



OGDC — FY25 Analyst Briefing Takeaways

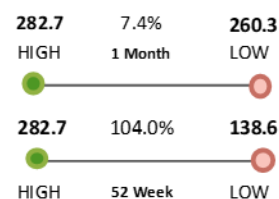
Oil & Gas Development Company Ltd (OGDC) held its analyst briefing earlier today, where-in the following was discussed:

- Company's net sales clocked in at PKR401bn during the year, down by 13%YoY. The decline was a direct impact of lower average oil prices and forced production curtailments during the year.
- OGDC reported NPAT of PKR170bn (EPS: PKR39.5) during FY25, down by 19%YoY compared to earnings of PKR209bn (EPS: PKR48.6) during FY24. Alongside the result, cash dividend for the year stood at PKR15.05/sh, compared to PKR10.10/sh in FY24.
- Production activity during FY25 stood as follows: 30,919bpd of crude oil (down 6.6% YoY), 652mmcf of natural gas (down 9.1%YoY) and 642tpd of LPG (down 10.5% YoY), respectively.
- In absence of forced curtailment in SNGPL's network and two annual turnarounds, production would have reached 33k bpd of oil, 746mmcf of natural gas and 724tpd of LPG.
- OGDC's oil and gas reserves stand at 756mn boe (131mn/626mn boe for oil/ gas) as of Jun'25, representing 49%/31% of the country's reserves, respectively.
- Company drilled 15 wells during the year (9/5/1 divided into exploratory, development and re-entry well), which yielded five new discoveries during the year. Company also acquired 750sq km of 2D and 1,051sq km of 3D seismic data during the year.
- Completion timelines for the Dakhni, KPD-TAY, and Uch compression projects are set for Jan'26, Apr'26, and Jun'26, respectively. Site construction and installation are underway for Dakhni and Uch, while the EPC contractor has been mobilized following finalization of the KPD-TAY project design.
- Company's cash collection ratio reached 109% in FY25, with management noting that the recent increase in consumer gas prices has contributed positively to collections.
- The company, along with the E&P industry, continue to engage with authorities on the forced curtailment of domestic hydrocarbon resources, with management expressing optimism for progress very soon.
- Management reiterated that there is a high-level committee working on the resolution of circular debt in the petroleum chain, while resolution of power circular debt is expected very soon.
- Management anticipates significant increases in oil and gas production in the coming years, supported by the company's ongoing exploration programs and production revival activities.
- OGDC remains engaged with foreign companies with regards to both onshore and offshore exploration activities.
- Management indicated a routine capex plan of PKR50–60bn for FY26, while an additional US\$100mn will be allocated for ongoing projects in pipeline over the next 1.5 years. Additionally, investment in the Reko Diq Mining Project is expected to total US\$50mn during the year.
- Production target for Wali block is 50mmcf of gas and 5k bpd of oil for FY26/FY27, where drilling of a third well is in progress.
- Management expects production commencement from the ADNOC Offshore Block-5 during FY28/29.
- OGDC continues to pursue exploration licenses in Balochistan and KPK, with a focus on high-potential basins in Balochistan and frontier regions, while working closely with security agencies to support exploration activities.
- We reiterate our 'BUY' stance on OGDC with a Dec'25 target price of PKR371/sh, alongside a DY of 7% for FY26.

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Price Performance



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