

# Flash Note

Tuesday, 30 October 2018

## Fertilizer

### Fatima Fertilizer Company Limited (FATIMA)

#### FATIMA: Stable offtake and strong margins increased earnings by +30%YoY to PKR 1.48/share for 3QCY18

- Fatima Fertilizer Company Limited (FATIMA) announced its financial results for 3QCY18 with unconsolidated earnings clocking in at PKR 3.10bn (EPS: PKR 1.48) as compared to PKR 2.38bn (EPS: PKR 1.13) in the same period last year.
- Net sales for the quarter increased by +36%YoY to PKR 11.41bn led by increase in urea price and CAN/NP offtakes. As a result, gross profit increased by +49%YoY to PKR 7.01bn with margins improved significantly by +450bpsYoY.
- In addition, finance cost decreased by 41%YoY to PKR 0.33bn owing to debt retirement.
- Effective tax rate for the period stood at 40% as against 16% in the corresponding period last year.

Exhibit:

#### FATIMA: 3QCY18 Result Highlights

Period End Dec- PKRmn	3QCY18	3QCY17	YoY	9MCY18	9MCY17	YoY
Net Sales	11,410	8,387	36%	34,511	26,079	32%
Gross Profit	7,012	4,693	49%	20,770	13,550	53%
Selling / Dist.	881	881	0%	3,231	2,398	35%
Other Op. Income	235	112	2.08x	589	371	58%
EBIT	5,528	3,416	62%	15,480	9,836	57%
Finance Cost	328	559	-41%	969	1,608	-40%
Pre-Tax Profits	5,199	2,857	82%	14,512	8,229	76%
Taxation	2,097	474	4.42x	5,072	1,554	3.26x
Post-Tax Profits	3,103	2,383	30%	9,439	6,675	41%
EPS	1.48	1.13		4.49	3.18	
DPS	-	-		-	-	

#### Key Ratios

Gross Profit Margins	61.5%	56.0%	60.2%	52.0%
Ebit Margins	48.4%	40.7%	44.9%	37.7%
Effective Tax Rate	40.3%	16.6%	35.0%	18.9%

Source: IGI Research, Company Financials, PSX

No. of shares :2,100 mn

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