

Oil & Gas Development Company Limited (OGDC) – 3QFY26

Wednesday, April 29, 2026

Oil & Gas Development Company Limited (PSX: OGDC) reported 3QFY26 profit after tax of PKR 42,244mn (EPS: PKR 9.82), up a strong 22% q/q above HMFS expectation. The company also declared a cash dividend of PKR 3.25 per share.

Revenue recovers sharply q/q: Net sales of PKR 107,297mn surged 11% q/q from PKR 96,638mn and grew 3% y/y vs. PKR 104,484mn — the strongest sequential revenue print in recent quarters. The q/q recovery likely reflects higher crude/gas realisations, improved production volumes from key fields, and/or favourable hydrocarbon mix.

Royalty upticks inline with revenue: Royalty expense of PKR 12,824mn rose 7% q/q and 6% y/y, directionally consistent with higher realisations.

Operating profit — strong sequential recovery: Operating profit of PKR 54,216mn surged 51% q/q from PKR 35,907mn and grew 6% y/y from PKR 51,317mn. Operating margin expanded to 50.5% in 3QFY26 vs. 37.2% in 2QFY26.

Finance charges rise Q/Q: Financial charges increased 16% q/q to PKR 1,392mn, though they remain 9% below the 3QFY25 level of PKR 1,535mn. The q/q uptick may reflect increased short-term borrowing or working capital financing needs.

Other income — sharp compression, key risk: Other income of PKR 11,563mn declined 22% q/q from PKR 14,753mn and 36% y/y from PKR 18,110mn OGDC's other income is primarily composed of return on short-term investments/T-bills and exchange gains. The 36% y/y decline is consistent with SBP's rate cut cycle compressing treasury yields.

Tax charge — significant ETR spike, key earnings drag: Taxation of PKR 22,695mn surged 60% q/q from PKR 14,169mn and 13% y/y, implying an ETR of 34.9% vs. 29.0% in 2QFY26.

Financials (PKR 'Mn)	3QFY26	2QFY26	QoQ	3QFY25	YoY
Net sales	107,297	96,638	11%	104,484	3%
Cost of sales	(602)	(579)	4%	(509)	18%
Royalty	(12,824)	(11,954)	7%	(12,153)	6%
Operating/field costs	(31,002)	(36,932)	-16%	(31,908)	-3%
Gross profit	62,869	47,173	33%	59,914	5%
Exploration costs	(6,004)	(8,817)	-32%	(6,784)	-11%
Administrative expenses	(2,650)	(2,449)	8%	(1,814)	46%
Operating profit	54,216	35,907	51%	51,317	6%
Financial charges	(1,392)	(1,201)	16%	(1,535)	-9%
Other income	11,563	14,753	-22%	18,110	-36%
Other charges	(3,418)	(2,573)	33%	(3,541)	-3%
Share of associates' profit/(loss)	3,970	1,997	99%	2,929	36%
Profit before tax	64,939	48,883	33%	67,280	-3%
Taxation	(22,695)	(14,169)	60%	(20,131)	13%
Profit after tax	42,244	34,714	22%	47,149	-10%
EPS - Basic	9.82	8.07		10.96	

Source: Company Financials, HMFS Research

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