

Flash Note

Monday, 20 April 2020

Fertilisers

Engro Fertiliser Limited (EFERT)

1q 2020 EPS clocks in at 0.4/share down by 86%/y; Cash dividend (nil)

- ✓ Engro Fertilisers Limited (EFERT) announced its financial results for 1QCY20 with earnings clocking in at PKR 0.6bn (EPS: PKR 0.4) as compared to PKR 4.0bn (EPS: PKR 3.0) in the same period last year. The company did not announce any cash dividend
- ✓ Net sales for the quarter decreased by -54%/y to PKR 10.8bn owing to slowdown in offtake and reduction in urea prices. Moreover, key drag on company's earnings include a) higher finance cost amid high interest rates, b) reduced other income, and c) high effective tax rate of 49%.

Exhibit: Engro Fertiliser Company Limited (EFERT)						
Period end (Dec) - PKRbn	1q/20	2019	4q/19	3q/19	2q/19	1q/19
Net Sales	10.8	121.4	43.6	27.1	27.0	23.7
Cost of Sales	7.2	81.8	29.0	18.3	18.5	16.1
Gross Margins	3.6	39.5	14.6	8.8	8.5	7.6
Gross Margins	33.7%	32.6%	33.4%	32.6%	31.6%	32.1%
Net Sales Growth	-54.4%	-19.1%	9.1%	-3.5%	17.9%	29.8%
Selling & Dist. Costs	1.1	8.7	3.3	2.1	1.7	1.6
Admin. Costs	0.4	1.2	0.4	0.3	0.3	0.3
Other Op. Income	0.3	4.4	0.7	1.2	1.4	1.0
Other Op. Expense	0.1	2.6	1.1	0.5	0.6	0.4
EBIT	2.3	31.3	10.5	7.2	7.3	6.3
EBIT Growth	-63%	-40%	37%	-2%	40%	3%
Finance Costs	1.2	3.9	0.7	1.2	1.2	0.8
Pre-Tax Profits	1.1	27.4	9.8	6.0	6.1	5.5
Taxation	0.6	10.5	3.5	2.7	2.9	1.5
Effective Tax Rate	49%	38%	35%	44%	48%	27%
Profit After Tax	0.6	16.9	6.4	3.3	3.2	4.0
PAT Growth YoY	-86%	189%	23%	-35%	-3%	3%
EPS	0.43	12.64	4.77	2.49	2.38	3.00
DPS	-	13.00	2.00	6.00	5.00	-

No. of shares: 1,334.4mn

Analyst

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