

## Fertiliser

## Fauji Fertilizer Bin Qasim Limited

**Earnings:** Fauji Fertiliser Bin Qasim Limited (FFBL) announced its results for the 3QCY22. As per the details available, the company reported a loss of PKR 1.7bn (PKR 1.31/share) during 3QCY22 compared to last year's profit of PKR 2.3bn (PKR 1.77/share). This brings total profit for 9MCY22 to PKR 1.7bn (PKR 1.33/share), down by 72%/y, compared to PKR 6.2bn (PKR 4.78/share) in the same period last year.

**Payout/Dividend:** The Company didn't announced any dividend.

**Operating performance:** During the period under review, the Company's net sales declined to PKR 22.6bn during 3QCY22, witnessing a decline of 41%/y mainly due to lower DAP offtake. Company gross margins decreased to 16.6% during 3QCY22 compared to last year's 22.2%; Company's loss before interest and tax clocked in at PKR 0.8bn compared to EBIT of PKR 6.6bn in the same period last year. Decline in EBIT was also due to exchange losses booked during the quarter. The Company booked tax income of PKR 0.5bn during 3QCY22 compared to PKR 1.4bn in the same period last year. On quarterly basis company reported loss during 3QCY22 mainly on account of lower DAP offtake, absence of dividend income and exchange losses, however, tax income during the quarter limited earnings decline compared to 72% effective tax rate during 2QCY22.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)								
in PKRbn								
Period end (DEC)	9MCY22	3q/22a	2q/22a	1q/22a	9MCY21	3q/21a	2q/21a	1q/21a
Net Sales	93.5	22.6	46.1	24.8	68.4	38.4	16.9	13.0
Cost of Sales	75.6	18.8	37.4	19.4	53.9	29.9	13.4	10.5
Gross Profit	17.9	3.8	8.8	5.4	14.5	8.5	3.5	2.5
Gross Profit margin	19.2%	16.6%	19.0%	21.7%	21.2%	22.2%	20.7%	19.0%
EBIT	10.2	(0.8)	7.4	3.5	13.2	6.6	3.9	2.7
EBIT margin	10.9%	-3.4%	16.0%	14.2%	19.3%	17.2%	23.0%	20.8%
Finance Cost	2.8	1.2	0.9	0.7	1.8	0.6	0.6	0.7
Profit before tax	6.6	(2.2)	6.3	2.6	8.3	3.6	3.0	1.7
Tax	4.9	(0.5)	4.5	0.9	2.2	1.4	0.4	0.4
Effective tax rate	74%	22%	72%	36%	26%	38%	12%	26%
Profit after tax	1.7	(1.7)	1.8	1.6	6.2	2.3	2.6	1.3
Net Margins	2%	-8%	4%	7%	9%	6%	15%	10%
EPS	1.33	(1.31)	1.38	1.26	4.78	1.77	2.02	0.98
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company Accounts, IGI Research

No. of Shares: 1291.3mn.

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