

Flash Note

Wednesday, April 29, 2026

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Fertilizer

Fauji Fertilizer Company Limited (FFC)

Earnings: Fauji Fertilizer Company Limited (FFC) announced its 1QCY26 result. The Company reported 1QCY26 unconsolidated earnings of PKR 17.5bn (EPS PKR 12.1), +32%/y/y higher as compared to PKR 13.3bn (EPS PKR 9.3) in the similar period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 8.50/share along with the result.

Operating Performance: During 1QCY26, FFC revenues increased by +50%/y/y basis clocking in at PKR 95.3bn mainly on the back of higher offtakes. Urea offtakes increased by 2.1xy/y and DAP offtakes surged by +3.0xy/y. Gross margins clocked in at 31% during 1QCY26 compared to 36% in the similar period last year due to elevated DAP production costs on the back of higher phosphoric acid prices. Finance cost also increased to PKR 2.2bn during 1QCY26 due to higher borrowings. Other income during 1QCY26 increased by +43%/y/y to PKR 10.7bn compared to PKR 7.5bn in the same period last year likely due to strong dividend income from associated companies. Effective tax rate during 1QCY26 stood at 37% (4QCY25: 47%) compared to 35% in the same period last year.

Exhibit: Fauji Fertilizer Company Limited (FFC)					
in PKRbn					
Period end (Mar)	1Q'26	1Q'25	y/y	4Q'25	q/q
Net Sales	95.3	63.6	50%	149.7	-36%
Cost of Sales	66.2	41.0	61%	111.9	-41%
Gross Profit	29.1	22.6	29%	37.8	-23%
Gross Profit margin	31%	36%		25%	
Selling & Dist.	7.8	6.1	27%	8.9	-13%
EBIT	29.9	22.1	35%	31.4	-5%
EBIT margin	31%	35%		21%	
Finance Cost	2.2	1.7	28%	1.6	40%
Profit before tax	27.8	20.4	36%	29.8	-7%
Tax	10.3	7.1	44%	13.9	-26%
Effective tax rate	37%	35%		47%	
Profit after tax	17.5	13.3	32%	15.9	10%
Net Margins	18%	21%		11%	
EPS	12.1	9.3		11.1	
DPS	8.5	7.0		8.5	

Source: Company Accounts, IGI Research

No. of Shares: 1439mn.

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- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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