

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 4QFY24 result. The Company reported 4QFY24 earnings of PKR 37.87bn (EPS PKR 8.81), down by 42%y/y compared to PKR 64.98bn (EPS PKR 15.11) in the similar period last year. On a quarterly basis, profitability is down by 21%q/q. This brings total profitability for FY24 to PKR 208.98bn (EPS PKR 48.59), down by 7%y/y, compared to PKR 224.62bn (EPS PKR 52.23) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 4.0/share along with the result bringing total cash payout for FY24 to PKR 10.1/share.

Operating Performance: During the period under review, OGDC reported a +11%y/y increase in revenue during 4QFY24 on the back of higher oil prices and oil production despite PKR appreciation and lower gas production. Exploration cost declined by 50%y/y to PKR 4.06bn during 4QFY24 likely owing to lower prospecting expense and dry well cost incurred (Badhra Dir-16). Operating expenses increased by +7%y/y to PKR 36.30bn during 4QFY24 compared to PKR 33.98bn in the same period last year. The Company recorded other expense of PKR 3.20bn during 4QFY24 likely in the absence of exchange gains, loss on modification in terms of TFCs and one-off gain on modification of finance lease of Uch Power despite higher interest income booked in the same period last year. On a quarterly basis, earnings declined by 21%q/q mainly due to higher exploration cost and other expense. Effective tax rate stood at 30.1% during 4QFY24 compared to 50.5% (3QFY24: 41.2%) in the same period last year bringing total effective tax rate for FY24 to 28.9% (FY23: 41.5%).

Exhibit: OGDC Financial Highlights								
For the period 4QFY24								
PKRmn	4QFY24	4QFY23	y/y	3QFY24	q/q	FY24	FY23	y/y
Net Sales	115,534	104,446	11%	112,789	2%	463,698	413,594	12%
Royalty	13,853	12,266	13%	12,975	7%	54,279	48,394	12%
Operating Expenses	36,299	33,981	7%	26,799	35%	123,543	93,610	32%
Gross Profit	64,756	57,682	12%	72,361	-11%	283,313	269,727	5%
Other Income	(3,197)	89,508	-104%	17,271	-119%	41,344	154,692	-73%
Exploration and Prospecting	4,060	8,129	-50%	3,475	17%	12,561	19,024	-34%
Finance Cost	1,890	1,230	54%	1,821	4%	7,143	4,715	51%
WPP Fund	2,852	6,903	-59%	4,278	-33%	15,462	20,199	-23%
Share of profit from associate	3,771	3,611	4%	3,143	20%	13,186	10,543	25%
PBT	54,186	131,153	-59%	81,286	-33%	293,787	383,773	-23%
PAT	37,872	64,979	-42%	47,808	-21%	208,976	224,618	-7%
EPS (PKR)	8.81	15.11		11.12		48.59	52.23	
DPS (PKR)	4.00	2.75		2.00		10.10	8.55	

Source: IGI Research, PSX

No of Shares: 4,300.93mn

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