

Result announcement: Annual 2021

Fertiliser

Engro Fertilizer Limited

Earnings: Engro Fertiliser Limited (EFERT) announced its annual results for the year ending 2021. As per the details available, the company reported full year earnings of PKR 21.09bn (PKR 15.8/share) compared to last year PKR 18.13bn (PKR 13.6/share) an increase of +16%y.

Dividends/Payouts: Along with the result, the company announced a final cash dividend of PKR 5.0/share which combined with interim dividend of PKR 11.5/share brings cumulative dividend for the year of PKR 16.5/share compared to last year cumulative dividend of PKR 13/share; up by +27%y.

Operating performance: During the period under review, company's net sales increased to PKR 132.36bn showing an increase of +25%y. Moreover, with healthy net sales growth, company also recorded stable gross margins of 33% compared to last year 32%; increase by 94bps. In addition, company's EBIT increased to PKR32.8bn (+39%y) as well as EBIT margins improved to 24.8% compared to last year 22.3% (+243bps) owing to contained administrative and selling, marketing and distribution costs. Company tax charge also increased to 29.4% versus last year +14.9%.

Other: Re-measurement losses on GIDC provisions booked in at PKR 0.742bn (last year gain: PKR 2.12bn) and loss allowance for subsidy receivable stood at PKR 0.56bn (last year: PKR 1.24bn)

Exhibit: Financial Highlights of Engro Fertilizers Limited. (EFERT)							
Latest result published for year 2021							
Period (PKRmn)	2021	4q2021	3q2021	2q2021	1q2021	2020	2019
Net Sales	132,363	39,621	37,383	25,916	29,444	105,846	121,355
Gross profit	44,074	13,050	9,615	9,851	11,558	34,255	39,540
Admin	1,900	541	453	495	412	1,908	1,248
S/M/D	8,530	2,533	2,133	2,036	1,827	8,457	8,736
Operating profit	33,644	9,976	7,029	7,320	9,319	23,890	29,555
EBIT	32,793	9,383	6,926	7,359	9,126	23,652	31,284
Finance Cost	1,602	337	426	570	269	3,236	3,887
Tax	8,798	2,086	1,927	1,866	2,919	3,165	10,526
Profit after tax	21,093	6,172	4,412	4,767	5,741	18,133	16,871
EPS	15.8	4.6	3.3	3.6	4.3	13.6	12.6
DPS	16.5	5.0	3.5	4.0	4.0	13.0	13.0
Source: Company accounts, IGI Research, PSX					No. of shares: 1335.3mn		

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