

Fertilizer Sector

Apr'24: Urea sales down 20% YoY; DAP offtake up 82% YoY

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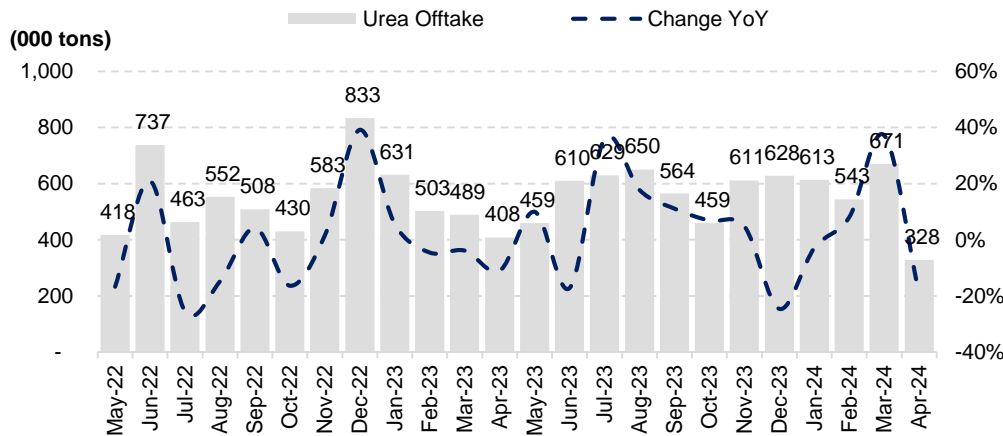
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Fertilizer Sector

Apr'24: Urea Sales at 36-month low

- The provisional fertilizer data reports a decline in urea sales by 20% YoY in Apr'24, settling at 328k tons (36-month low).
- On a company-wise basis, urea dispatches of FATIMA and EFERT plunged by 50% and 52% YoY, clocking in at 26k tons and 76k tons, respectively. Meanwhile, urea offtake of FFC and FFBL combined climbed by 30% YoY, arriving at 223k tons. In addition to this, the NFML sales dwindled by 66% YoY, settling at 1.4k tons.
- On a MoM basis, urea sales contracted by 51% owing to the seasonality factor. Urea offtake of FFC and FFBL combined, EFERT and FATIMA declined by 12%, 49%, and 66% MoM, respectively.
- On a cumulative basis, urea sales showcased a growth of 6% YoY at 2,155k tons in 4MCY24. Offtake of FFC and FFBL combined and FATIMA increased by 7% and 39% YoY, respectively settling at 948k tons and 263k tons, respectively. Meanwhile, urea sales of EFERT plummeted by 12% YoY, settling at 624k tons.

Exhibit: Urea offtake clocked in at 328k tons in Apr'24



Source (s): NFDC, AHL Research

Exhibit: Fertilizer Industry's Sales

000 tons	Apr-24	Apr-23	YoY	Mar-24	MoM	4MCY24	4MCY23	YoY
Urea	328	408	-20%	671	-51%	2,155	2,032	6%
DAP	92	51	82%	107	-13%	381	295	29%
CAN	35	62	-44%	83	-58%	261	225	16%
NP	49	48	1%	54	-10%	240	245	-2%

Company-wise offtake

Urea								
FFC and FFBL	223	171	30%	253	-12%	948	890	7%
EFERT	76	157	-52%	148	-49%	624	708	-12%
FATIMA Group	26	53	-50%	79	-66%	263	188	39%
NFML	1	4	-66%	-	nm	1	217	-99%

DAP								
FFC and FFBL	81	29	3x	79	3%	272	180	52%
EFERT	10	11	-7%	21	-53%	93	56	67%
FATIMA Group	0	0	-67%	2	-98%	5	30	-83%
Private Import	1	11	-91%	5	-78%	10	30	-66%

Source (s): AHL Research

Fertilizer Sector

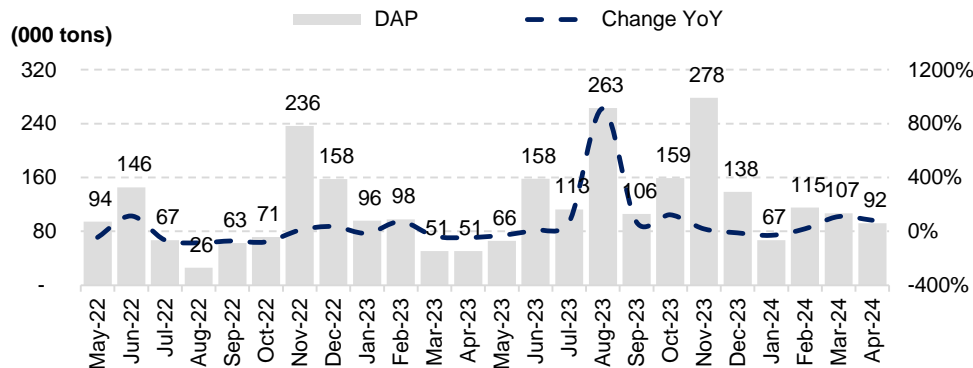
DAP sales surged by 82% YoY in Apr'24

- DAP sales arrived at 92k tons in Apr'24, depicting a healthy growth of 82% YoY, while declining by 13% MoM. With this, DAP offtake during 4MCY24 settled at 381k tons, up 29% YoY.
- On a company-specific basis, DAP sales of FFC and FFBL combined ascended by 3x YoY | 3% MoM to 81k tons in Apr'24. Therefore, FFC and FFBL's DAP offtake during 4MCY24 clocked in at 272k tons, witnessing a hefty growth of 52% YoY.
- Whereas, EFERT's DAP dispatches in Apr'24 plummeted by 7% YoY | 53% MoM to settle at 10k tons. Despite this, EFERT's DAP offtake in 4MCY24 swelled up by 67% YoY, arriving at 93k tons.
- Similarly, FATIMA Group's DAP sales reduced by 67% YoY | 98% MoM to reach 0.05k tons in Apr'24. As a result, FATIMA's DAP offtake arrived at 5k tons during 4MCY24, plunging by 83% YoY.

Inventory position

- The urea inventory towards the end of Apr'24 stood at 367k tons compared to 671k tons in Mar'24. Whereas, DAP inventory settled at 109k tons in Apr'24 against 107k tons in Mar'24.

Exhibit: DAP offtake arrived at 92k tons in Apr'24



Source (s): NFDC, AHL Research

Exhibit: Inventory Position (Apr-24)

Fertilizer Inventory (k tons)

Urea	367
DAP	109
CAN	72
NP	231

Company Inventory (k tons)

Urea

FFC and FFBL	64
EFERT	143
FATIMA	138
NFML	0
AGL	22

DAP

FFC and FFBL	25
EFERT	24
FATIMA	43
Private Import	17

Source (s): AHL Research

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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
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- Justified Price to Book (JPTB)
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