

Flash Note

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Oil & Gas Exploration Companies

Oil & Gas Development Company Limited (OGDC)

Earnings: Oil & Gas Development Company Limited (OGDC) announced its 3QFY25 result. The Company reported 3QFY25 earnings of PKR 47.15bn (EPS PKR 10.96), down by 1%y/y compared to PKR 47.81bn (EPS PKR 11.12) in the similar period last year. On a quarterly basis, profitability is up by +14%q/q. This brings total profitability for 9MFY25 to PKR 129.61bn (EPS PKR 30.13), down by 24%y/y, compared to PKR 171.10bn (EPS PKR 39.78).

Dividend/Payout: The Company announced a cash dividend of PKR 3.0/share along with the result compared to bringing total cash payout for 9MFY25 to PKR 10.05/share.

Operating Performance: During the period under review, OGDC reported a 7%y/y decline in revenue during 3QFY25 on the back of lower oil prices and oil production. Exploration cost increased by +95%y/y to PKR 6.78bn during 3QFY25 likely owing to dry well cost incurred and higher prospecting expense. Operating expenses increased by +19%y/y to PKR 31.91bn during 3QFY25 compared to PKR 26.80bn in the same period last year. The Company recorded other income of PKR 18.11bn during 3QFY25, up by +5%y/y compared to PKR 17.27bn in the corresponding period last year likely owing to higher mark-up income. On a quarterly basis, earnings improved by +14%q/q mainly due to a slight increase in average oil prices, lower tax expense and higher share of profit from MARI. Effective tax rate stood at 29.9% during 3QFY25 (2QFY25: 43.0%) compared to 41.2% in the same period last year bringing total effective tax rate for 9MFY25 to 41.9% compared to 28.6% in the similar period last year.

Exhibit: OGDC Financial Highlights								
For the period 3QFY25								
PKRmn	3QFY25	3QFY24	y/y	2QFY25	q/q	9MFY25	9MFY24	y/y
Net Sales	104,484	112,789	-7%	100,412	4%	310,907	348,164	-11%
Royalty	12,153	12,975	-6%	11,633	4%	36,937	40,426	-9%
Operating Expenses	31,908	26,799	19%	26,807	19%	84,980	87,244	-3%
Gross Profit	59,914	72,361	-17%	61,597	-3%	187,327	218,557	-14%
Other Income	18,110	17,271	5%	20,855	-13%	64,692	44,540	45%
Exploration and Prospecting	6,784	3,475	95%	4,034	68%	14,671	8,501	73%
Finance Cost	1,535	1,821	-16%	1,326	16%	4,475	5,253	-15%
WPP Fund	3,541	4,278	-17%	3,826	-7%	11,742	12,611	-7%
Share of profit from associate	2,929	3,143	-7%	1,405	108%	7,581	9,415	-19%
PBT	67,280	81,286	-17%	72,702	-7%	223,100	239,601	-7%
PAT	47,149	47,808	-1%	41,437	14%	129,606	171,104	-24%
EPS (PKR)	10.96	11.12		9.63		30.13	39.78	
DPS (PKR)	3.00	2.00		4.05		10.05	6.10	

Source: IGI Research, PSX No of Shares: 4,300.93mn

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