



CORPORATE AFFAIRS DEPARTMENT

Ref No. 6.12-KSE/S/FFC
November 05, 2024

To : **Ms. Raeda Latif**
GM - Mktg & BD
Pakistan Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
KARACHI
Fax: 021-111-573-329

Subject: **Third Corporate Briefing for Year 2024**

Presentation of FFC Third Corporate Briefing for the period ended September 30, 2024 scheduled on November 06, 2024 is attached, please.

Best regards.


Company Secretary
Brig Zulfikar Ali Haider (Retd)

cc: **Mr. Saqib Ali, PSX Isd Office**
CFO, FFC
SM-F (PLN&R)

Fauji Fertilizer Company Limited

Corporate Briefing

For the period ended
September 30, 2024

Presented by: CFO

November 6, 2024



- 1 Highlights & Challenges**
- 2 Financial Overview (FFC & Group)**
- 3 Fertilizer Industry Snapshot**
- 4 FFBL Amalgamation**
- 5 Agritech Acquisition**
- 6 Questions & Answers Session**



Economic Highlights and Fertilizer Industry

GDP growth projected to rebound to 3-4% over the next few years



Agriculture Growth: 6.25% FY24

Highest in last 19 years
(mainly due to wheat, rice & Cotton)



Reduction in policy rate

450 bps reduction in
Policy Rate
(from 22% to 17.5%) [Sept]



Inflation easing up

6.9% in Sept 2024 vs
31.4% in Sept 2023 (YOY)



Contraction in Market Size vs last SPLY

Urea KT: **4,604** vs 4,945 (↓ 7%)
DAP KT: **964** vs 992 (↓ 3%)



Consistently pressurized Farm Economics

Net farm income decreased significantly
resulting in lower offtakes



Business Highlights & Challenges

Benchmark Turnover,
Other income and PAT

PAT
PKR 42.6 Bn

70 Sona Centers operational
w.e.f October'24

Amalgamation of
FFBL and
Acquisition of
AgriTech Ltd

USD 1 Billion Dollar
Market Cap Achieved after
6 years

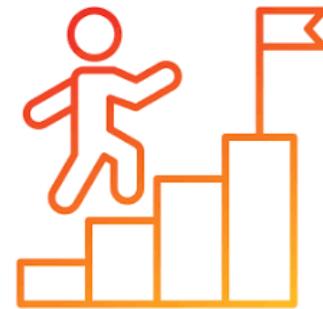
Benefit passed on to
farmer **USD 320Mn (PKR
89Bn)**



Highlights

Rising inventory levels owing to weak
farm economics

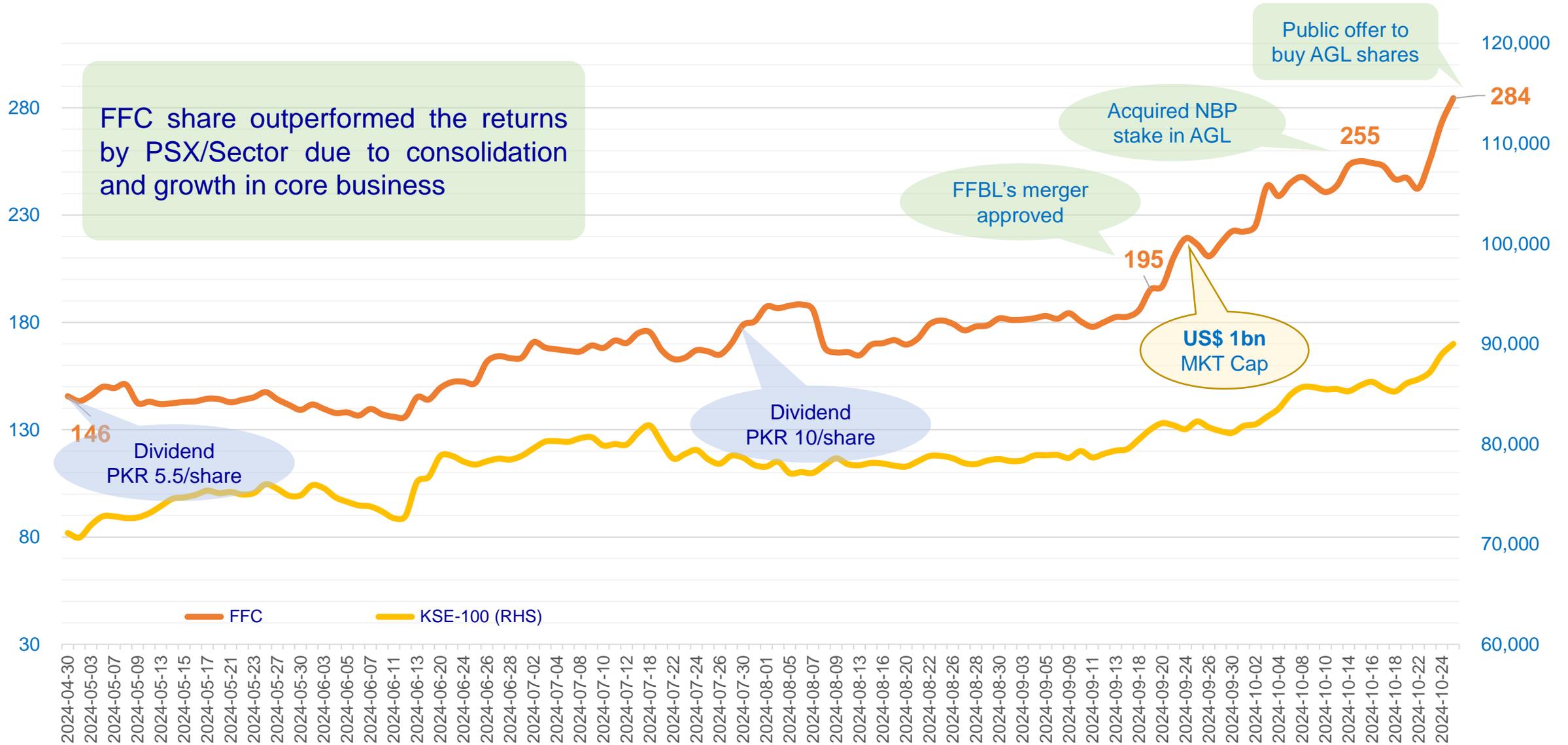
Urea Inventory 600 KT vs SPLY 77 KT
DAP Inventory 366 KT vs SPLY 38 KT



Challenges

Maximizing Returns for Shareholders

94% increase in Share price during last 6 months



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Financial and Operational Overview (FFC & Group)



Financial Snapshot 9M-2024

Investment income and cost optimization driving profitability

Revenue

PKR 166 Bn

↑43%

SPLY 116 Bn

Other Income

PKR 25 Bn

↑92%

SPLY 13 Bn

Operating Profit

PKR 58 Bn

↑61%

SPLY 36 Bn

Gross Profit

PKR 75 Bn

↑67%

SPLY 45 Bn

Profit after tax

PKR 42.6 Bn

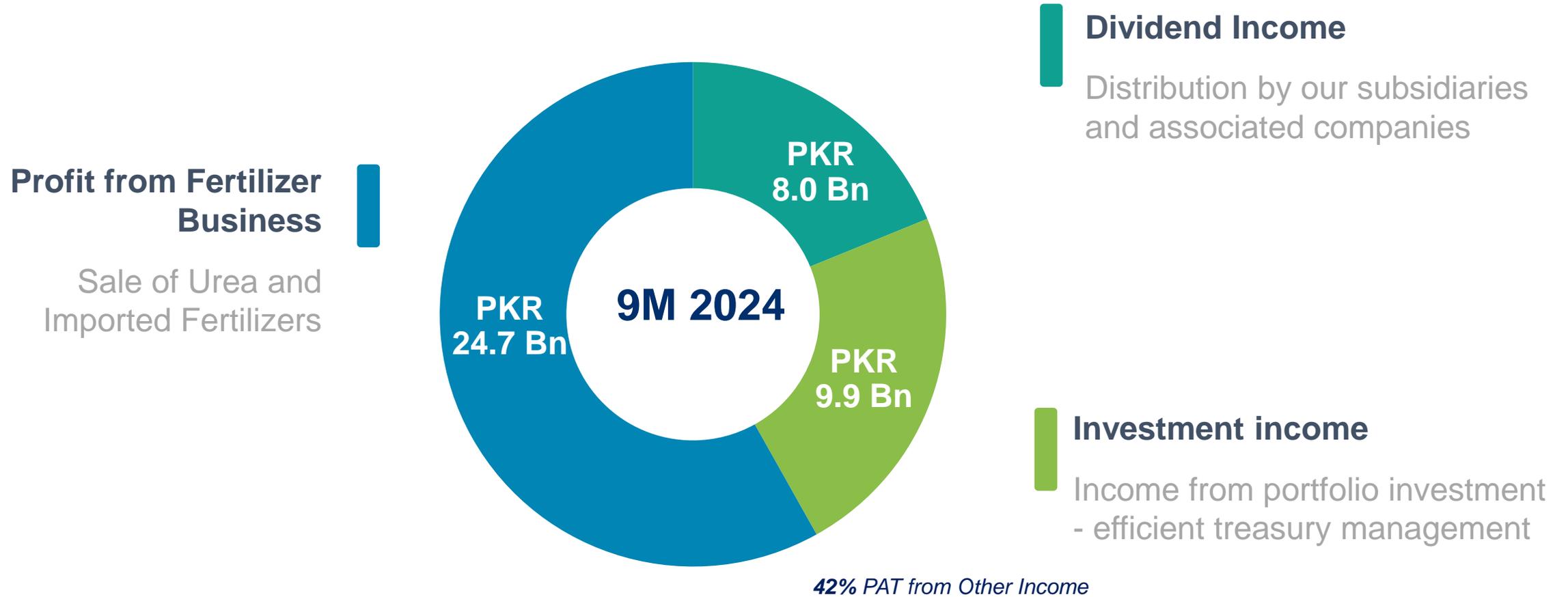
↑92%

SPLY 22.2 Bn

Profitability Breakdown (PKR 42.6 Bn) – 9M'24



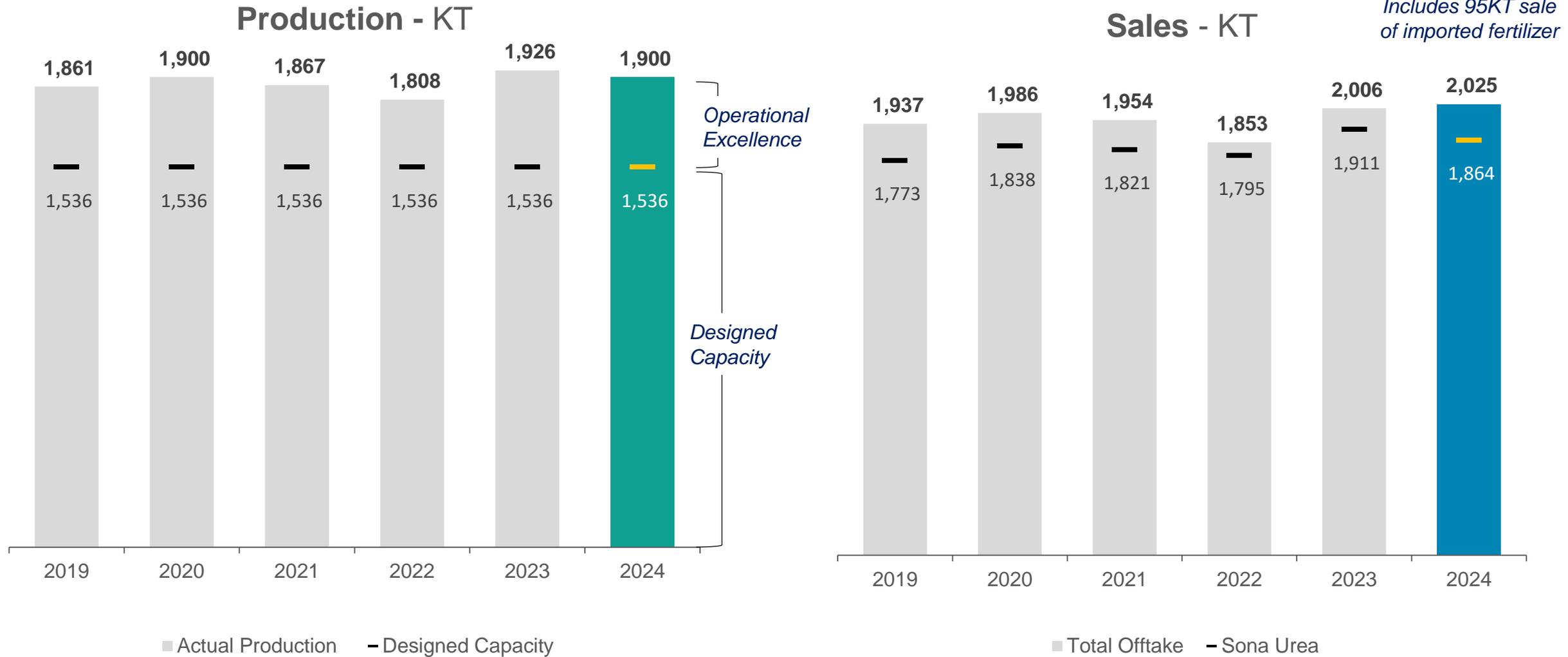
Dividend and investment income driving profitability



Six years at a glance - Production & Offtake 9M



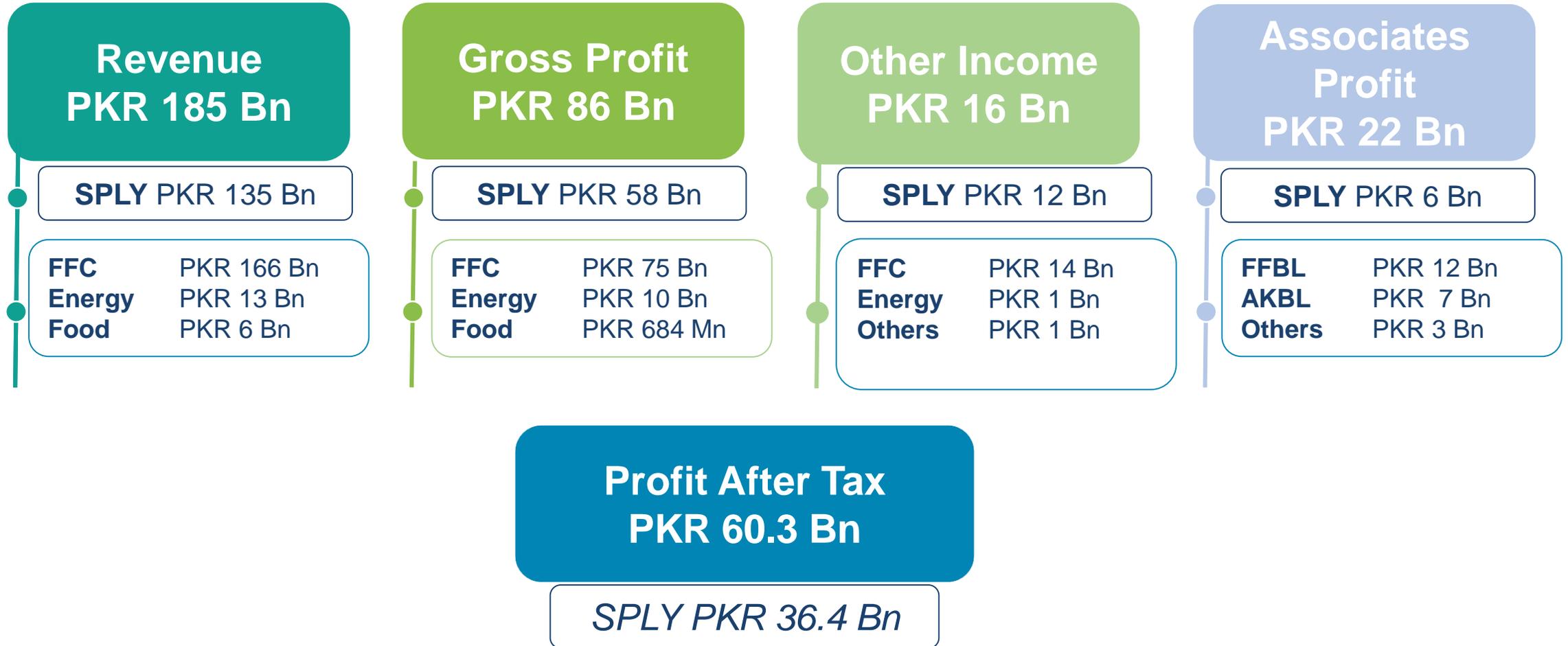
Improved plant reliability & operational excellence



FFC Group financial snapshot 9M-2024



Investment income and profits from associates augmenting growth



Business Portfolio



Investments driving profitability thru dividends

Fertilizer



FFBL Merger & Agritech
Acquisition in process



PMP: Ensuring sustainable supply of P2O5

Energy



Wind Energy:
Profitable & consistent dividends



TEL: Operational & dividend not disbursed

Services



AKBL: Profitable, with strategic transformation in process



Olive: Profitable & in Growth Phase

Food



FFFL: market condition hampering growth



FFL: Profitable & in Growth phase

Cement



FCCL: Profitable with regular dividends

Dividends (pre-tax)

PKR 1.5 Bn

PKR 7.5 Bn

PKR 1.6 Bn

Announced **PKR 0.1 Bn**



3 Fertilizer Industry Snapshot

Sona Urea



Market Share improved to 51% vs 44% (FFC + FFBL)

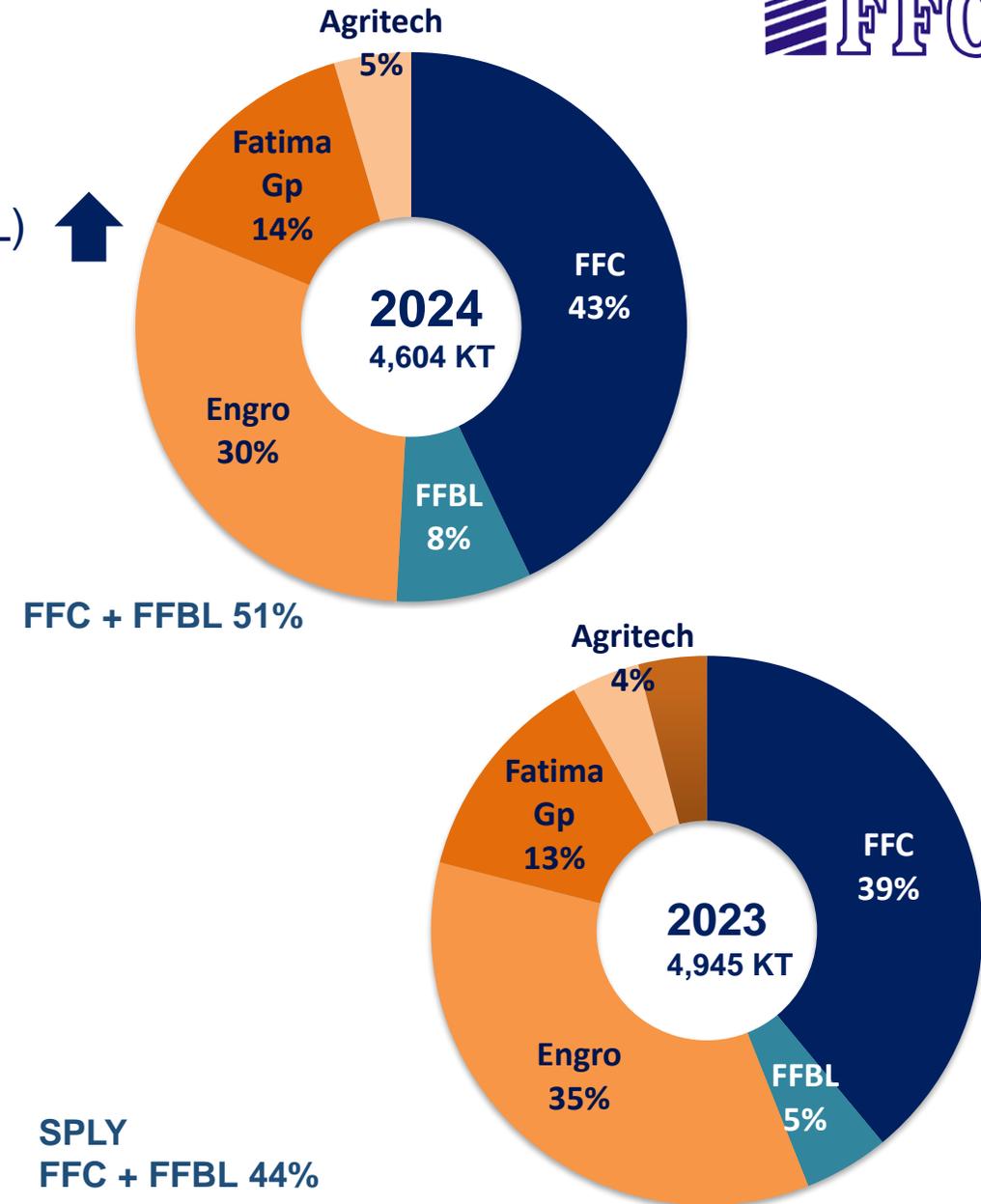
Sales KT	Sep 2024	Sep 2023	% Variance
Sona (NC)	320	165	94
Sona (P)	1,543	1,746	(12)
Imported Urea	95	-	-
FFC - Total	1,958	1,911	2
Sona (G) (FFBL)	361	253	43
Urea Total	2,319	2,164	7

Industry closing inventories

600 KT vs 77KT SPLY

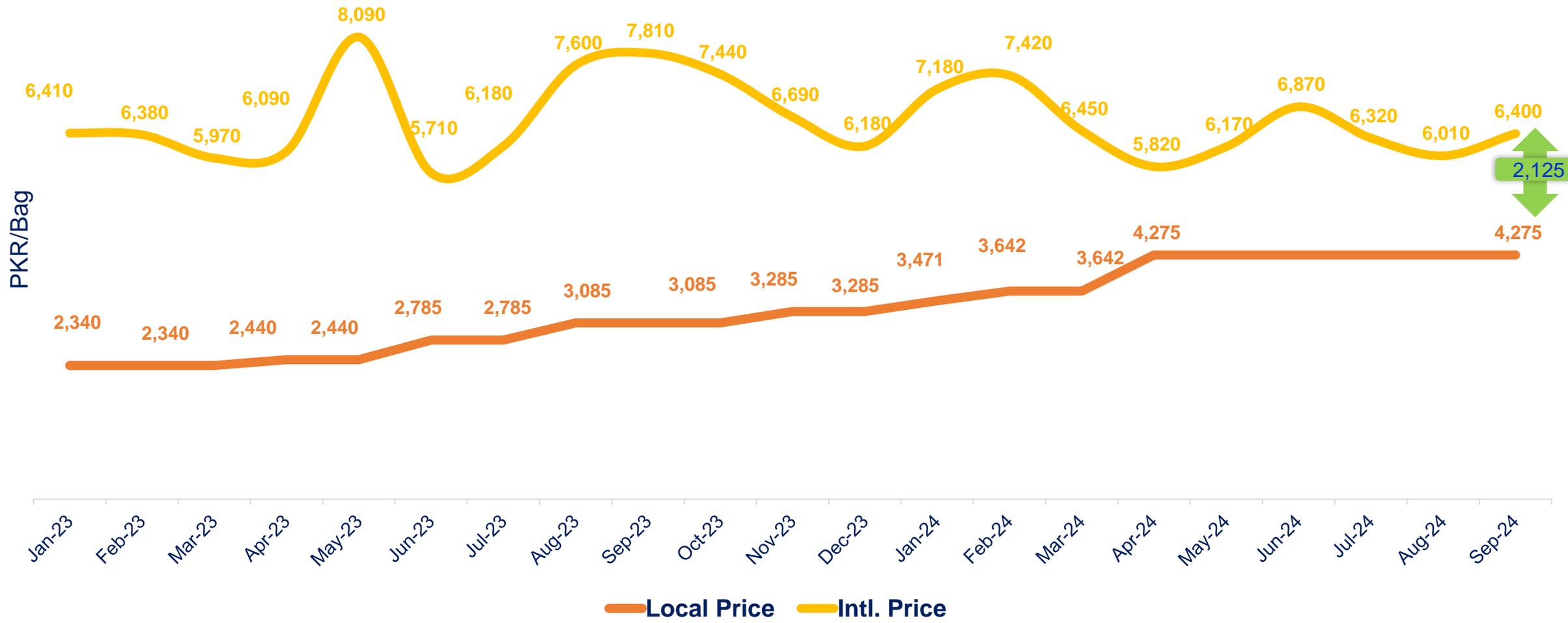
Industry sales

4,604 Kt vs 4,945 Kt SPLY 2023 (↓ 7%)



Local vs Intl. Urea Price

Benefit of **USD 320Mn (PKR 89Bn)** passed on to the farmers during the first nine months of 2024



2,125

Di Ammonium Phosphate (DAP)

Market Share declined to **66%** vs 70% (FFC + FFBL) ↓

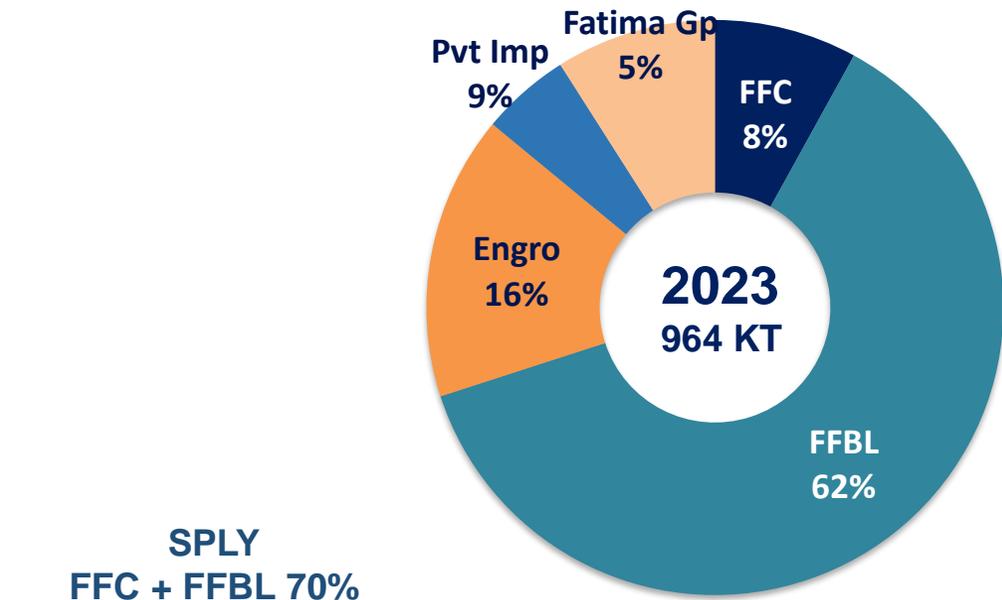
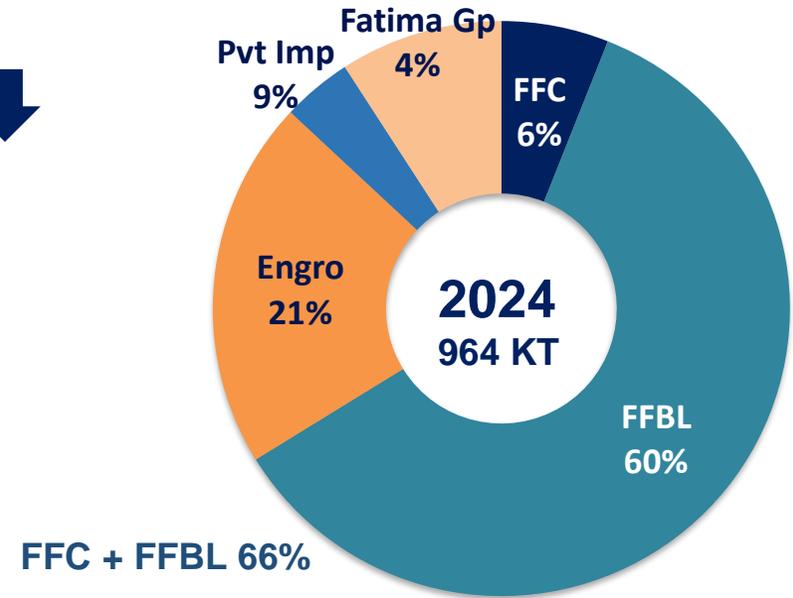
Sales KT	Sep 2024	Sep 2023	% Variance
FFC Imported DAP	54	78	(31)
FFBL Imported DAP	27	-	-
Imported DAP	81	78	4
SONA DAP	544	619	(12)
DAP Total	625	697	(10)

Industry closing inventories

366KT vs 38KT SPLY

Industry sales

964 KT vs 992 KT SPLY 2023 (↓ 3%)



4 FFBL Amalgamation

5 Agritech Acquisition



Amalgamation of FFBL

Expected to be completed before year end 2024

CCP approval obtained

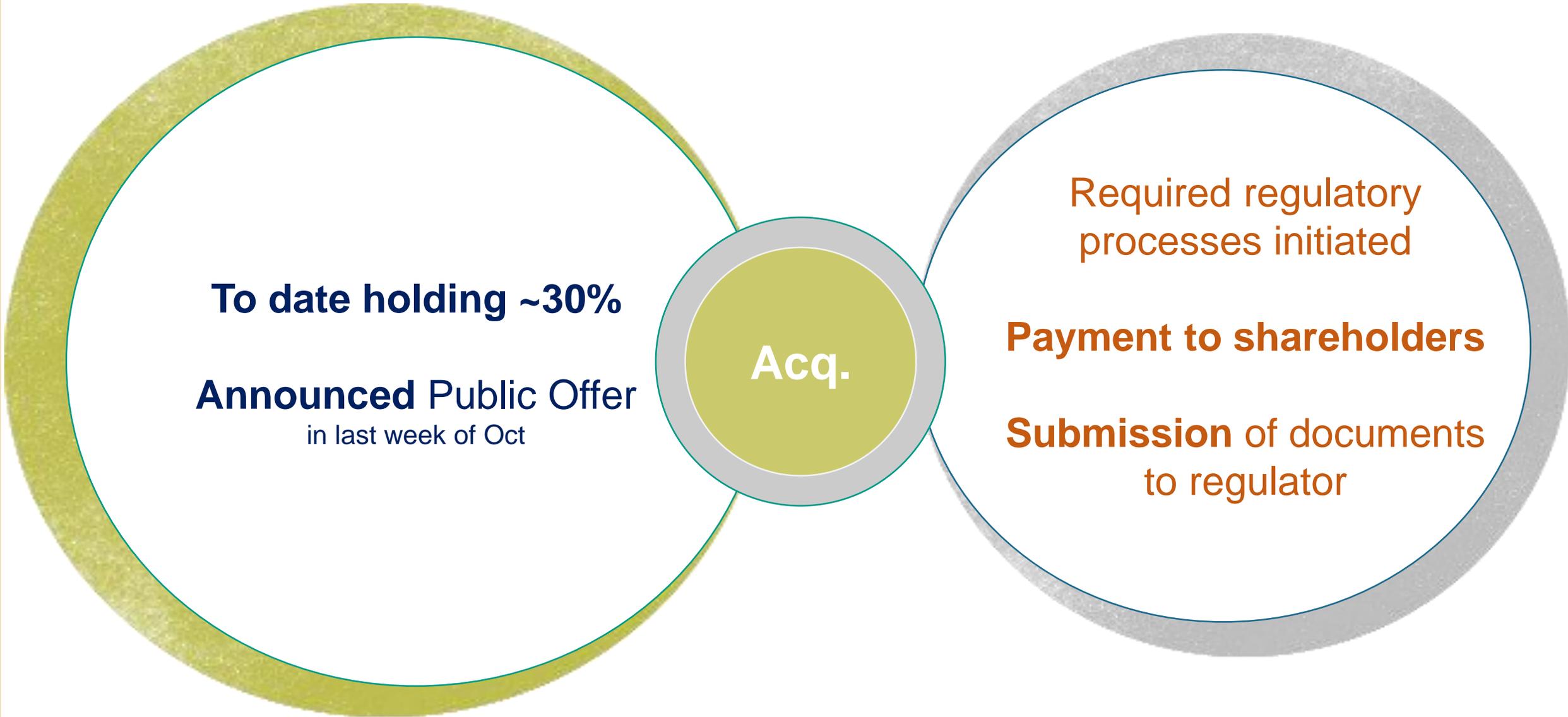
Shareholders' approved in
EOGM dated 4th Nov.

Petition under Process

M&A

Expected hearing
on 18th Nov

Post Approval – Regulatory
matters to be fulfilled



Q&A Session

