

Flash Note

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Fertilizer

Fauji Fertilizer Bin Qasim Limited (FFBL)

Earnings: Fauji Fertilizer Bin Qasim Limited (FFBL) announced its 1QCY24 result. The Company reported 1QCY24 unconsolidated earnings of PKR 6.25bn (EPS PKR 4.84), compared to a profit of PKR 0.48bn (EPS PKR 0.37) in the similar period last year. This brings total 1HCY24 profitability to PKR 10.56bn (EPS PKR 8.18), compared to a loss of PKR 4.95bn (EPS PKR 3.83) in the same period last year.

Dividend/Payout: The Company announced it did not announce any dividend along with the result.

Operating Performance: During 1QCY24, FFBL reported a 43%y/y increase in revenue likely owing to higher offtakes. Gross margins improved to 23% compared to 13% in the similar period last year due to higher DAP prices. The Company posted other income of PKR 4.7 billion, up by 16%q/q/83%y/y, likely attributed to higher dividend income from its subsidiaries and associate companies and higher interest income earned on short-term investments. Finance cost decreased by -61%y/y to PKR 1.10bn during 1QCY24 likely owing to the decline in the Company's short-term borrowings. Effective tax rate stood at 40% during 2QCY24 (1QCY24: 47%) bringing total effective tax rate for 1HCY24 to 43% against -61% in 1HCY23.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)					
in PKRbn					
Period end (DEC)	2Q'24	2Q'23	1Q'24	1H'24	1H'23
Net Sales	50.3	35.2	46.5	96.9	66.8
Cost of Sales	39.0	30.7	37.7	76.7	60.0
Gross Profit	11.3	4.5	8.8	20.1	6.8
Gross Profit margin	23%	13%	19%	21%	10%
Admin	0.4	0.3	0.4	0.8	0.6
Selling & Dist.	2.2	1.6	2.4	4.6	2.3
EBIT	11.6	5.0	9.3	20.9	2.6
EBIT margin	23%	14%	20%	22%	4%
Finance Cost	1.1	2.8	1.0	2.1	5.3
Profit before tax	10.5	8.2	8.2	18.7	(3.1)
Tax	4.2	1.5	3.9	8.1	1.9
Effective tax rate	40%	19%	47%	43%	-61%
Profit after tax	6.3	0.5	4.3	10.6	(5.0)
Net Margins	12%	1%	9%	11%	-7%
EPS	4.8	0.4	3.3	8.2	(3.8)
DPS	0.0	0.0	0.0	0.0	0.0

Source: Company Accounts, IGI Research

No. of Shares: 1291.3mn.

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