

Day Break

Wednesday, July 23, 2025

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Earnings Preview 2QCY25

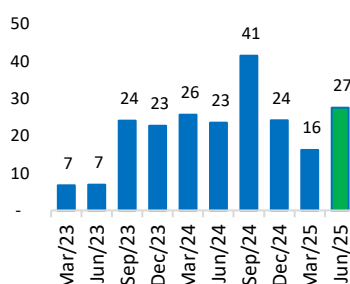
EPS Estimate for 2QCY25

PKR	2Q'25e	y/y	1Q'25	q/q
EFERT	5.0	4.0x	2.2	2.3x
FFC	14.6	34%	9.3	57%

DPS Estimate for 2QCY25

PKR	2Q'25e	1Q'25	CY'24
EFERT	4.5	2.3	21.5
FFC	11.0	7.0	36.5

Exhibit: Fertilizer Sector Historical Earnings (PKRbn)



Fertilizer

Sector Earnings to surge by +60%y/y during 2QCY25

- IGI Fertilizer universe earnings are expected to incline by +60%y/y in 2QCY25 to PKR 27.5bn compared to PKR 17.2bn in the same period last year mainly attributable to higher offtakes. On a sequential basis, earnings are expected to increase by +70%q/q. During 2QCY25, total industry urea and DAP offtakes declined by -23%y/y and -16%y/y respectively.
- Engro Fertilizers Limited's (EFERT) board meeting is scheduled to be held on 29th-Jul-2025 to announce financial result for 2QCY25, where we expect the Company to report earnings of PKR 6.7bn (EPS: PKR 5.0) +2.3xq/q higher compared to PKR 2.9bn (EPS PKR 2.2) in the previous quarter on the back of recovery in offtakes with urea and DAP offtakes increasing by +66% and +2.3x respectively on a q/q basis.
- We expect FFC to register earnings of PKR 20.8bn (EPS: PKR 14.6) up by +57%y/y compared to PKR 15.6bn (EPS: PKR 9.3) in the same period last year. On a yearly basis, earnings are expected to incline by +34%q/q.

Fertilizer Sector: Earnings to increase by +60%y/y to PKR 27.5bn in 2QCY25

IGI Fertilizer universe earnings are expected to incline by +60%y/y in 2QCY25 to PKR 27.5bn compared to PKR 17.2bn in the same period last year mainly attributable to higher offtakes. On a sequential basis, earnings are expected to increase by +70%q/q. During 2QCY25, total industry urea and DAP offtakes declined by -23%y/y and -16%y/y respectively.

Exhibit: Fertilizer sector earnings preview for 2qCY25

EPS PKR	Jun/25	Mar/25	q/q	Jun/24	y/y	1HCY25e	1HCY24a	y/y
EFERT	5.0	2.2	131%	1.2	301%	7.2	9.3	-23%
FFC*	14.6	9.3	57%	10.9	34%	37.0	28.8	28%
Total (PKRbn)	27.5	16.2	70%	17.2	60%	62.2	53.5	16%

Source: Company Accounts, IGI Research, *@1,423mn shares

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EFERT: Earnings to rise by +4xy/y during 2QCY25e to PKR 5.0/share

Engro Fertilizers Limited's (EFERT) board meeting is scheduled to be held on 29th-Jul-2025 to announce financial result for 2QCY25, where we expect the Company to report earnings of PKR 6.7bn (EPS: PKR 5.0) +2.3xq/q higher compared to PKR 2.9bn (EPS PKR 2.2) in the previous quarter on the back of recovery in offtakes with urea and DAP offtakes

increasing by +66% and +2.3x respectively on a q/q basis. On yearly basis, earnings are estimated to increase by +4xy/y as last year the Company's Enven plant underwent a major 58-day turnaround which dampened earnings last year. We expect the Company to announce cash dividend of PKR 4.5/share along with the result.

FFC: Earnings to increase by +34%/y to PKR 14.6/share during 2QCY25

We expect FFC to register earnings of PKR 20.8bn (EPS: PKR 14.6) up by +57%/y compared to PKR 15.6bn (EPS: PKR 9.3) in the same period last year. On a yearly basis, earnings are expected to incline by +34%q/q. We attribute the increase in the earnings during 2QCY25 as a result of synergies after merger with FFBL. FFC's urea offtakes declined by -24%/y to 584k/tons whereas DAP offtakes inclined by +17%/y to 199k/tons. We expect the company to announce cash dividend of PKR 11.0/share along with the result.

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