Fertilizer: Fauji Fertilizer Company Limited

Corporate Briefing Takeaways

REP-300

Management Conference Call

Fauji Fertilizer Company (FFC) analyst briefing was held on 29th October, 2025. Management mainly presented their view on company's progress towards shariah compliance status, improving farm economics and coal gasification.

Brief Takeaways

- To recall, FFC posted a net profit of PKR 57,636mn (EPS: PKR 40.50) during 9MCY25, up by 7% YoY.
- Management has updated that the company is actively working to achieve Shariah-compliant status. Significant progress has been made by transferring conventional investments into Shariah-compliant ones, which will be reflected in the quarterly reports to be released tomorrow.
- Management stated that the coal gasification project is currently in its early stages. However, the company plans to utilize it as a substitute for natural gas in the future.
- Regarding the Mari Network connection, the company updated that discussions are ongoing with the government to shift gas supply for all fertilizer plants exclusively to the Mari Network.
- For CY25, management expects urea offtake to reach 6.3mn tons, with inventory levels dropping below 1mn tons by year-end.
- FFC's urea market share declined from 51% to 47%. In contrast, its DAP market share increased from 66% to 69%.
- The company recorded PKR 23bn in income from subsidiaries and associates, with major contributions from the Power segment (PKR 8.6bn) and Askari Bank Limited (PKR 8.5bn).
- On the Sona Centre initiative, management anticipates onboarding 270 centres, with approximately 106k farmers already registered.
- Management updated that the expected turnaround maintenance for Plant-II is scheduled for December 2025.
- For the quarter, phosphoric acid was booked at USD 1,290 per ton.
- Gross margins fell to 31% from 37% in the same period last year, primarily due to higher DAP offtake and compressed margins on DAP resulting from elevated phosphoric acid prices.
- The debt-to-equity ratio improved to 15:85 in Sep'25, from 19:81 in Dec'24, reflecting a stronger equity base and reduced leverage.

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