

Fauji Fertilizer Bin Qasim Limited

Result Review: Bottom line arrives at PKR 3.33/share

Profit amid absence of hefty exchange losses during the quarter

Fauji Fertilizer Bin Qasim Limited (FFBL) announced financial result for 1QCY24 today where the company registered a net profit of PKR 4,306mn (EPS: PKR 3.33) against a loss of PKR 5,429mn (LPS: PKR 4.20) in 1QCY23 which is primarily due to absence of hefty exchange loss during the quarter.

Result Highlights

- Net sales jumped up by 48% YoY to PKR 46,524mn during 1QCY24 owed to i) 33% YoY growth in DAP sales, and ii) higher urea and DAP prices. However, urea offtake plummeted by 27% YoY in 1QCY24. On QoQ basis, the topline reduced by 17% amid a decline in urea and DAP offtake by 23% and 25%, respectively.
- Gross margins clocked in at 18.9% in 1QCY24 vis-à-vis 6.8% in SPLY owed to a decline in phosphoric acid prices.
- Other income surged by 5x YoY to PKR 4,025mn in 1QCY24 on account of higher income from cash and cash equivalents tagged with a dividend income from subsidiaries and associates (AKBL).
- Financial charges plummeted by 59% YoY to clock in at PKR 1,020mn during 1QCY24 amid lower short-term borrowings.
- The company booked effective taxation at 47% in 1QCY24.

Exhibit: Financial Highlights

(PKR mn)	1QCY24a	1QCY22a	YoY	4QCY23a	QoQ
Net Sales	46,524	31,523	48%	56,237	-17%
Gross Profit	8,776	2,143	310%	16,063	-45%
Other Income	4,025	898	348%	3,148	28%
Financial Charges	1,020	2,488	-59%	1,143	-11%
Net Profit	4,306	(5,429)	nm	4,048	6%
EPS (PKR)	3.33	(4.20)		3.14	

Source (s): Company Financials, AHL Research

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