

Dana Gas

Current Price AED 0.76	Target Price AED 0.95	Upside/Downside (%) +25%	Rating BUY
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4Q24 Net Profit higher than our estimate

- Dana Gas gross revenue rose 65% YOY to USD 158 Mn in 4Q24, driven primarily by the recognition of additional revenue from the improved fiscal terms under the recently signed consolidated concession agreement in Egypt.
- The Company reported a gross profit of USD 75 Mn in 4Q24 as compared to USD 37 Mn in 4Q23, an increase of 103% YOY.
- Dana Gas reported EBITDA of USD 88 Mn in 4Q24 compared to USD 56 Mn in 4Q23.
- The Company's net profit in 4Q24 increased by 15% to USD 39 Mn, compared to USD 34 Mn in 4Q23, as a result of cost optimization and lower financing costs.
- Dana Gas recorded a general & administrative expense of USD 11 Mn in 2024.
- Capital expenditure amounted to USD 73 Mn in 2024 compared to USD 145 Mn in 2023.
- Corporate debt reduced from USD 108 Mn in 2023 to USD 28 Mn in 2024.
- The repayment of debt enabled Dana Gas to reduce the finance costs by USD 7 Mn in 2024.
- The Company's cash balance stands at USD 317 Mn in 2024.
- The production of the Company stood at 54,850 barrels of oil equivalent per day in 2024 compared to 58,700 barrels of oil equivalent per day in 2023.
- Dana Gas' KRI production grew 4% YOY to 38,400 boepd (barrels of oil equivalent) in 2024.

Earnings Call Summary

- Dana Gas is prioritizing the KM250 project, which will provide 250 Mn standard cubic feet of gas, 7,000 barrels of condensate, and 460 tons of LPG daily and is expected to be online by 2Q26.
- Capital expenditure of the Company in the KRI was USD 56 Mn due to the temporary suspension of the KM250 project, and the resumption of construction will lead to a corresponding increase in capex in 2025.
- The signing of the consolidated concession agreement in Egypt has initiated a USD 100 Mn multi-year investment program for the Company, marking a significant step in its expansion efforts.
- Dana Gas plans to invest USD 80-100 Mn in Egypt in the forthcoming period. The capex will be funded through in-country's revenue and is expected to increase the gas recovery by 80 Bn cubic feet.
- The company plans to develop the Chemchemical field, a world-class gas discovery in Kurdistan, to enhance its output and is believed to be part of the existing Cornwall field.
- Dana Gas plans to strengthen its financial position through proactive management of collections and cash flow in 2025.
- The Company intends to resume dividend payments to shareholders, which will be decided in the upcoming board meeting.

Dana Gas - P&L

USD Mn	4Q23	3Q24	4Q24	4Q24F	Var (%)	YOY	QOQ
Revenue	96	96	158	95	66%	65%	65%
Gross Profit	37	47	75	43	75%	103%	60%
EBITDA	56	59	88	58	51%	57%	49%
Net profit	34	40	39	34	14%	15%	-3%

FABS estimate & Co Data

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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