Day Break

Wednesday, October 29, 2025

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Fertilizer

FFC: 3QCY25 Management Call Takeaways

- Fauji Fertilizer Company Limited (FFC) held an investor briefing session to discuss the 3QCY25 financial results and provide key insights on the future outlook for the Company.
- The Company reported 3QCY25 earnings of PKR 19.2bn (EPS PKR 13.48), down by -23%y/y compared to PKR 24.8bn (EPS PKR 17.45) in the similar period last year. On quarterly basis, profitability was down by -24%q/q during 3QCY25.
- Regarding the matter of Shariah compliance, the Company stated that it has made significant progress in that regard and the same will be reflected in the financial accounts of 9MCY25 which are scheduled for release tomorrow.
- Discussing the future outlook of the urea market, the management stated that it expects urea demand to rebound in the first half of CY26 on the back of improved farmer economics and outlook for wheat crops.

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Key highlights from management conference call

- During the period, the Company informed that both the urea and DAP market contracted by 8% and 17% to 4,205KT and 783KT as compared to the same period last year on the back of weak farmer economics.

- During the 9MCY25, the company produced 2,207KT of urea and sold 1,955KT whereas, 622KT of DAP was produced/Imported of which the Company was able to sell 541KT.

- The Company also highlighted that the Company's urea market share contracted to 47% vs 51% in the same period last year.

Analyst

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Whereas, DAP market share improved to 69% vs 66% in the same period last year.

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- The Company further informed that during the period it has also launched 100 Sona Centers, creating a farmer network of 106k.

- The management also highlighted that the Company is actively assessing the potential use of the Country's abundant coal reserves for urea production. The Company is currently in the phase of detailed evaluation of the project parameters and opportunities.

- Talking about the impact of recent floods on agricultural activities, the management stated that the impact has been limited compared to initial estimates and a rebound is expected in the coming months.

- Discussing the future outlook of the urea market, the management stated that it expects urea demand to rebound in the first half of CY26 on the back of improved farmer economics and outlook for wheat crops.

- The Company also informed that a routine turnaround of the Goth Machhi plant II is planned in Dec-25 with the exact duration yet to be finalized.

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