

Flash Note

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Fertilizer

Fauji Fertilizer Bin Qasim Limited (FFBL)

Earnings: Fauji Fertilizer Bin Qasim Limited (FFBL) announced its 4QCY23 result. The Company reported 4QCY23 unconsolidated earnings of PKR 4.05bn (EPS PKR 3.14), up by +6.6x/y, compared to a profit of PKR 614mn (EPS PKR 0.48) in the similar period last year. This brings total CY23 profitability to PKR 4.40bn (EPS PKR 3.41), up by +89%/y compared to PKR 2.33bn (EPS PKR 1.80) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 1.0/share along with the result.

Operating Performance: During 4QCY23, FFBL reported 14%/y decline in revenue likely owing to lower offtake. However, gross margins clocked in at 28% compared to 12% in the similar period last year due to higher DAP prices and lower phosphoric acid prices. Finance cost decreased by -51%/y to PKR 1.14bn during 4QCY23 likely owing to the decline in the Company's short-term borrowings. Effective tax rate stood at 60% during 4QCY23 (3QCY23: 26%) bringing total effective tax rate for CY23 to 69% against 73% in CY22.

Exhibit: Fauji Fertilizer Bin Qasim Limited (FFBL)										
in PKRbn										
Period end (DEC)	CY23	4Q'23	3Q'23	2Q'23	1Q'23	CY22	4Q'22	3Q'22	2Q'22	1Q'22
Net Sales	193.1	56.2	70.1	35.2	31.5	159.2	65.7	22.6	46.1	24.8
Cost of Sales	160.0	40.3	59.7	30.7	29.3	133.4	57.8	18.8	37.4	19.4
Gross Profit	33.1	16.0	10.4	4.5	2.2	25.9	7.9	3.8	8.8	5.4
Gross Profit margin	17%	28%	15%	13%	7%	16%	12%	17%	19%	22%
Admin	1.1	0.1	0.4	0.3	0.3	1.4	0.4	0.2	0.4	0.4
Selling & Dist.	10.1	5.4	2.4	1.6	0.7	7.1	3.1	1.1	1.3	1.7
EBIT	23.5	10.8	10.0	5.0	(2.4)	16.0	5.8	(0.8)	7.4	3.5
EBIT margin	12%	19%	14%	14%	-8%	10%	9%	-3%	16%	14%
Finance Cost	8.8	1.1	2.4	2.8	2.5	5.1	2.3	1.2	0.9	0.7
Profit before tax	14.1	10.0	7.2	2.0	(5.1)	8.5	1.9	(2.2)	6.3	2.6
Tax	9.7	6.0	1.9	1.5	0.3	6.2	1.2	(0.5)	4.5	0.9
Effective tax rate	69%	60%	26%	76%	-7%	73%	67%	22%	72%	36%
Profit after tax	4.4	4.0	5.3	0.5	(5.4)	2.3	0.6	(1.7)	1.8	1.6
Net Margins	2%	7%	8%	1%	-17%	1%	1%	-8%	4%	7%
EPS	3.41	3.14	4.11	0.37	(4.20)	1.80	0.48	(1.31)	1.38	1.26
DPS	1.00	1.00	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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