

FFC holds Third Corporate Briefing for the Year 2022



Fauji Fertilizer Company (FFC), held its Third Corporate Briefing for the year 2022, in collaboration with Khadim Ali Shah Bukhari Securities (Pvt) Ltd. as part of its best corporate governance practices.

FFC has been recognized by Pakistan Stock Exchange (PSX) as first amongst Top 25 Companies consecutively for 12 years attributed to its Compliance of Code of Corporate Governance, Company Performance and Efficient Management.

In the same backdrop the subject briefing for the period ended 30th September 2022 was virtually held from FFC's corporate Head Office, Rawalpindi. Prominent capital market analysts and dignitary from Pakistan Stock Exchange attended the event.

Company Secretary FFC, Brig Asrat Mahmood SI(M) (Retd) opened the briefing and apprised the house about significance of the event. Chief Financial Officer, Syed Atif Ali briefed the house about FFC's performance for first the period 2022 and assured Company's commitment to achieve higher standards of performance and sustained earnings.

Fauji Fertilizer Company Limited

Corporate Briefing




01 Introduction and history

02 Financial Performance (Historical and 9M – Sep 2022)

03 Challenges

Historical Overview - till 2021

1  3

Number of Plants

569  2,048

Design Capacity
(Thousand Tonnes)

567  2,507

Sona Urea Production
(Thousand Tonnes)

19%  47%

Urea Market Share

1,002  3,272

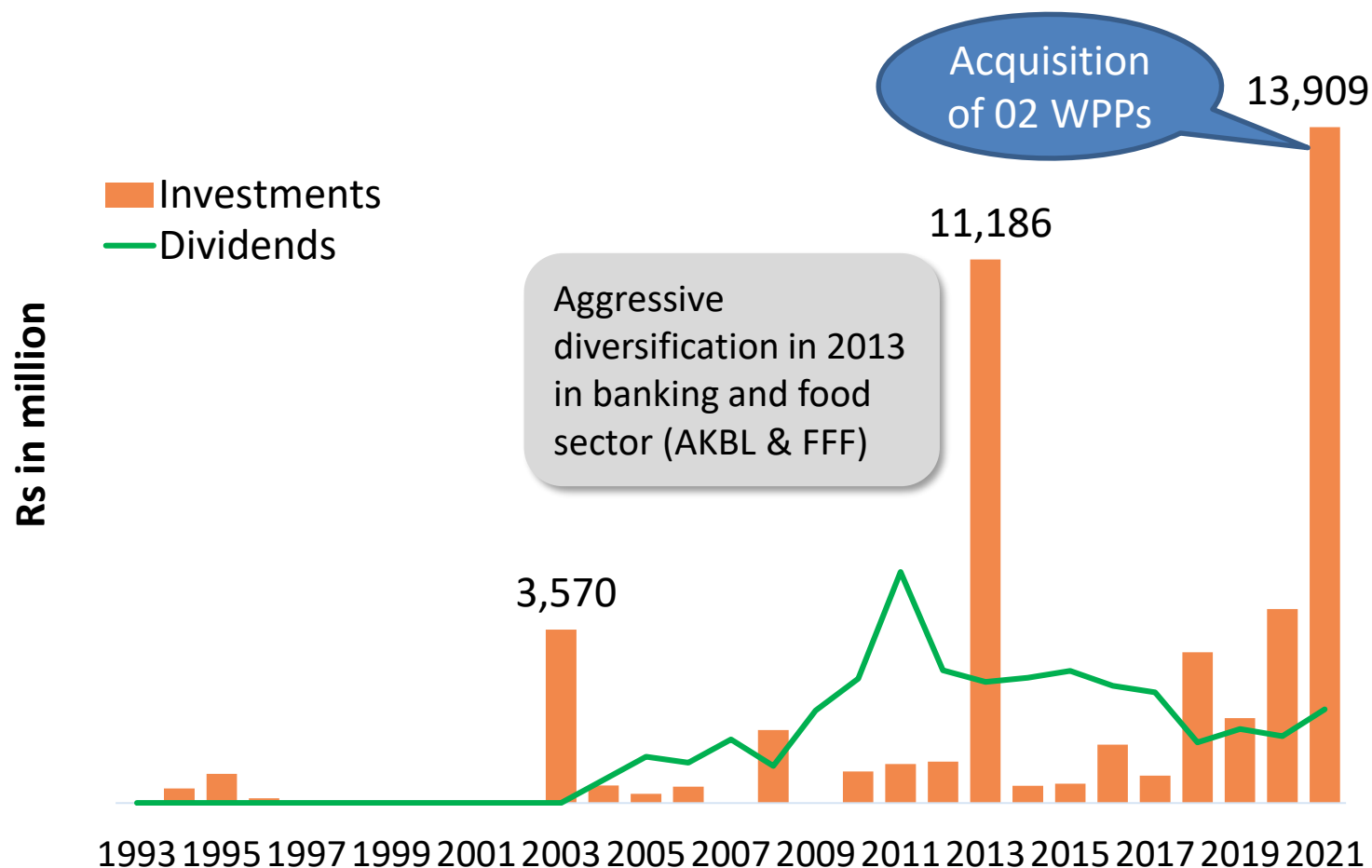
Number of Employees

2,133  108,651

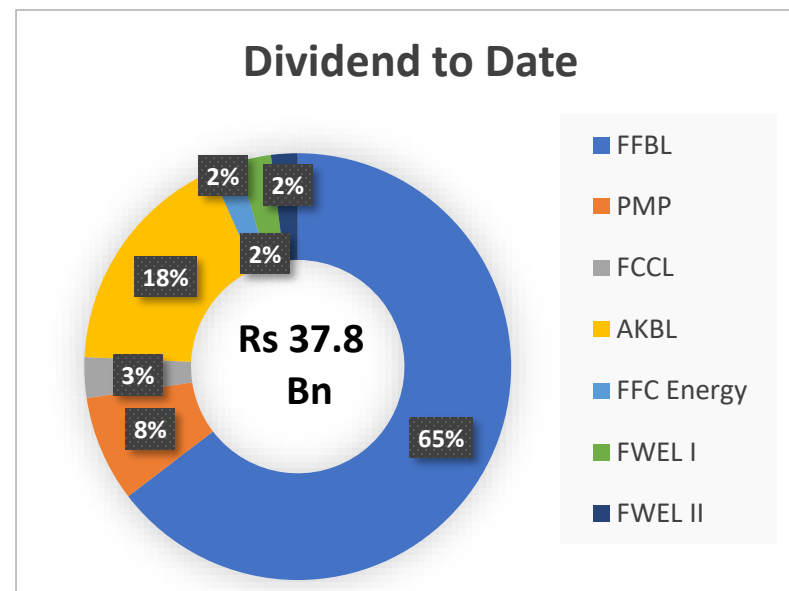
Revenue - all products (Rs Mn)

Incorporated as a JV between Fauji Foundation and Haldor Topose A/S Denmark in 1978 (US\$330 Mn), the Company has demonstrated phenomenal growth over the past four decades, with increase in urea production by 4.4 times over the period

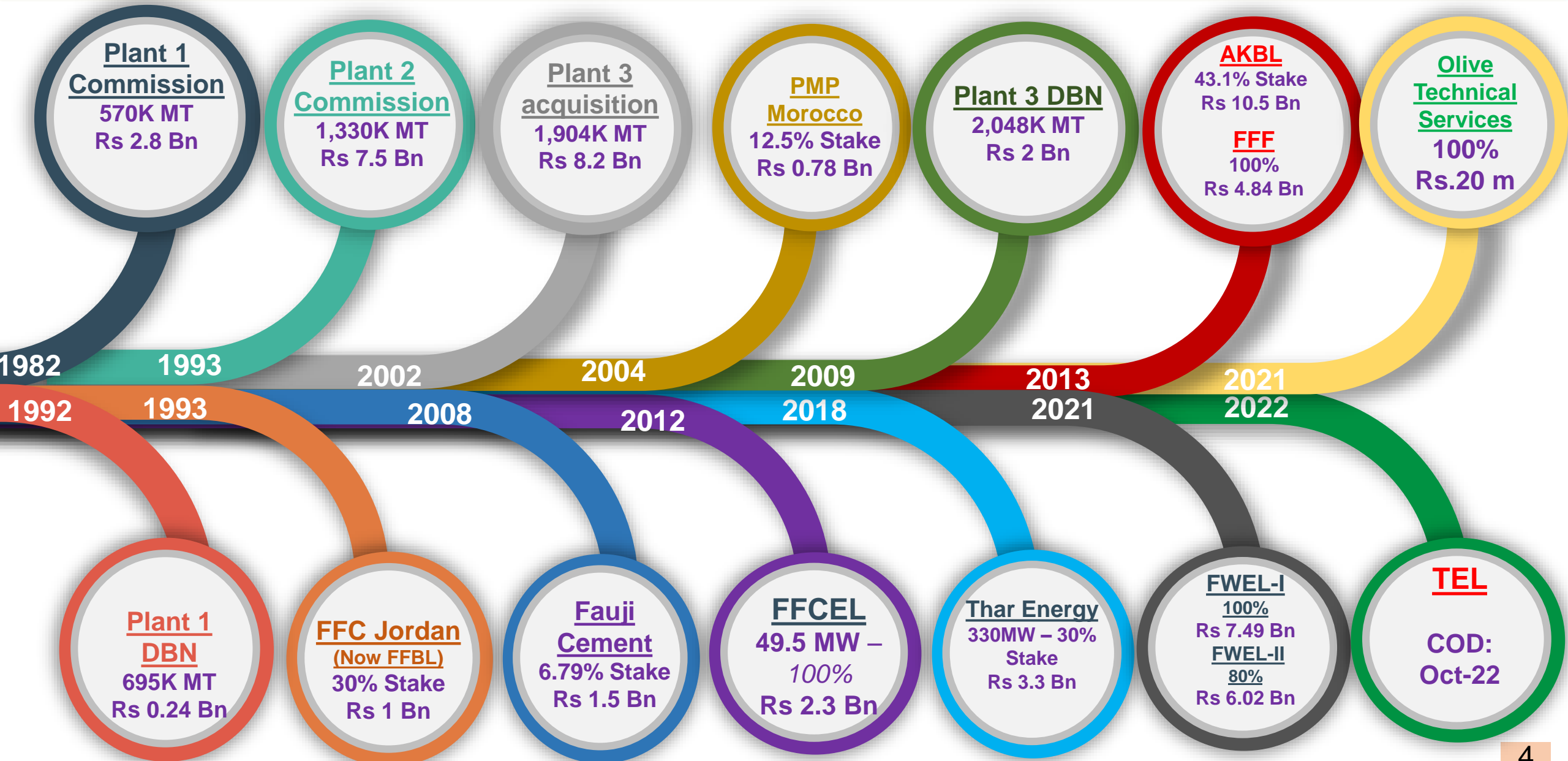
Strategically Diversified portfolio of Equity Investments (Rs 48 bn) in Renewable Energy, Fertilizer, Banking, Cement & Food ventures



FFC has developed a diversified portfolio of equity investments with risks & returns spread over different sector ensuring optimum return to the shareholders

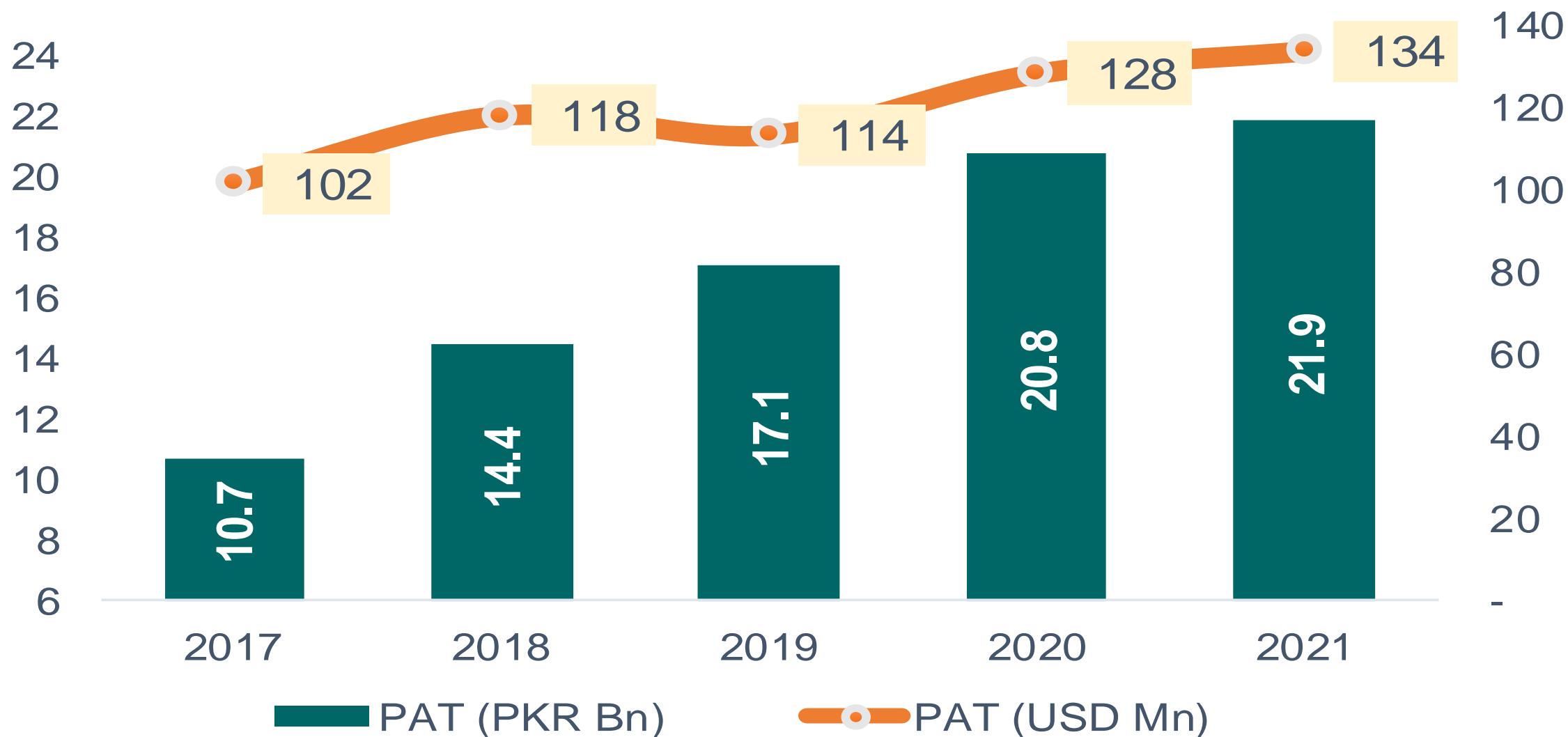


Evolution of FFC



02 Historical Financial Performance

FFC Historical Profitability

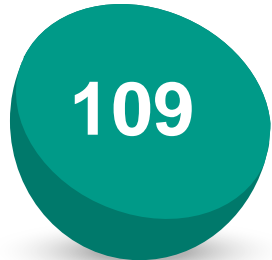


Financial Performance 2021

Profitability

Rs Billion

Revenue



Gross Profit



Net Profit



EPS

(Rs/Share)



Asset Base & Equity

Rs Billion

Property, Plant
& Equipment

24

Total Assets

201

Equity

48

Market Cap
(Dec 31, 2021)

128

Performance Ratios

(%)

Gross
Profit Ratio

36%

Net Profit
Ratio

20%

Debt to
Equity

26:74

ROE
(Post Tax)

46%

02 Performance – 9M 2022

- Highest Ever (nine months):
 - ✓ Revenue
 - ✓ Investment Income
 - ✓ pre-tax profit of Rs 26.3 Bn
- Significant benefit to farmers due to substantial difference in Int vs local urea prices (US\$ 1.1Bn)
- Secured various corporate reporting / excellence Awards
- Thar Energy Limited (**TEL**) – achieved commercial operations wef 1st Oct 2022



**First Position
in PSX Top 25
Companies
Award
2021 – 12th
consecutive
year**

**Overall top
Position in
ICAP/ICMAP
Best
Corporate
Report Awards
2021**

**1st Position
in
ICAP/ICMP
Sustainability Report
2021 Awards**

**1st Position
Chemical
Sector
ICAP/ICMAP
Best Corporate
Report Awards
2021**

**“Best Corporate
Excellence”
award (Fertilizer
Sector) for 8th
consecutive year
by Management
Association of
Pakistan**



KPI Dashboard - 9 Months (Sep 2022)

2022	2021	Var
Thousand Tonnes		%

UREA: Production	1,808	1,867	▼	(3)
Sales	1,795	1,821	▼	(1)
DAP: Imports	104	174	▼	(40)
Sales	57	115	▼	(51)

	Rs in Million		%
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Revenue	79,180	73,592	▲	8
Cost of Sales	48,840	46,216	▲	(6)
Distribution Cost	6,922	6,050	▲	(14)
Finance Cost	3,228	1,452	▲	(122)
Investment Income	7,322	3,988	▲	84
Dividend Income	2,966	1,927	▲	54
Taxes & Levies	13,696	8,086	▲	(69)
Profit after Tax	14,843	15,888	▼	(7)
Net Earnings - (Rs/ Share)	11.67	12.49	▼	(7)

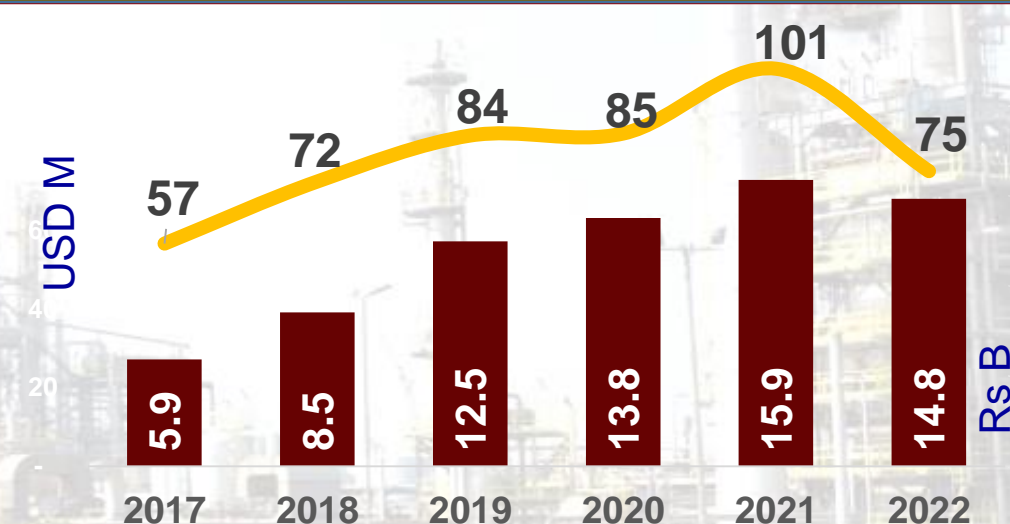
Total Assets: PKR 202 Bn

Debt to Equity: 23:77

Return on Equity: 30%

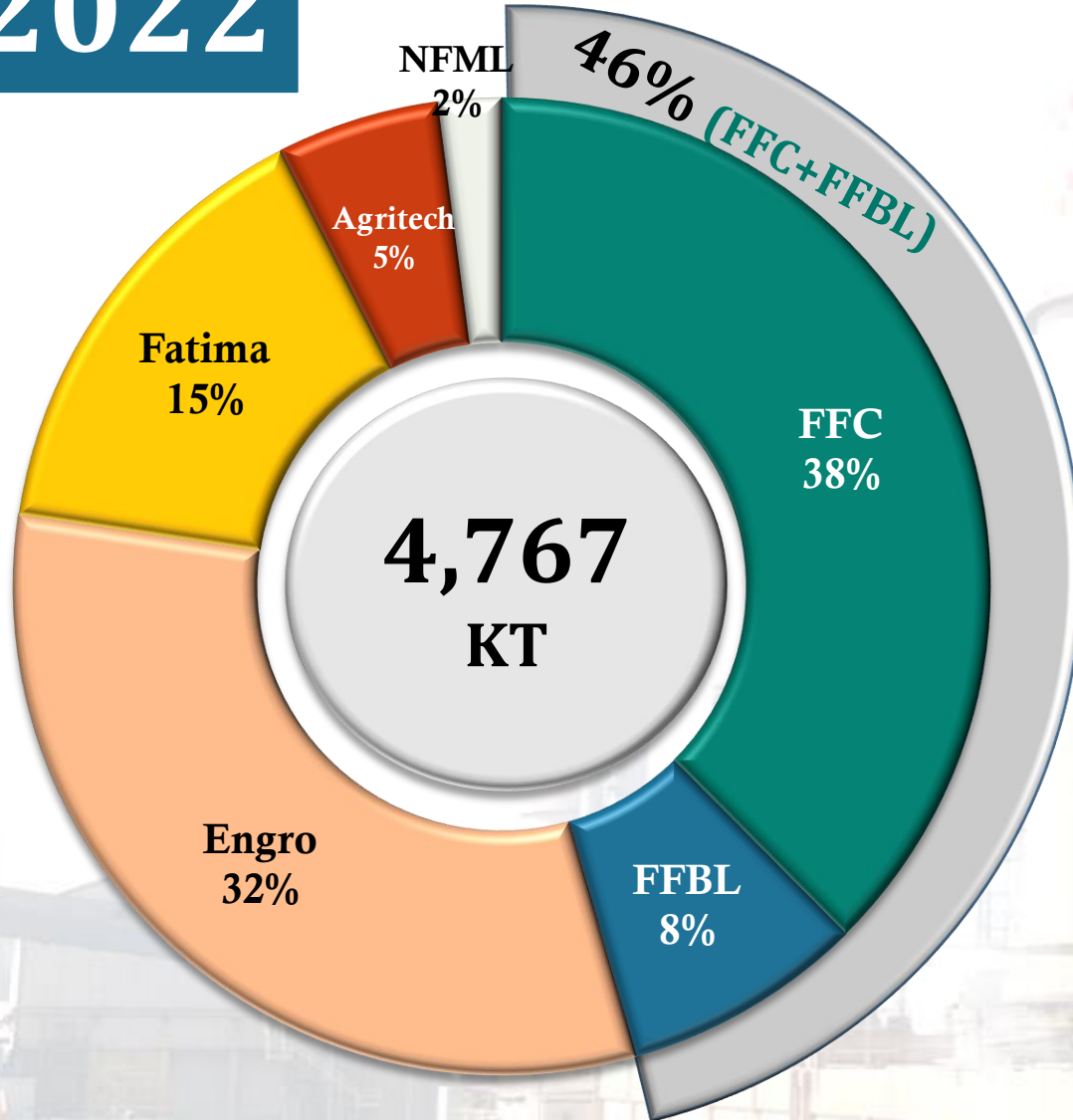
Market Capitalization: PKR 129 Bn

Historical Profitability in US\$ Term

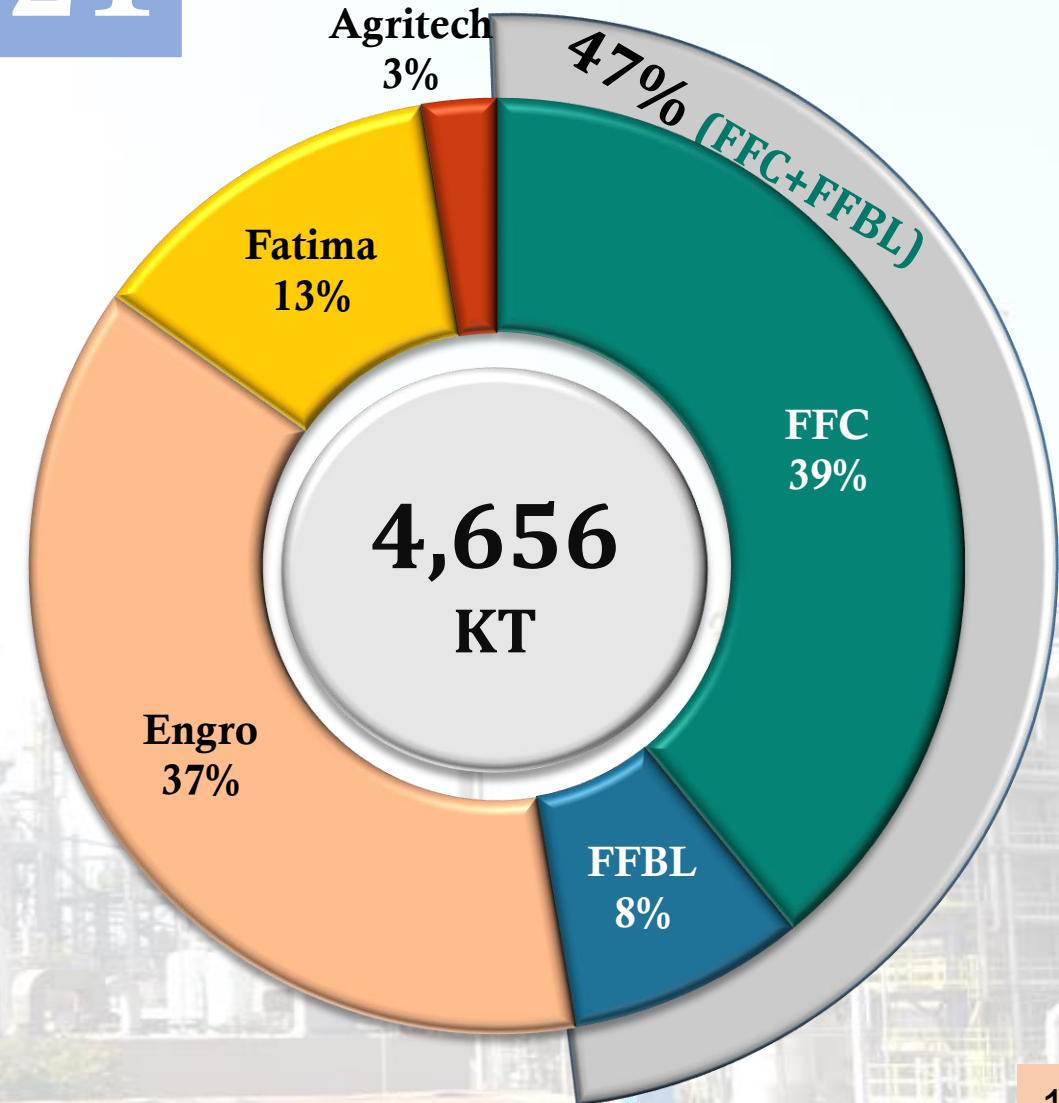


Urea Market Share – Volumes grew by 2%

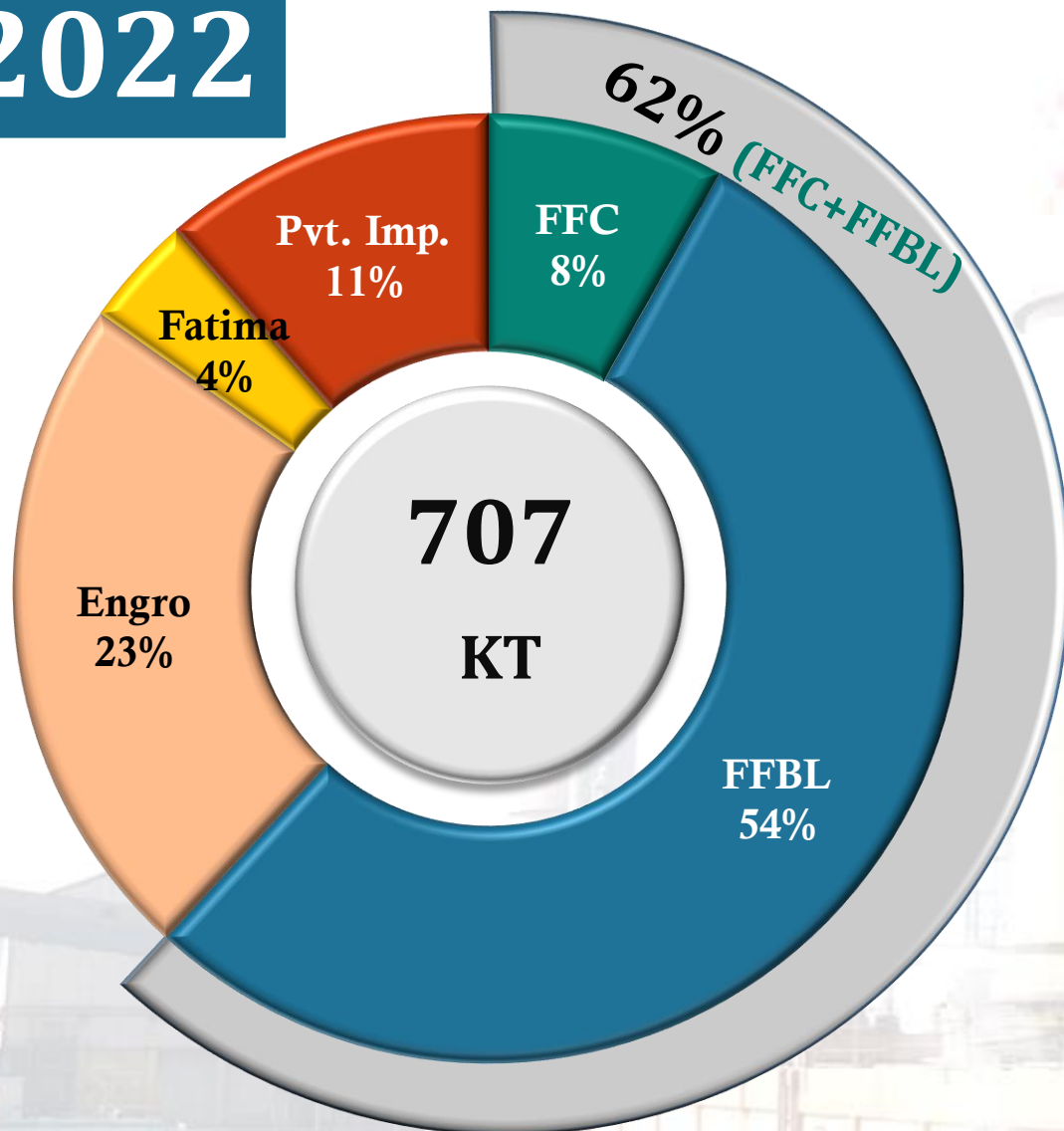
2022



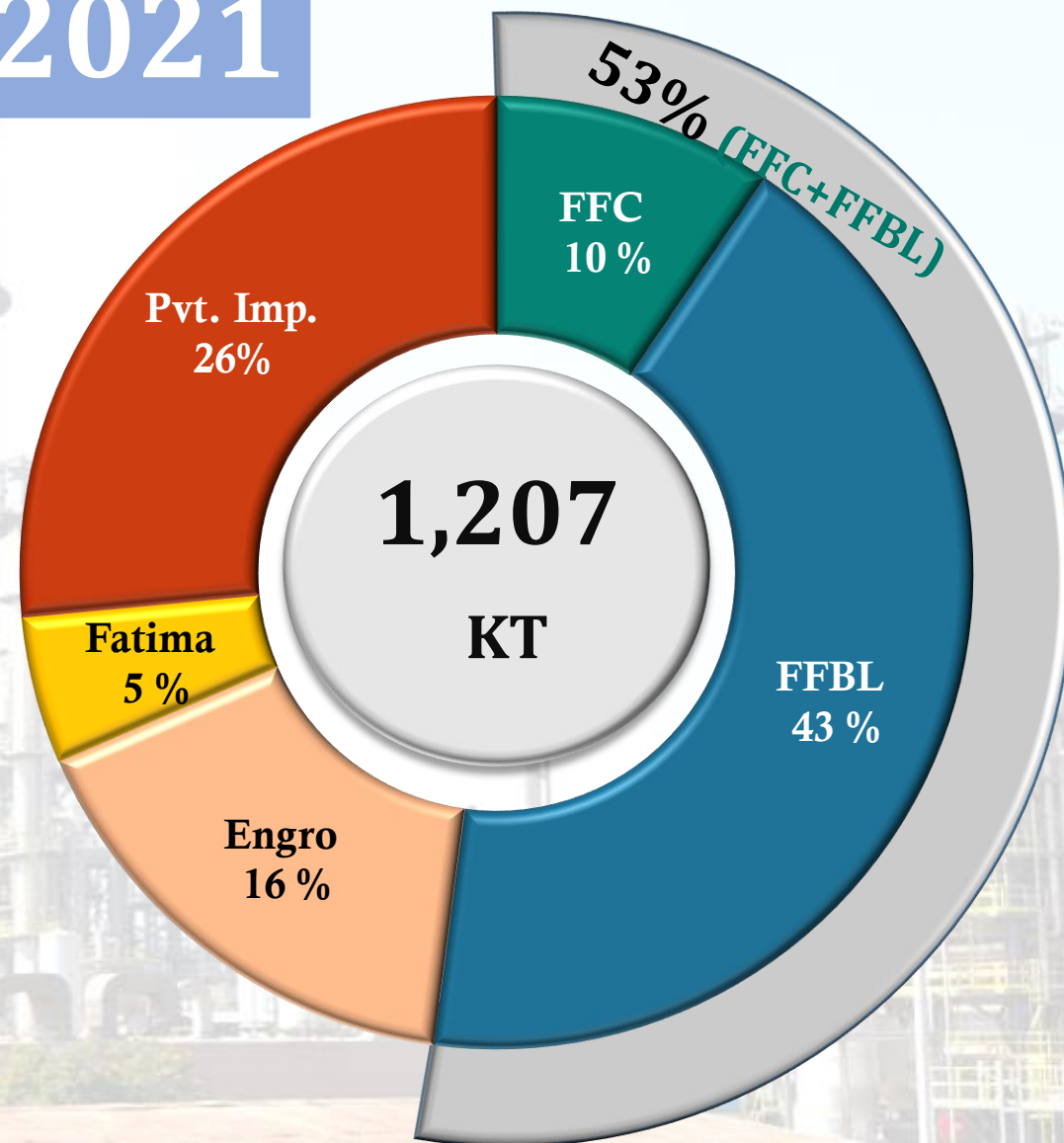
2021



2022



2021



03 Challenges

Challenges

Curtailed future cashflows / Dividends

- Super Tax, impact Rs 4.9 Bn in 2022 (Rs 3.5 Bn for 2021)
- Long pending GST/Subsidy Receivable (Rs 25 Bn)

Continuing Cost Pressures

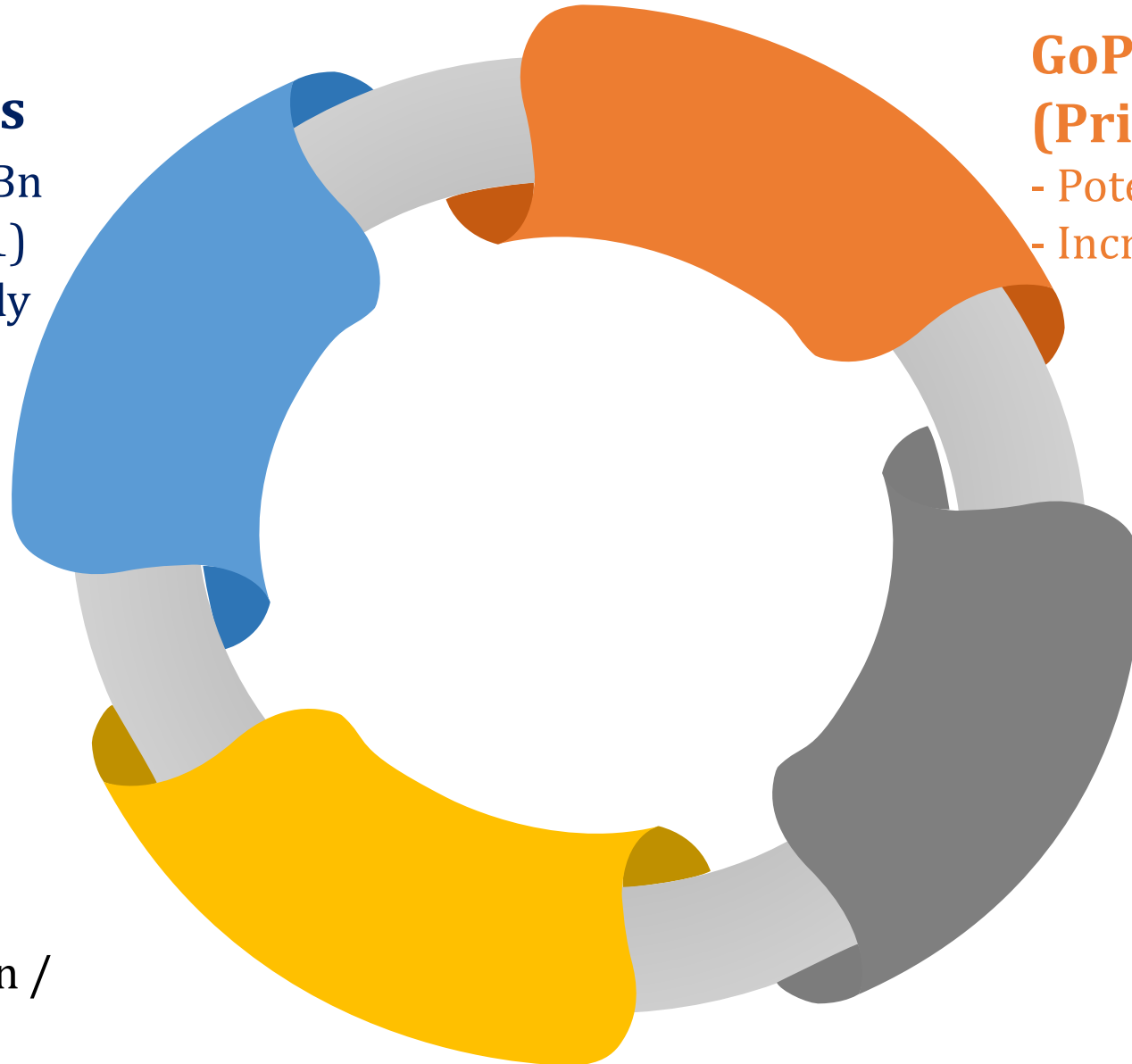
PKR Devaluation / Inflation / High Interest rates

GoP Policies (Pricing, Gas availability)

- Potential increase in gas price
- Increased urea bag price

External factors

- Smuggling
- Supply chain disruptions
- Post-flood concerns



Thank You!