

# 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 2QFY26 result. The Company reported 2QFY26 earnings of PKR 34.71bn (EPS PKR 8.07), down by 16%/y/y compared to PKR 41.44bn (EPS PKR 9.63) in the similar period last year. On a quarterly basis, profitability is down by 9%/q/q. This brings total profitability for 1HFY26 to PKR 73.02bn (EPS PKR 16.98), down by 11%/y/y, compared to PKR 82.46bn (EPS PKR 19.17) in the same period last year.

**Dividend/Payout:** The Company announced a cash dividend of PKR 4.25/share along with the result bringing total cash payout for 1HFY26 to PKR 7.75/share.

**Operating Performance:** During the period under review, OGDC reported a 4%/y/y decline in revenue during 2QFY26 on the back of lower oil prices and gas production. Exploration cost leaped up by +2.2x/y/y to PKR 8.82bn during 2QFY26 likely owing to 2 dry wells incurred (Khatian and Jakhro North). Operating expenses increased by +38%/y/y to PKR 36.93bn during 2QFY26 compared to PKR 26.81bn in the same period last year. The Company recorded other income of PKR 14.75bn during 2QFY26, down by 29%/y/y, compared to PKR 20.86bn in the corresponding period last year likely due to a decline in interest rates. On a quarterly basis, earnings declined by 9%/q/q mainly due to lower other income, higher exploration and operating costs. Effective tax stood at 29.0% during 2QFY26 (1QFY26: 38.2%) compared to 43.0% in the same period last year bringing total effective tax rate for 1HFY26 to 34.1% against 47.1% in 1HFY25. OGDC's trade receivables declined by PKR 28.9bn to PKR 583.82bn against PKR 612.78bn as at Sep-25.

Exhibit: OGDC Financial Highlights								
For the period 2QFY26								
PKRmn	2QFY26	2QFY25	y/y	1QFY26	q/q	1HFY26	1HFY25	y/y
Net Sales	96,638	100,412	-4%	96,192	0%	192,830	206,423	-7%
Royalty	11,954	11,633	3%	10,598	13%	22,552	24,784	-9%
Operating Expenses	36,932	26,807	38%	28,803	28%	65,735	53,072	24%
Gross Profit	47,173	61,597	-23%	56,285	-16%	103,458	127,413	-19%
Other Income	14,753	20,855	-29%	12,185	21%	26,938	46,582	-42%
Exploration and Prospecting	8,817	4,034	119%	3,082	186%	11,898	7,887	51%
Finance Cost	1,201	1,326	-9%	1,221	-2%	2,423	2,940	-18%
WPP Fund	2,573	3,826	-33%	3,262	-21%	5,835	8,201	-29%
Share of profit from associate	1,997	1,405	42%	3,173	-37%	5,170	4,652	11%
PBT	48,883	72,702	-33%	61,982	-21%	110,865	155,819	-29%
PAT	34,714	41,437	-16%	38,305	-9%	73,019	82,457	-11%
<b>EPS (PKR)</b>	<b>8.07</b>	<b>9.63</b>		<b>8.91</b>		<b>16.98</b>	<b>19.17</b>	
<b>DPS (PKR)</b>	<b>4.25</b>	<b>4.05</b>		<b>3.50</b>		<b>7.75</b>	<b>7.05</b>	

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

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