# Flash Note

Thursday, January 29, 2026

Fertilizer

## Fauji Fertilizer Company Limited (FFC)

**Earnings:** Fauji Fertilizer Company Limited (FFC) announced its 4QCY25 result. The Company reported 4QCY25 unconsolidated earnings of PKR 15.9bn (EPS PKR 11.2), +15%y/y higher as compared to PKR 13.8bn (EPS PKR 9.7) in the similar period last year. This brings total profitability for CY25 to PKR 73.6bn (EPS PKR 51.7), up by +14%y/y, compared to PKR 64.7bn (EPS PKR 47.7) last year.

**Dividend/Payout:** The Company announced a cash dividend of PKR 8.50/share along with the result taking the cumulative dividend for CY25 to PKR 37.0/share.

**Operating Performance:** During 4QCY25, FFC revenues remained flat on a y/y basis clocking in at PKR 149.7bn mainly on the back of lower prices whereas urea offtakes increased by +11%y/y and DAP offtakes declined by -23%y/y. Gross margins clocked in at 25% during 4QCY25 compared to 26% in the similar period last year. Finance cost also remained flat at PKR 1.6bn during 4QCY25. Other income during 4QCY25 decreased by -20%y/y to PKR 5.4bn compared to PKR 6.8bn in the same period last year. Effective tax rate during 4QCY25 stood at 47% (3QCY25: 41%) compared to 49% in the same period last year.

**Exhibit: Fauji Fertilizer Company Limited (FFC)**

in PKRbn

| Period end (Mar) | 4Q'25 | 4Q'24 | y/y | 3Q'25 | q/q | CY'25 | CY'24 | y/y |
|---|---|---|---|---|---|---|---|---|
| Net Sales | 149.7 | 150.0 | 0% | 127.3 | 18% | 432.4 | 373.5 | 16% |
| Cost of Sales | 111.9 | 111.5 | 0% | 88.0 | 27% | 301.8 | 246.4 | 23% |
| Gross Profit | 37.8 | 38.5 | -2% | 39.2 | -4% | 130.6 | 127.2 | 3% |
| Gross Profit margin | 25% | 26% | | 31% | | 30% | 34% | |
| Selling & Dist. | 8.9 | 10.4 | -14% | 8.6 | 4% | 32.3 | 29.4 | 10% |
| EBIT | 31.4 | 28.6 | 10% | 33.8 | -7% | 127.4 | 117.6 | 8% |
| EBIT margin | 21% | 19% | | 27% | | 29% | 31% | |
| Finance Cost | 1.6 | 1.6 | -1% | 1.6 | 0% | 6.5 | 6.5 | 0% |
| Profit before tax | 29.8 | 27.0 | 10% | 32.3 | -8% | 120.9 | 111.1 | 9% |
| Tax | 13.9 | 13.2 | 5% | 13.1 | 6% | 47.3 | 46.4 | 2% |
| Effective tax rate | 47% | 49% | | 41% | | 39% | 42% | |
| Profit after tax | 15.9 | 13.8 | 15% | 19.2 | -17% | 73.6 | 64.7 | 14% |
| Net Margins | 11% | 9% | | 15% | | 17% | 17% | |
| **EPS** | **11.2** | **9.7** | | 13.5 | | **51.7** | 47.7 | |
| **DPS** | **8.5** | **21.0** | | 9.5 | | **37.0** | 36.5 | |

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

**Analyst**
Sakina Makati
sakina.makati@igi.com.pk
Tel: +92 21 111 234 234 Ext: 810

# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution. All Research Analysts are receiving fixed pay and reporting directly to Head of Research who reports to CEO.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

**Recommendation Rating System**
Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)
Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)
Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Valuation Methodology:** To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used: Target Price**: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited
Research Analyst(s)
Research Identity Number: BRP009

# Contact Details

## Equity Sales

| | | | |
|---|---|---|---|
| Zaeem Haider Khan | Head of Equities | Tel: (+92-42) 35301405 | zaeem.haider@igi.com.pk |
| Syeda Mahrukh Hameed | Regional Head (North) | Tel: (+92-42) 38303564 | mahrukh.hameed@igi.com.pk |
| Muhammad Naveed | Regional Manager (Islamabad & Upper North) | Tel: (+92-51) 2604861-62 | muhammad.naveed@igi.com.pk |
| Faraz Naqvi | Branch Manager (Karachi) | Tel: (+92-21) 111 234 234 Ext: 826 | faraz.naqvi@igi.com.pk |
| Shakeel Ahmad | Branch Manager (Faisalabad) | Tel: (+92-41) 2540843-45 | shakeel.ahmad1@igi.com.pk |
| Asif Saleem | Equity Sales (RY Khan) | Tel: (+92-68) 5871652-56 | asif.saleem@igi.com.pk |
| Mehtab Ali | Equity Sales (Multan) | Tel: (+92-61) 4512003 | mahtab.ali@igi.com.pk |

## Research Team

| | | | |
|---|---|---|---|
| Abdullah Farhan | Head of Research | Tel: (+92-21) 111-234-234 Ext: 912 | abdullah.farhan@igi.com.pk |
| Sakina Makati | Research Analyst | Tel: (+92-21) 111-234-234 Ext: 810 | sakina.makati@igi.com.pk |
| Syed Muzammil Hasan Rizvi | Research Analyst | Tel: (+92-21) 111-234-234 Ext: 569 | muzammil.rizvi@igi.com.pk |
| Sufyan Siddiqui | Database Officer | Tel: (+92-21) 111-234-234 Ext: 888 | sufyan.siddiqui@igi.com.pk |

**IGI Finex Securities Limited**
Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |
Corporate member of Pakistan Mercantile Exchange Limited
Website: www.igisecurities.com.pk

### Head Office
Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001
Fax: (+92-21) 35309169, 35301780

### Lahore Office
Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

### Islamabad Office
3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

### Faisalabad Office
Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office
Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

### Multan Office
Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited
Research Analyst(s)
Research Identity Number: BRP009