

# Flash Note

Tuesday, 27 October 2020

## Fertilisers

### Fauji Fertilizer Bin Qasim Limited (FFBL)

#### 3q 2020 EPS clocks in at 3.54/share; Cash dividend (nil)

- Fauji Fertilizer Bin Qasim Limited (FFBL) announced its financial results for 3QCY20 with earnings clocking in at PKR 3.30bn (EPS: PKR 3.54) as compared to the loss of PKR 0.46bn (LPS: PKR 0.50) in the same period last year. This brings total loss for 9MCY20 to PKR 0.90bn (LPS: PKR 0.97) compared to loss of PKR 2.41bn in the same period last year. The company did not announce any cash dividend.
- Net sales for the quarter increased by 14% y/y to PKR 15,224mn owing to increase in urea and DAP off-takes by 15% and 22% respectively.
- Gross margins of the company clocked in at ~16% up by 5.4 ppts y/y mainly due to reduction in GIDC.
- Other income increased by +24% y/y to PKR 2.54bn during 3QCY20 likely owing to dividend income from FFBL power amounting to PKR 2bn.
- Effective tax rate of the company stood at 16% as compared to 1.41x in the same period last year.

Exhibit: Fauji Fertiliser Bin Qasim Limited (FFBL)						
Period end (Dec) - PKRmn	3QCY20	2QCY19	YoY	9MCY20	9MCY19	YoY
Net Sales	25,180	22,146	14%	49,962	43,643	14%
Cost of Sales	21,232	19,870	7%	44,642	40,073	11%
<b>Gross Margins</b>	<b>3,948</b>	<b>2,276</b>	<b>73%</b>	<b>5,320</b>	<b>3,570</b>	49%
Gross Margins	16%	10%		11%	8%	
Selling & Dist. Costs	1,572	1,806	-13%	3,534	3,696	-4%
Admin. Costs	319	385	-17%	905	1,008	-10%
Other Op. Income	2,544	2,055	24%	4,230	3,985	6%
Other Op. Expense	134	423	-68%	1,451	597	143%
<b>EBIT</b>	<b>4,734</b>	<b>2,562</b>	<b>85%</b>	<b>3,661</b>	<b>2,254</b>	62%
Finance Costs	811	1,433	-43%	3,538	3,559	-1%
<b>Pre-Tax Profits</b>	<b>3,923</b>	<b>1,129</b>	<b>2.47x</b>	<b>123</b>	<b>(1,305)</b>	-109%
Taxation	617	1,596	-61%	1,025	1,113	-8%
<b>Profit After Tax</b>	<b>3,306</b>	<b>-467</b>	<b>8.09x</b>	<b>(901)</b>	<b>(2,418)</b>	n/m
EPS	3.54	(0.50)		(0.97)	(2.59)	
DPS	-	-		-	-	
Source: IGI Research, Company Financials				No. of shares: 934mn		

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