

Flash Note

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Fertilizer

Fauji Fertilizer Bin Qasim Limited (FFBL)

Earnings: Fauji Fertilizer Bin Qasim Limited (FFBL) announced its 3QCY23 result. The Company reported 3QCY23 unconsolidated earnings of PKR 5.3bn (EPS PKR 4.10) compared to a loss of PKR 1.7bn (LPS PKR 1.31) in the similar period last year. This brings total 9MCY23 profitability to PKR 0.35bn (EPS PKR 0.27), down by 79%/y compared to PKR 1.71bn (EPS PKR 1.33) in the same period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: During 3QCY23, FFBL reported a +3.1x/y increase in revenue on the back of a rise in DAP prices and offtake. However, gross margins clocked in lower at 15% compared to 17% in the similar period last year, likely owing to elevated higher fuel & power costs. Finance cost increased by +98%/y to PKR 2.4bn during 3QCY23, likely owing to higher mark-up expense. Earnings growth was mainly driven by the absence of exchange loss. Effective tax rate stood at 26% during 3QCY23 (2QCY23: 76%) bringing total effective tax rate for 9MCY23 to 91% against 74% in 9MCY22.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)								
in PKRbn								
Period end (DEC)	9MCY23	3q'23	2q'23	1Q'23	9MCY22	3Q'22	2Q'22	1Q'22
Net Sales	136.8	70.1	35.2	31.5	93.5	22.6	46.1	24.8
Cost of Sales	119.7	59.7	30.7	29.3	75.6	18.8	37.4	19.4
Gross Profit	17.1	10.4	4.5	2.2	17.9	3.8	8.8	5.4
Gross Profit margin	13%	15%	13%	7%	19%	17%	19%	22%
Admin	1.0	0.4	0.3	0.3	0.9	0.2	0.4	0.4
Selling & Dist.	4.7	2.4	1.6	0.7	4.1	1.1	1.3	1.7
EBIT	12.6	10.0	5.0	(2.4)	10.2	(0.8)	7.4	3.5
EBIT margin	9%	14%	14%	-8%	11%	-3%	16%	14%
Finance Cost	7.7	2.4	2.8	2.5	2.8	1.2	0.9	0.7
Profit before tax	4.1	7.2	2.0	(5.1)	6.6	(2.2)	6.3	2.6
Tax	3.7	1.9	1.5	0.3	4.9	(0.5)	4.5	0.9
Effective tax rate	91%	26%	76%	-7%	74%	22%	72%	36%
Profit after tax	0.4	5.3	0.5	(5.4)	1.7	(1.7)	1.8	1.6
Net Margins	0%	8%	1%	-17%	2%	-8%	4%	7%
EPS	0.3	4.1	0.4	(4.2)	1.3	(1.3)	1.4	1.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company Accounts, IGI Research

No. of Shares: 1291.3mn.

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