

FFC holds First Corporate Briefing for the Year 2022



Fauji Fertilizer Company (FFC), held its first Corporate Briefing for the year 2022, as a part of its best corporate governance practices.

FFC has been recognized by Pakistan Stock Exchange (PSX) as first amongst Top 25 Companies consecutively for 10 years attributed to its Compliance of Code of Corporate Governance, Company Performance and Efficient Management.

In the same backdrop the subject briefing for the year ended 31st December 2021 was held at FFC's corporate Head Office, Rawalpindi where prominent capital market analysts and dignitary from PSX Ms. Raeda Latif attended the event virtually.

Company Secretary FFC, Brig Asrat Mahmood SI(M) (Retd) opened the meeting and apprised the house about significance of the event. Chief Financial Officer, Mr. Mohammad Munir Malik briefed the house about FFC's performance for the year 2021, responded to various queries raised by analysts and assured Company's commitment to achieve higher standards of performance and sustained earnings.



TURNING GREEN INTO GOLD

Corporate Briefing

For the year ended
December 31, 2021

Presented by: CFO

February 1, 2022

Business Environment

1

Rising commodity prices & surging interest / foreign exchange rates besides successive waves of pandemic posed a challenging environment for the Company

2

The Company enabled savings of precious foreign exchange for the Country of around USD 1.29 billion besides contributing towards food security and improved farm economics


3

FFC ensured availability of indigenous Urea at a very affordable rate of around Rs 1,770 per bag as compared to International prices as high as Rs 11,000 per bag


4

Agricultural sector posted a growth of 2.8% on account of positive momentum in farm economics in the shape of affordable agri. inputs and favorable weather conditions etc.


Farm Economics

	Av. Yield	Market Price	Expenses	Net Income	
	Mds/Acre	Rs / Mond		Rs / Acre	
2017-18	41	1,200	762	17,954	
2018-19	35	1,300	955	12,058 ▼	
2019-20	40	1,550	919	24,457 ▲	
2020-21	42	1,850	1,067	32,882 ▲	


Wheat

	Av. Yield	Market Price	Expenses	Net Income	
	Mds/Acre	Rs / Mond		Rs / Acre	
2018-19	23	3,680	2,654	23,590	
2019-20	21	3,700	3,038	13,912 ▼	
2020-21	18	4,300	3,623	10,030 ▼	
2021-22	21	5,600	3,501	44,079 ▲	

Cotton

	Av. Yield	Market Price	Expenses	Net Income	
	Mds/Acre	Rs / Mond		Rs / Acre	
2018-19	840	180	145	29,158	
2019-20	842	210	151	49,305 ▲	
2020-21	871	254	174	69,397 ▲	
2021-22 E	874	260	204	49,266 ▼	

Sugarcane

	Av. Yield	Market Price	Expenses	Net Income	
	Mds/Acre	Rs / Mond		Rs / Acre	
2018-19	42	1,890	1,397	20,144	
2019-20	40	2,140	1,537	24,103 ▲	
2020-21	43	2,050	1,451	25,750 ▲	
2021-22	44	2,300	1,610	30,361 ▲	

Rice (Fine)

Source: Inputs provided by FACs based on Farmer Surveys of medium level farmers

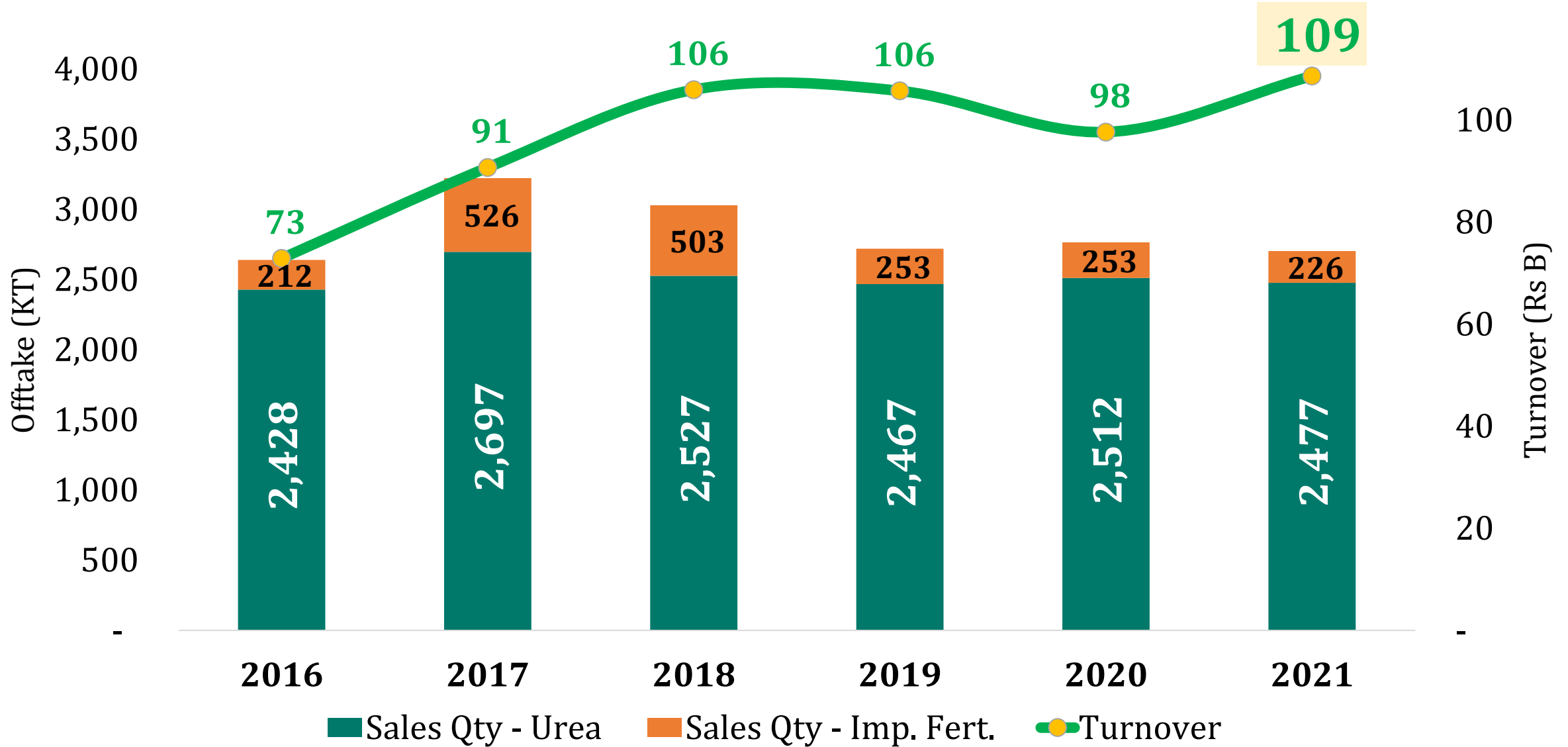
E: Estimated (estimated figures of yield; harvesting is underway)

Sona Urea Production

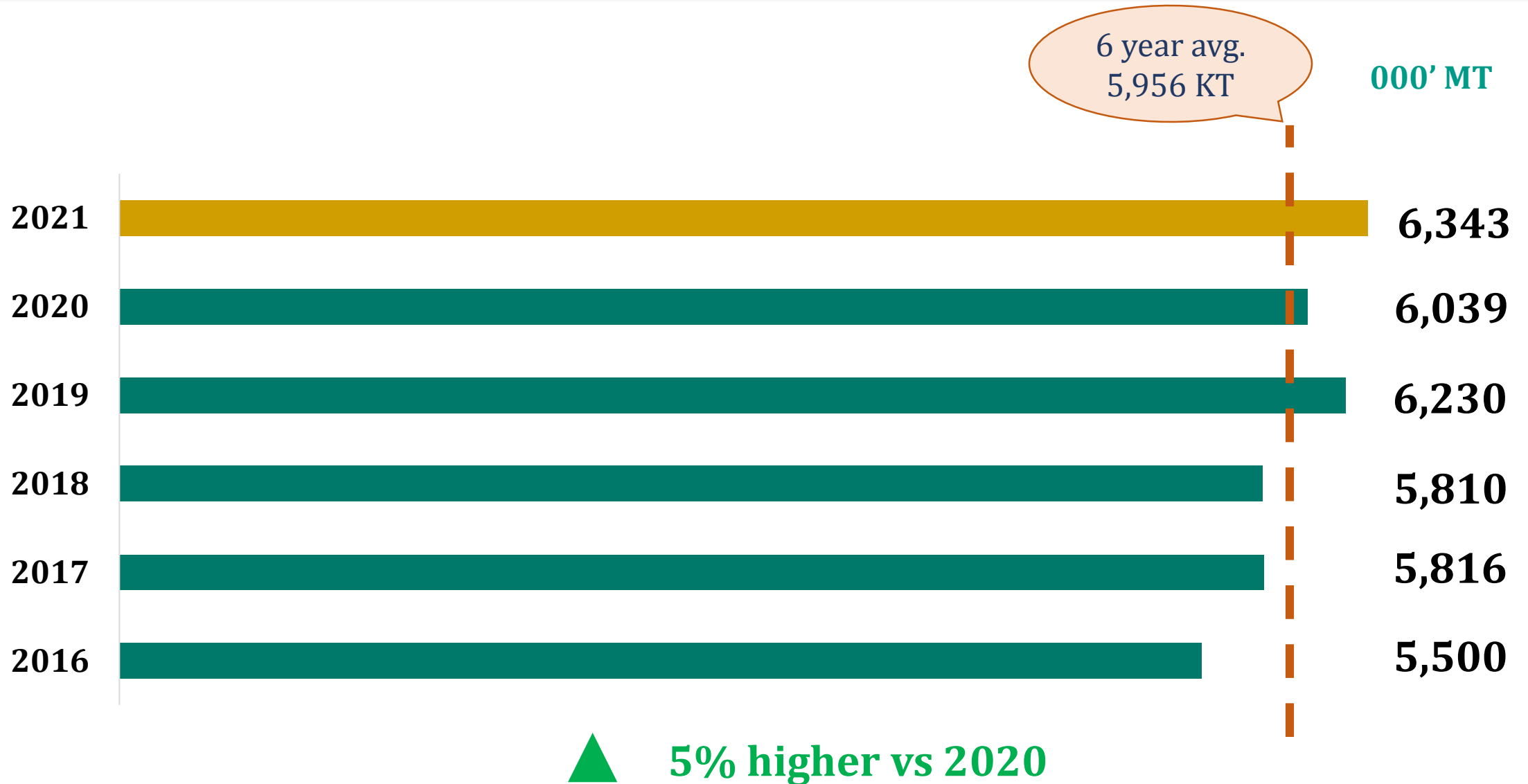


▲ 1% higher vs 2020

Fertilizer Offtake and Turnover

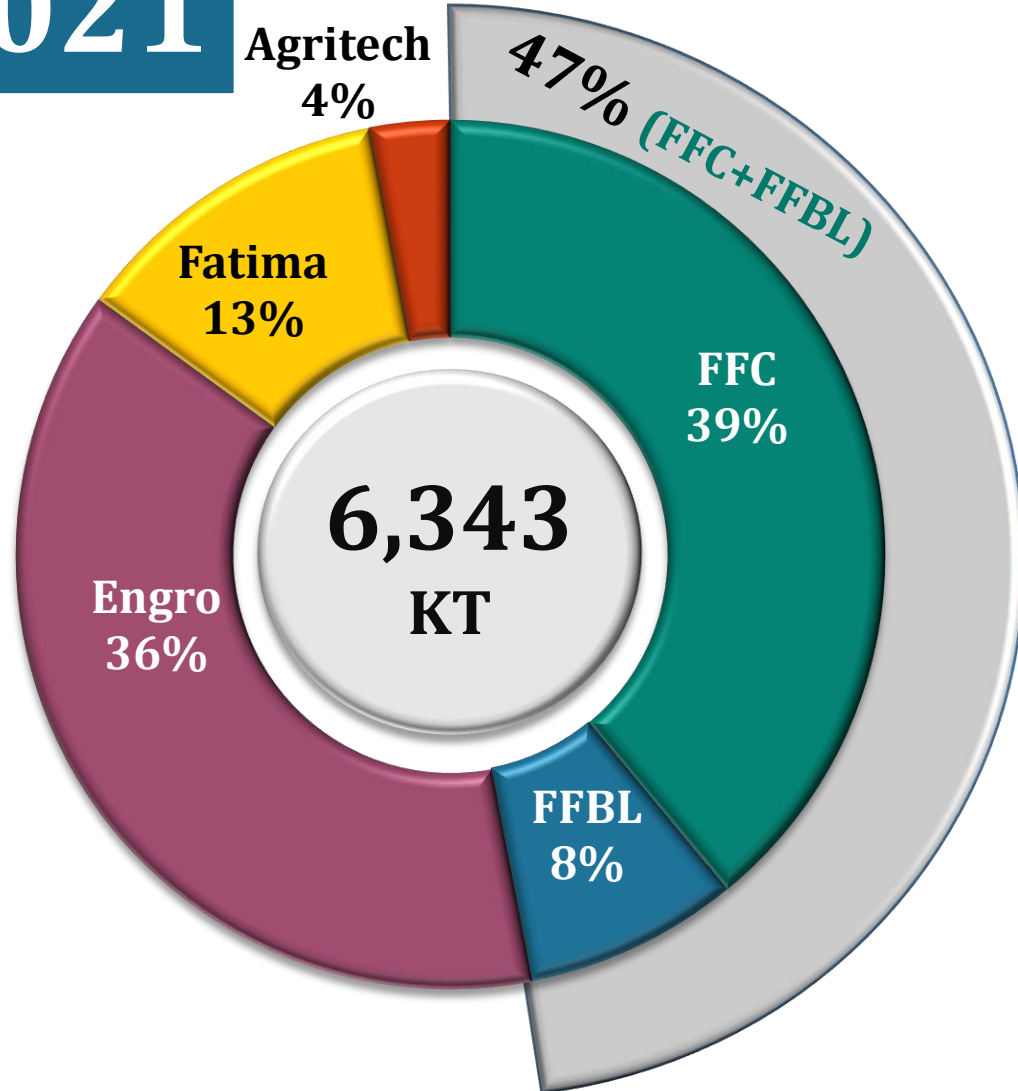


Industry Urea Sales

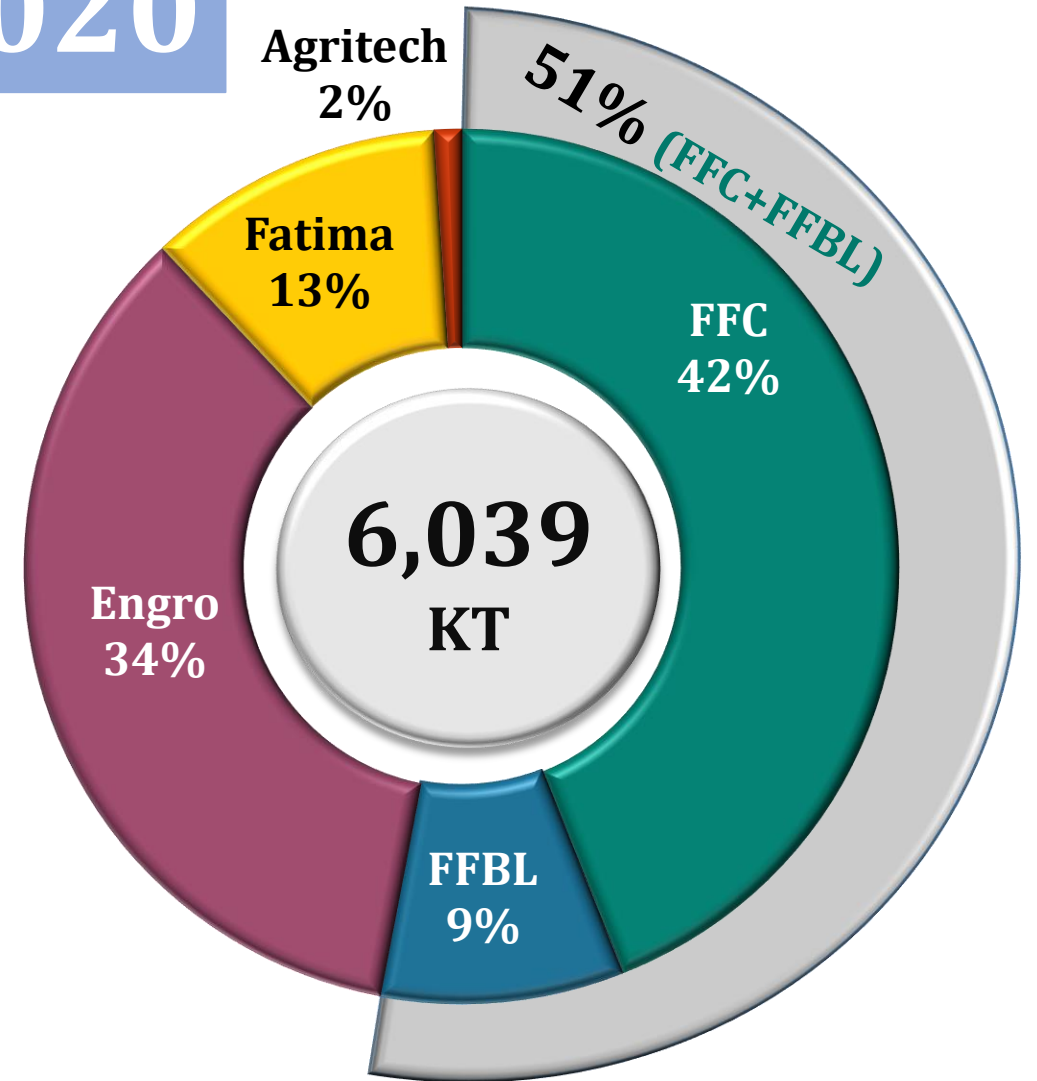


Urea Market share

2021

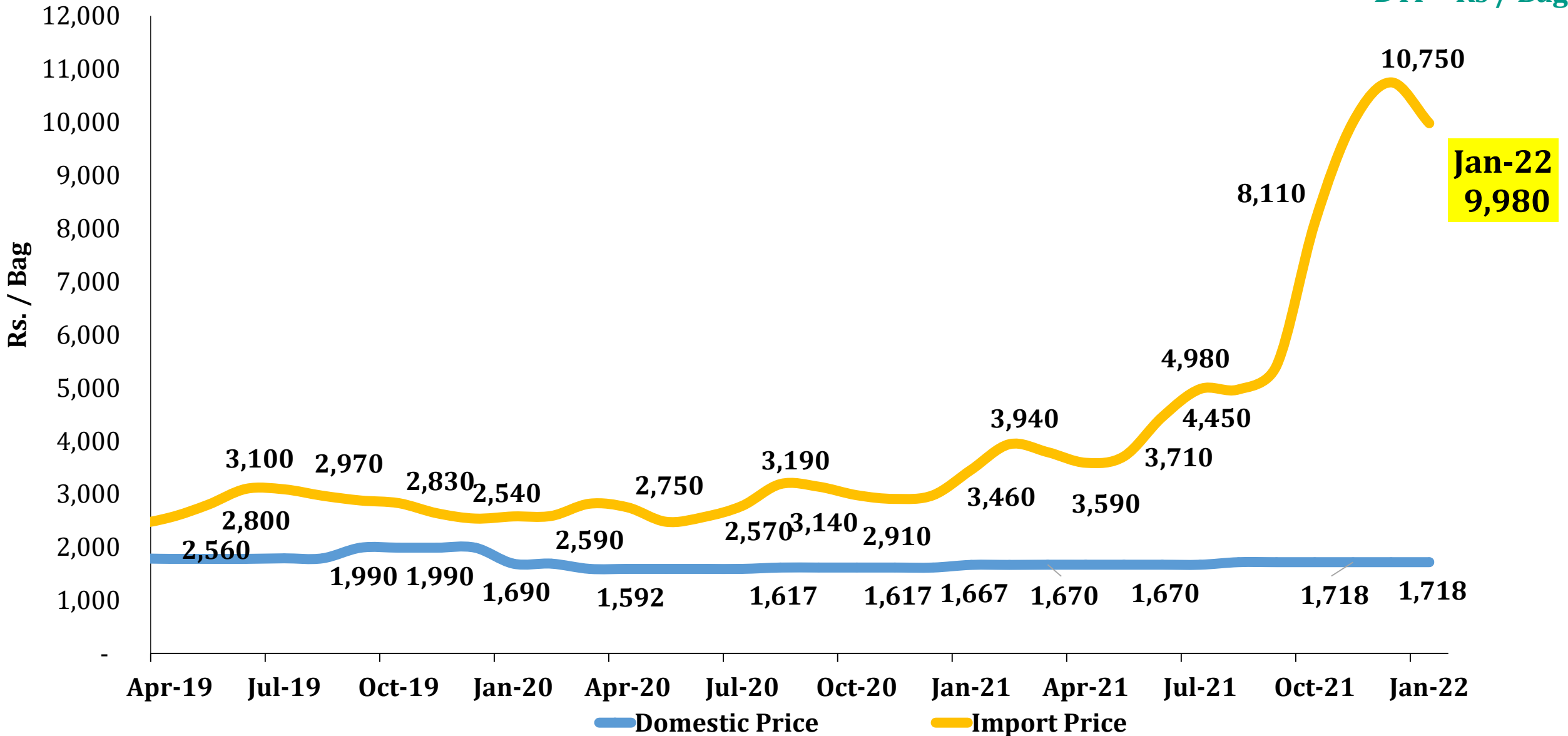


2020

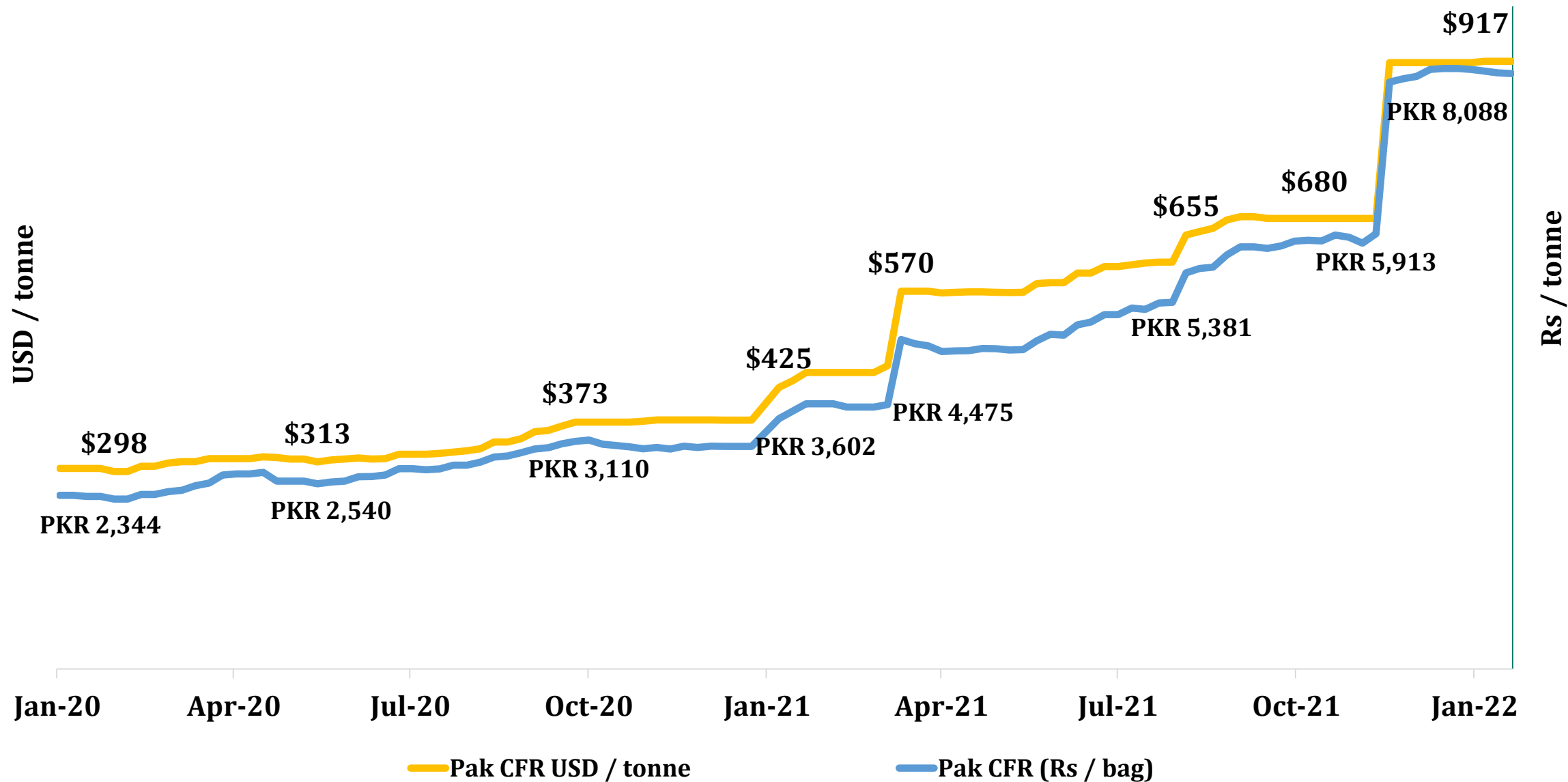


Urea International vs Local Prices

DTP - Rs / Bag

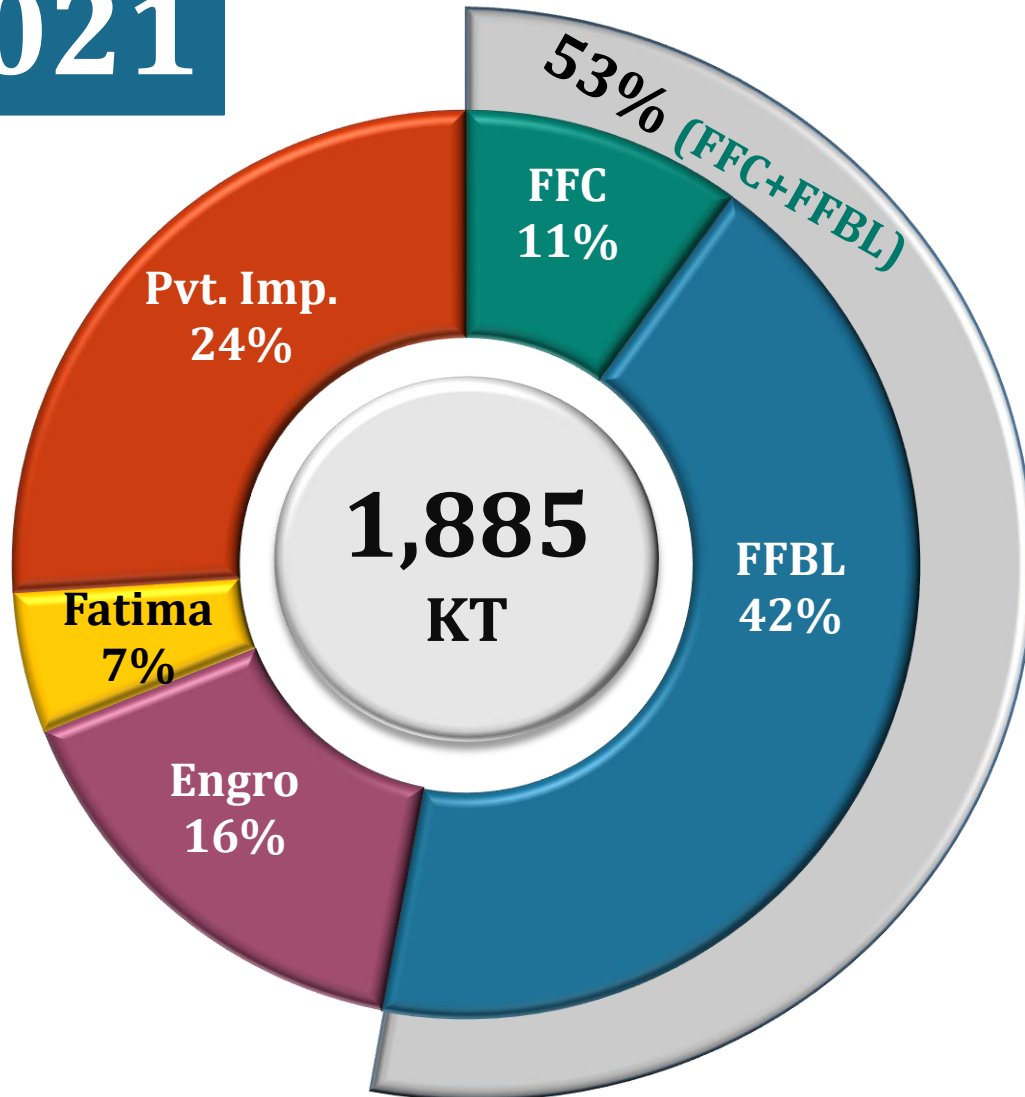


DAP International Price Trend

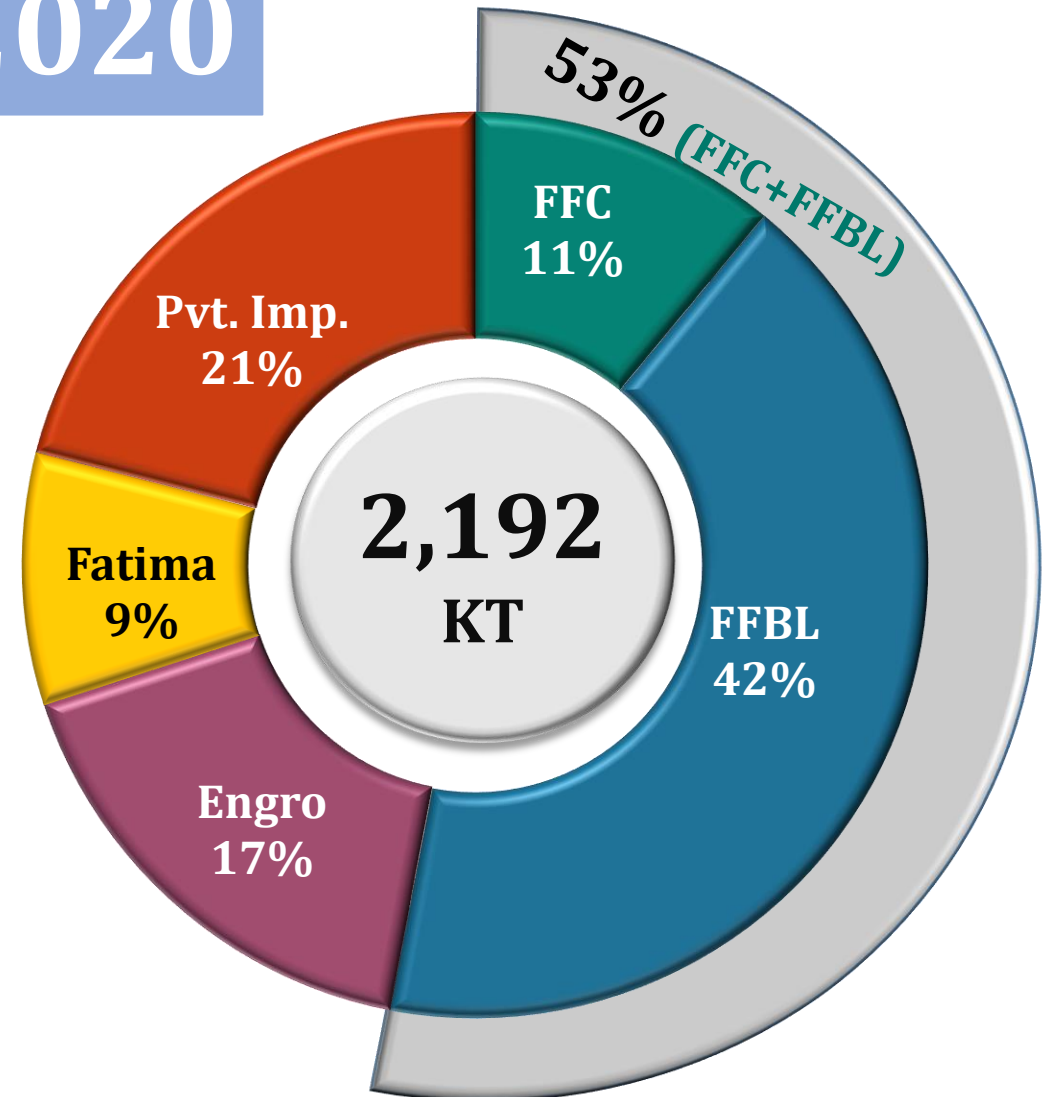


DAP Market share

2021



2020



Impact of prices on DAP industry

Year	Avg Rs / bag	Var.	Industry sales (KT)	Var.
2016	2,694		2,248	
2017	2,490	-8%	2,344	4%
2018	3,071	23%	2,239	-4%
2019	3,362	9%	2,030	-9%
2020	3,504	4%	2,192	8%
2021	6,166	76%	1,885	-14%

* **Average Rs / bag:** Average year end opening and closing price of Industry

Finance Cost and Other Income

Rs M

2,292



Actual

2021

1,874



Actual

2020

Finance
Cost

5,992



Actual

2021

5,054



Actual

2020

Investment
Income

1,927



Actual

2021

1,375



Actual

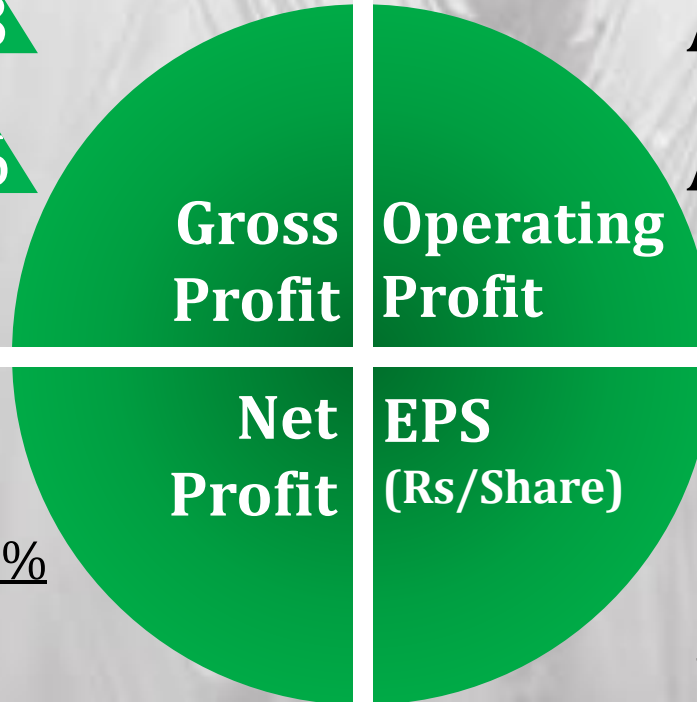
2020

Dividend
Income

Key Performance Indicators

		<u>Change %</u>
Actual 2021	<u>38,879</u>	
Actual 2020	<u>31,583</u>	▲ 23
Actual 2019	<u>30,737</u>	▲ 26

		<u>Change %</u>
Actual 2021	<u>30,470</u>	
Actual 2020	<u>23,735</u>	▲ 28
Actual 2019	<u>22,449</u>	▲ 36



		<u>Change %</u>
Actual 2021	<u>21,896</u>	
Actual 2020	<u>20,819</u>	▲ 5
Actual 2019	<u>17,110</u>	▲ 28

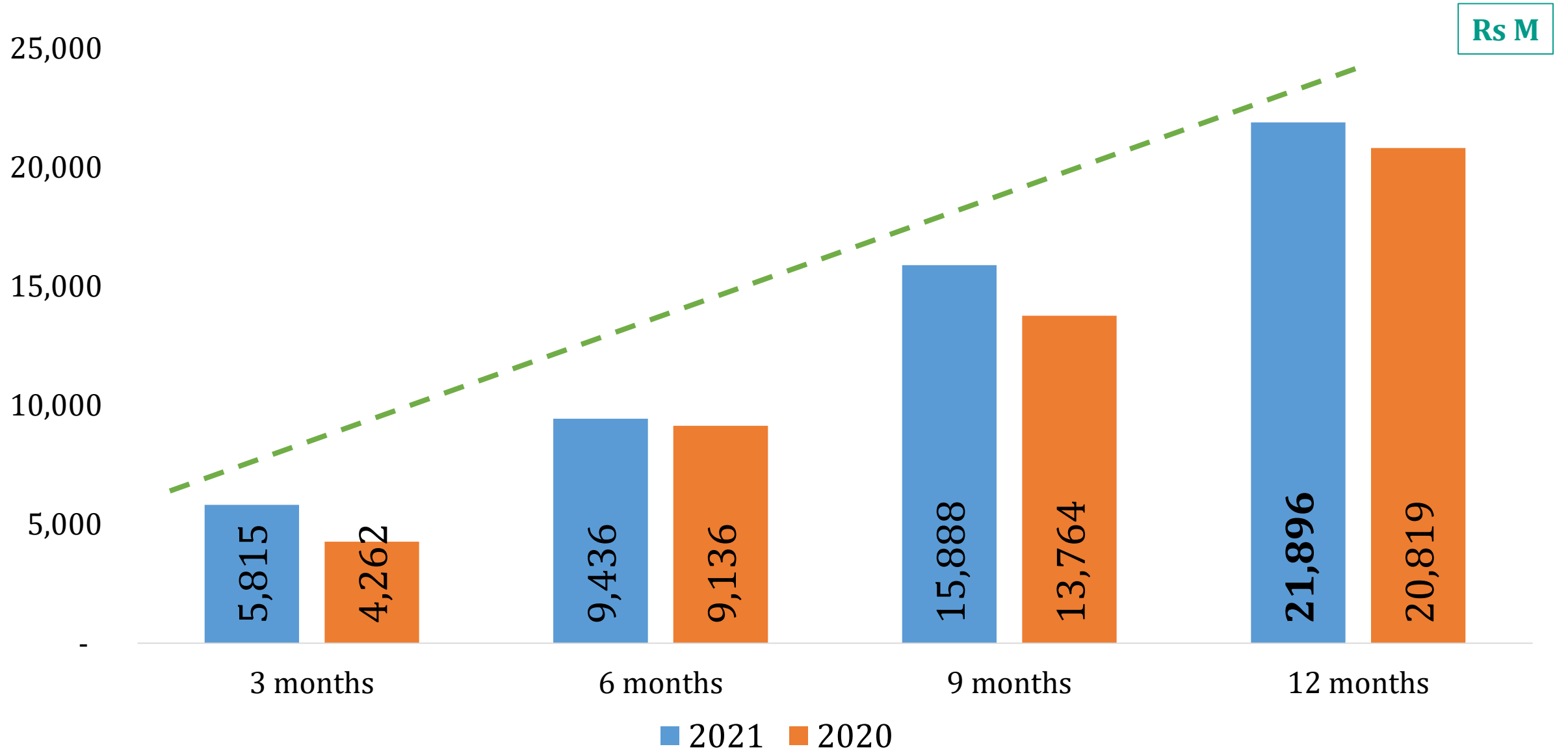
		<u>Change %</u>
Actual 2021	<u>17.21</u>	
Actual 2020	<u>16.36</u>	▲ 5
Actual 2019	<u>13.45</u>	▲ 28

Net Profit

Rs B



Quarterly Net Profitability



	2021	2020
<u>GIDC Payable</u>		
Balance at the beginning	(56.72)	(62.64)
Gain on remeasurement of GIDC	-	5.93
Unwinding of remeasurement gain on GIDC	(2.44)	-
	(59.16)	(56.72)
Current portion	(38.36)	(23.95)
Non-current portion	(20.80)	(32.77)
	(59.16)	(56.72)
<u>Receivables</u>		
Subsidy receivable	6.96	6.96
GST receivable	16.62	14.17
	23.58	21.14

Profitability and Payout

Year	Profit	EPS	DPS	Payout Ratio
	<i><u>Rs M</u></i>	<i><u>Rs per share</u></i>		<i><u>%</u></i>
2015	16,766	13.18	11.86	90%
2016	11,782	9.26	7.90	85%
2017	10,711	8.42	7.00	83%
2018	14,439	11.35	8.85	78%
2019	17,110	13.45	10.80	80%
2020	20,819	16.36	11.20	68%
2021	21,896	17.21	14.50	84%



SAFA Best Presented Annual Report Award

First Runner-up – Overall

Winner – Manufacturing Sector

First Runner-up – Integrated Reporting

Merit – Corporate Governance

ICAP / ICMAP Best Corporate Report Award

First Runner-up – Overall

Winner – Manufacturing Sector

First Runner-up – Sustainability Report category

RCCI International Achievement Award

Company of the year

RCCI First Taxpayer Recognition Award

Largest Taxpayer – Manufacturing Sector

MAP Award

Corporate Excellence Award

FWEL, FFF, FFCEL & TEL

FWEL I & II

- **Rs 13.5b investment**
- **Rs 1.26b**
FFC share of dividend
- **35.60GWh** of energy generated post acq.
- **Availability factor** of 98% of turbines

FFCEL

- **108.92 GWh** of electricity supplied
- **Certified full O&M services provider** by DMV Germany
- Carbon credit sales
1st Tranche received
2nd Tranche under verification

FFF

Improvement in Sales volume, higher sales revenue and reduction in operating loss.

Undisrupted supply chain, numeric distribution expansion and investment behind the brand

TEL

- Further investment of **Rs 377m**
- Expected COD during **2022**
- Achieved **back energization**

Challenges

Strategic Challenge



Depleting natural gas reserves and need for alternate resources

Operational Challenges

1

Rising interest rate, fuel prices and inflationary pressures

2

Discharge of GIDC liability would pressurize working capital of the Company

3

Continued delay in subsidy receivable and long outstanding GST refunds impacting working capital

4

Business expenditure and input GST disallowances by FBR resulting in cost escalation

ANY QUESTIONS



THANK YOU