

Result announcement 1QFY23

Oil & Gas Exploration Companies

Oil & Gas Development Company Limited

Earnings: Oil & Gas Development Company Limited (OGDC) announced its 1QFY23 result. The Company reported 1QFY23 earnings of PKR 53.30bn (EPS PKR 12.39), up by +58%y/y compared to PKR 33.63bn (EPS PKR 7.82) in the similar period last year. On a quarterly basis, earnings augmented by +2.5x/y/y mainly due to lower exploration cost, higher share of profit from MARI and lower taxation.

Dividends/Payouts: OGDC announced interim cash dividend of PKR 1.75/share during 1QFY23.

Operating performance: During the period under review, earnings improved on the back of higher oil prices, PKR depreciation, rise in share of profit from Mari Petroleum Company Limited (MARI) and higher other income despite lower production and higher operating expenses. OGDC reported +48%y/y increase in revenue during 1QFY23 on the back of rise in average oil prices and PKR depreciation against greenback. Exploration cost declined by 32%y/y to PKR 1.55bn during 1QFY23 compared to PKR 2.28bn in the same period last year likely owing to lower prospecting expense. Other Income increased by +70%y/y to PKR 18.50bn during 1QFY23 compared to PKR 10.88bn in the corresponding period last year likely owing to hefty exchange gains. Effective tax stood at 39.6% during 1QFY23 (4QFY22: 65.3%) compared to 35.7% in the same period last year.

Exhibit: OGDC Financial Highlights					
For the period 1QFY23					
PKRmn	1QFY23	1QFY22	y/y	4QFY22	q/q
Net Sales	106,012	71,531	48%	95,196	11%
Royalty	12,177	8,242	48%	10,866	12%
Operating Expenses	18,175	16,575	10%	28,050	-35%
Gross Profit	75,206	46,310	62%	55,849	35%
Finance and Other Income	18,504	10,878	70%	16,983	9%
Exploration and Prospecting Expenditure	1,545	2,283	-32%	5,893	-74%
Finance Cost	818	563	45%	607	35%
WPP Fund	4,642	2,751	69%	3,293	41%
Share of profit from associate	2,511	1,820	38%	1,072	2.3x
PBT	88,207	52,270	69%	62,571	41%
PAT	53,303	33,629	58%	21,740	2.5x
EPS (PKR)	12.39	7.82		5.05	
DPS (PKR)	1.75	1.75		2.50	
Source: IGI Research and Company Financials			No of Shares: 4,300.9mn		

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