

Flash Note

Tuesday, 27 April 2021

Fertilisers

Fauji Fertilizer Bin Qasim Limited (FFBL)

Steady offtakes and rising DAP margins lifted 1q 2021 EPS to PKR 0.98; Cash dividend –nil–

- Fauji Fertilizer Bin Qasim Limited (FFBL) announced its financial result for 1QCY21, reporting net profits of PKR 1.27bn or PKR 0.98/share compared to a loss of PKR 3.0bn or PKR 2.36/share last year same qtr.
- The company did not announce any dividend along with the result.
- Net sales of the company clocked in at PKR 13.0bn, (up by +36%y/y) driven by steady DAP & urea offtakes alongside an uptick in DAP prices. Gross margin for the qtr. came at PKR 2.5bn (19%) against a gross loss of PKR 0.6bn (6%) in the corresponding period last year. Other operating expense declined by -28% y/y to PKR 0.14bn as well as company's finance cost witnessed a contraction of -57%y/y to PKR 0.6bn. Moreover, other income reported at PKR 1.57bn mainly due to dividend received from its investment in Askari Bank Limited (AKBL).
- Amortization expense of PKR 345mn was booked against previously reported GIDC re-measurement gain.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)								
in PKRbn								
Period end (DEC)	1q21	2020	4q20	3q20	2q20	1q20	2019	2018
Net Sales	13.01	83.23	33.27	25.18	15.22	9.56	66.84	61.51
Cost of Sales	10.53	70.66	26.01	21.23	13.29	10.12	60.95	53.33
Gross Profit	2.48	12.58	7.26	3.95	1.93	(0.56)	5.88	8.18
Gross Profit margin	19%	15%	22%	16%	13%	-6%	9%	13%
Admin	0.29	1.26	0.35	0.32	0.30	0.29	1.42	1.55
S/M/D	0.91	5.52	1.98	1.57	1.25	0.71	5.35	4.53
Operating profit	1.28	5.81	4.93	2.06	0.38	(1.56)	(0.88)	2.11
Operating profit margin	10%	7%	15%	8%	3%	-16%	-1%	3%
Other Income	1.57	5.18	0.95	2.54	1.37	0.32	4.37	3.18
EBIT	2.70	10.68	7.28	4.47	0.36	(1.44)	2.85	4.03
EBIT margin	21%	13%	22%	18%	2%	-15%	4%	7%
Finance Cost	0.65	4.44	0.91	0.81	1.21	1.52	5.20	2.22
Other e.off/impairments	(0.35)	(1.34)	(1.34)	0.00	0.00	0.00	(1.52)	0.00
Profit before tax	1.71	4.89	5.04	3.66	(0.85)	(2.95)	(3.87)	1.81
Tax	0.44	2.70	1.68	0.62	0.31	0.09	2.05	0.37
Effective tax rate	26%	55%	33%	17%	-37%	-3%	-53%	21%
Profit after tax	1.27	2.19	3.36	3.04	(1.16)	(3.05)	(5.92)	1.44
Net Margins	10%	3%	10%	12%	-8%	-32%	-9%	2%
EPS	0.98	1.70	2.60	2.35	(0.90)	(2.36)	(4.59)	1.11
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Source: IGI Research, Company accounts.

Number of shares: (bn) 1.291

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Time Horizon: Dec – 2021

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