

# Flash Note

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## Fertilizer

### Fauji Fertilizer Company Limited (FFC)

**Earnings:** Fauji Fertilizer Company Limited (FFC) announced its 4QCY24 result. As a merged entity with FFBL, the Company reported 4QCY24 unconsolidated earnings of PKR 22.2bn (EPS PKR 15.6), +2xy/y higher as compared to PKR 7.5bn (EPS PKR 5.9) in the similar period last year. This brings total earnings for CY24 to PKR 64.7bn (EPS PKR 45.5), up by 2.2xy/y, compared to PKR 29.7bn (EPS PKR 23.3) recorded last year.

**Dividend/Payout:** The Company announced a cash dividend of PKR 21.0/share along with the result bringing the cumulative dividend for CY24 to PKR 36.5/share.

**Operating Performance:** During 4QCY24, FFC reported +4.8xy/y increase in revenue clocking in at PKR 207.6bn mainly on the back of higher overall offtakes and contribution in sales from FFBL's DAP offtakes. Gross margins clocked in at 25% during 4QCY24 compared to 45% in the similar period last year mainly due to effect of higher gas costs for FFBL's plant which uses gas from the SSGC network. Finance cost inclined by +44%/y/y to PKR 2.3bn during 4QCY24. Other income during 4QCY24 increased significantly by +2.3xy/y to PKR 10.4bn compared to PKR 4.6bn in the same period last year likely due to record investment and dividend income. Effective tax rate during 4QCY24 stood at 45% (3QCY24: 36%) compared to 47% in the same period last year bringing total effective tax rate for CY24 to 42% compared to 45% last year.

Exhibit: Fauji Fertilizer Company Limited (FFC)								
in PKRbn								
Period end (DEC)	4Q'24	4Q'23	y/y	3Q'24	q/q	CY'24	CY'23	y/y
Net Sales	207.6	43.4	379%	50.3	312%	373.5	159.5	134%
Cost of Sales	155.0	24.0	546%	24.2	539%	246.4	95.2	159%
Gross Profit	52.7	19.4	172%	26.1	102%	127.2	64.3	98%
Gross Profit margin	25%	45%		52%		34%	40%	
Selling & Dist.	13.3	4.0	236%	5.3	149%	29.4	12.7	132%
EBIT	46.1	18.1	154%	27.7	66%	123.1	63.2	95%
EBIT margin	22%	42%		55%		33%	40%	
Finance Cost	2.3	1.6	44%	1.3	79%	6.5	5.6	16%
Profit before tax	40.2	14.0	187%	25.8	56%	111.1	53.5	108%
Tax	18.0	6.5	175%	9.3	93%	46.4	23.9	94%
Effective tax rate	45%	47%		36%		42%	45%	
Profit after tax	22.2	7.5	197%	16.5	35%	64.7	29.7	118%
Net Margins	11%	17%		33%		17%	19%	
EPS	15.6	5.9		11.6		45.5	23.3	
DPS	21.0	4.1		0.0		36.5	15.5	

Source: Company Accounts, IGI Research No. of Shares: 1423.1mn.

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