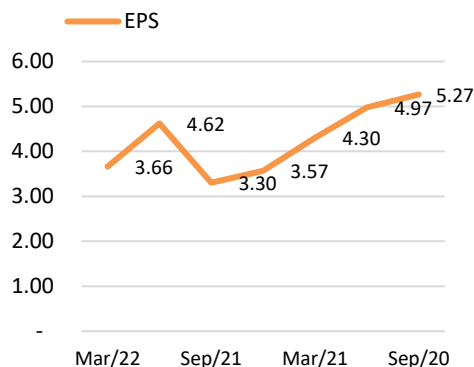


## Fertilizer

Exhibit: EFERT Qtrly eps trend



### Earnings Preview

## EFERT: 1q'22 EPS Expected at PKR 3.7/share; down 15%y

- Engro Fertilizer Company Limited (EFERT) is scheduled to announce its financial result for 1QCY22 on 19th Apr-22 where we expect the company to report a profit of PKR 5.0bn or PKR 3.7/share; down by 15%y and 21%q. Along with the result we expect the company to announce a cash dividend of PKR 3.5/share; given its payout history.

### EFERT earnings expected to arrive at PKR 3.7/share

Engro Fertilizer Company Limited (EFERT) is scheduled to announce its financial result for 1QCY22 on 19<sup>th</sup> Apr-22 where we expect the company to report a profit of PKR 5.0bn or PKR 3.7/share; down by 15%y and 21%q. Along with the result we expect the company to announce a cash dividend of PKR 3.5/share; given its payout history.

We expect net sales to remain upbeat, clocking in at PKR 35.9bn; up by +22%. Although sales of urea are expected to decline by ~11% ([Link](#)) during the period, but rise in urea bag prices will keep overall urea revenue stable. Moreover, increase sales of Dap and rise in prices will keep trading sales upbeat. Company's gross margins are expected to shrink to 31% from 33% in previous quarter mainly attributable to expiry of the concessionary gas tariff.

Exhibit: Engro Fertilizers Limited (EFERT)							
in PKRbn							
Period end (DEC)	1q/22e	2021a	4q/21a	3q/21a	2q/21a	1q/21a	2020a
Net Sales	35.9	132.4	39.6	37.4	25.9	29.4	105.8
Gross Profit	11.0	44.1	13.1	9.6	9.9	11.6	34.3
Admin	0.5	1.9	0.5	0.5	0.5	0.4	1.9
S/M/D	2.3	8.5	2.5	2.1	2.0	1.8	8.5
EBIT	7.8	32.8	9.4	6.9	7.4	9.1	23.7
Finance Cost	0.5	1.6	0.3	0.4	0.6	0.3	3.2
Tax	2.0	8.8	2.1	1.9	1.9	2.9	3.2
Profit after tax	4.9	21.1	6.2	4.4	4.8	5.7	18.1
EPS	3.7	15.8	4.6	3.3	3.6	4.3	13.6
DPS	3.5	16.5	5.3	3.3	4.0	4.0	13.0

Source: IGI Research, Company accounts. Number of shares: (bn) 1.335

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Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

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