	106	112	48	67	170	103	146

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	704	641	786	863	852	960	896	974	1,017	1,200
Cash & Equivalents	83	74	135	128	111	202	101	129	133	277
Acc. Receivable	13	18	20	16	44	47	71	72	65	40
Inventories	4	4	6	9	11	13	11	14	14	11
Total Liabilities	504	499	659	720	719	1,069	958	858	841	997
Accounts Payable	46	52	96	131	131	100	128	142	138	---
Long-Term Debt	379	359	426	447	437	785	674	498	501	514
Total Equity	147	106	85	143	133	(109)	(62)	116	176	203
LTD/E Ratio	2.58	3.39	5.02	3.13	3.29	(7.19)	(10.9)	4.31	2.85	2.53

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-26.9%	-7.3%	-3.4%	8.8%	6.7%	-25.7%	6.6%	24.0%	11.2%	8.7%
Return on Equity	-68.9%	-28.7%	-18.1%	53.7%	41.9%	N/A	N/A	837%	76.2%	50.8%
ROIC	-32.8%	-9.1%	-4.6%	12.7%	10.0%	-37.4%	9.5%	36.6%	17.2%	13.8%
Shares Out.	58.0	60.0	60.3	65.6	62.9	60.7	62.1	58.3	55.9	52.5
Revenue/Share	3.62	3.21	5.47	9.20	10.04	6.49	11.20	17.53	13.23	12.59
FCF/Share	(0.40)	0.73	0.61	2.01	1.74	1.54	1.42	4.99	1.78	8.97

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.