

Flash Note

Tuesday, July 29, 2025



Fertilizer

Fauji Fertilizer Company Limited (FFC)

Earnings: Fauji Fertilizer Company Limited (FFC) announced its 2QCY25 result. The Company reported 2QCY25 unconsolidated earnings of PKR 25.2bn (EPS PKR 17.69), +62%/y/y higher as compared to PKR 15.6bn (EPS PKR 12.22) in the similar period last year. This brings total profitability for 1HCY25 to PKR 38.5bn (EPS PKR 27.0), up by +47%/y/y, compared to PKR 26.1bn (EPS PKR 20.5) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 12.0/share along with the result taking the cumulative dividend for 1HCY25 to PKR 19.0/share.

Operating Performance: During 2QCY25, FFC reported +61%/y/y increase in revenue clocking in at PKR 91.8bn mainly on the back of higher urea and DAP offtakes. Gross margins clocked in at 34% during 2QCY25 compared to 54% in the similar period last year. Finance cost inclined by +24%/y/y to PKR 1.7bn during 2QCY25. Other income during 2QCY25 increased significantly by +3.8xy/y to PKR 20.7bn compared to PKR 5.5bn in the same period last year. Effective tax rate during 2QCY25 stood at 34% (1QCY25: 35%) compared to 43% in the same period last year.

Exhibit: Fauji Fertilizer Company Limited (FFC)								
in PKRbn								
Period end (Mar)	2Q'25	2Q'24	y/y	1Q'25	q/q	1H'25	1H'24	y/y
Net Sales	91.8	57.2	61%	63.6	44%	155.4	115.6	35%
Cost of Sales	60.9	26.0	134%	41.0	48%	101.8	67.2	52%
Gross Profit	31.0	31.1	-1%	22.6	37%	53.6	48.4	11%
Gross Profit margin	34%	54%		36%		34%	42%	
Selling & Dist.	8.7	5.5	57%	6.1	43%	14.8	10.7	38%
EBIT	40.1	28.5	41%	22.1	81%	62.2	48.1	29%
EBIT margin	44%	50%		35%		40%	42%	
Finance Cost	1.7	1.4	24%	1.7	1%	3.4	2.9	18%
Profit before tax	38.4	27.2	41%	20.4	88%	58.8	45.2	30%
Tax	13.2	11.6	14%	7.1	85%	20.3	19.1	6%
Effective tax rate	34%	43%		35%		35%	42%	
Profit after tax	25.2	15.6	62%	13.3	90%	38.5	26.1	47%
Net Margins	27%	27%		21%		25%	23%	
EPS	17.7	12.2		9.3		27.0	20.5	
DPS	12.0	10.0		7.0		19.0	15.5	

Source: Company Accounts, IGI Research

No. of Shares: 1,423.1mn.

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- Justified Price to Book
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