

Flash Note

Friday, October 25, 2024



Oil & Gas Exploration Companies

Oil & Gas Development Company Limited (OGDC)

Earnings: Oil & Gas Development Company Limited (OGDC) announced its 1QFY25 result. The Company reported 1QFY25 earnings of PKR 41.02bn (EPS PKR 9.54), down by 16%/y/y compared to PKR 49.04bn (EPS PKR 11.40) in the similar period last year. On a quarterly basis, profitability is up by +8%/q/q.

Dividend/Payout: The Company announced a cash dividend of PKR 3.0/share along with the result compared to PKR 1.60/share in the same period last year.

Operating Performance: During the period under review, OGDC reported a 12%/y/y decline in revenue during 1QFY25 on the back of lower oil prices, PKR appreciation and lower oil/gas production. Exploration cost increased by +46%/y/y to PKR 3.85bn during 1QFY25 likely owing to dry well cost incurred (Tando Allahyar NE-1). Operating expenses declined by 6%/y/y to PKR 26.27bn during 1QFY25 compared to PKR 27.90bn in the same period last year. The Company recorded other income of PKR 25.73bn during 1QFY25, up by +58%/y/y compared to PKR 16.25bn in the corresponding period last year. On a quarterly basis, earnings improved by +8%/q/q mainly due to other income in the absence of loss booked on modification of TFCs in the preceding quarter, lower exploration cost and operating expense. Effective tax rate stood at 50.6% during 1QFY25 compared to 43.1% (4QFY24: 30.1%) in the same period last year.

Exhibit: OGDC Financial Highlights					
For the period 1QFY25					
PKRmn	1QFY25	1QFY24	y/y	4QFY24	q/q
Net Sales	106,011	120,141	-12%	115,534	-8%
Royalty	13,151	13,654	-4%	13,853	-5%
Operating Expenses	26,265	27,895	-6%	36,299	-28%
Gross Profit	65,816	77,983	-16%	64,756	2%
Other Income	25,727	16,251	58%	(3,197)	n/m
Exploration and Prospecting	3,853	2,631	46%	4,060	-5%
Finance Cost	1,614	1,682	-4%	1,890	-15%
WPP Fund	4,375	4,535	-4%	2,852	53%
Share of profit from associate	3,247	2,989	9%	3,771	-14%
PBT	83,118	86,174	-4%	54,186	53%
PAT	41,020	49,038	-16%	37,872	8%
EPS (PKR)	9.54	11.40		8.81	
DPS (PKR)	3.00	1.60		4.00	
Source: IGI Research, PSX			No of Shares: 4,300.93mn		

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