

## FFC holds Second Corporate Briefing for the Year 2022



Fauji Fertilizer Company (FFC), held its second 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 11 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 30<sup>th</sup> June 2022 was held at FFC's corporate Head Office, Rawalpindi where prominent capital market analysts and dignitary from Pakistan Stock Exchange attended the event.

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



# Corporate Briefing

For the period ended  
June 30, 2022



Presented by: CFO

August 24, 2022

# Highlights and Challenges

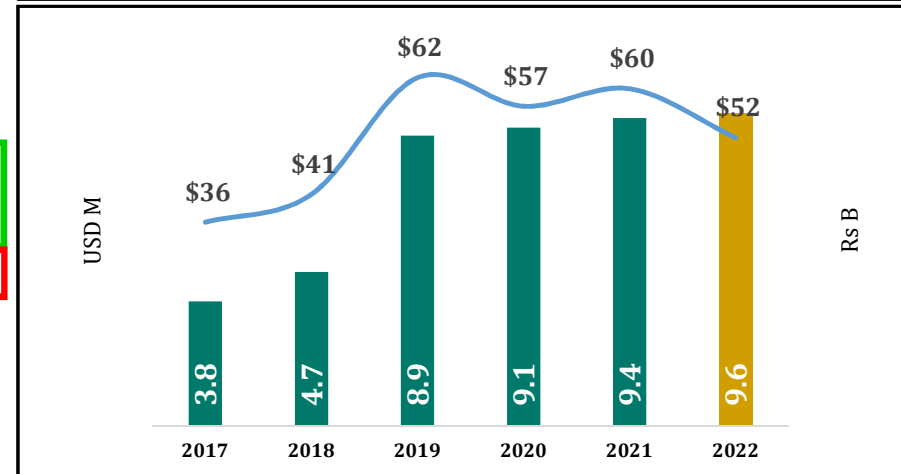
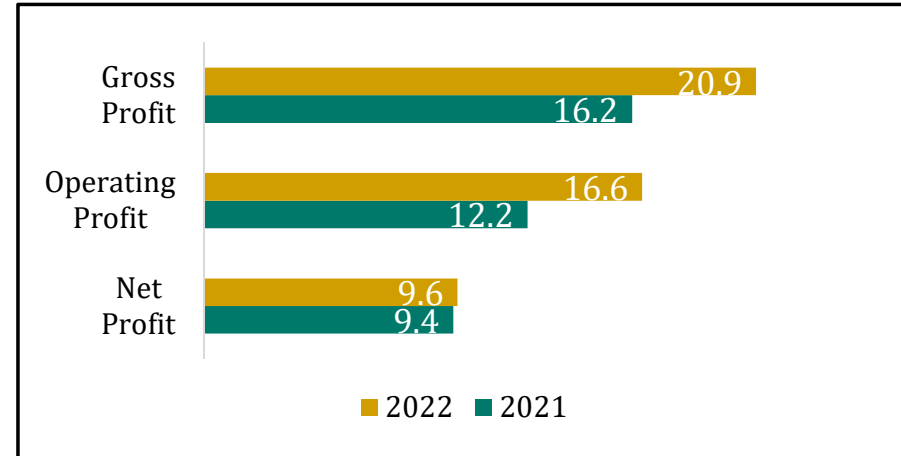
- **Highest Ever:**
  - ✓ Sona Urea sales volume
  - ✓ Revenue
  - ✓ Investment & Dividend Incomeresulting in highest ever pre-tax profit of Rs 18.8 Bn for H1
- Higher than planned Urea **Production** due to shifting of Plant-II T/A to Qtr-3
- International Urea prices crossed Rs 11,000 mark exceeding **local prices** by over Rs 9,000 per bag during the period
- Significant **foreign exchange savings** of around USD 900 Mn through import substitution
- Agriculture sector recorded a **growth of 4.40%** compared to last year's growth of 3.48%
- Galloping cost push – inflation, increasing interest rates and rupee devaluation
- Long **outstanding receivable** from Govt., GST (Rs 18.4 Bn) & Subsidy (Rs 7.0 Bn)
- **Plant 3 break-down** in Jul'22, outage of 15 days, production loss of around 36k tons
- Total **tax charge Rs 9.2 Bn** (includes super tax of Rs 3.5 Bn and Rs 0.9 Bn for years 2021 and 2022 respectively) at an effective **tax rate of 49%**, compared to Rs 3.7 Bn for 2021
- Severe devaluation of Pak rupee **restricted the dollarized profitability** of the Company to USD 52 Mn compared to USD 60 Mn in 2021.
- The geo political situation besides export restrictions by some countries resulted in **short supply of DAP**. This caused a **severe price hike** in the global market



# KPI Dashboard - 1HY 2022

	2022	2021	Var.	
	Thousand Tonnes			%
UREA: Production	1,276	1,222	▲	4
Sales	1,275	1,131	▲	13
DAP: Imports	98	117	▼	(17)
Sales	50	65	▼	(24)
<hr/>				
	Rs in Million		%	
Revenue	54,706	44,018	▲	24
Cost of Sales	33,806	27,808	▲	(22)
Distribution Cost	4,306	3,964	▲	(9)
Finance Cost	2,017	805	▲	(151)
Investment Income	4,893	2,306	▲	112
Dividend Income	2,516	1,908	▲	32
Taxes & Levies	10,862	5,020	▲	(116)
Profit after Tax	9,599	9,436	▲	2
<b>Net Earnings - (Rs/ Share)</b>	<b>7.55</b>	<b>7.42</b>	▲	<b>2</b>

## Profitability (Rs B)





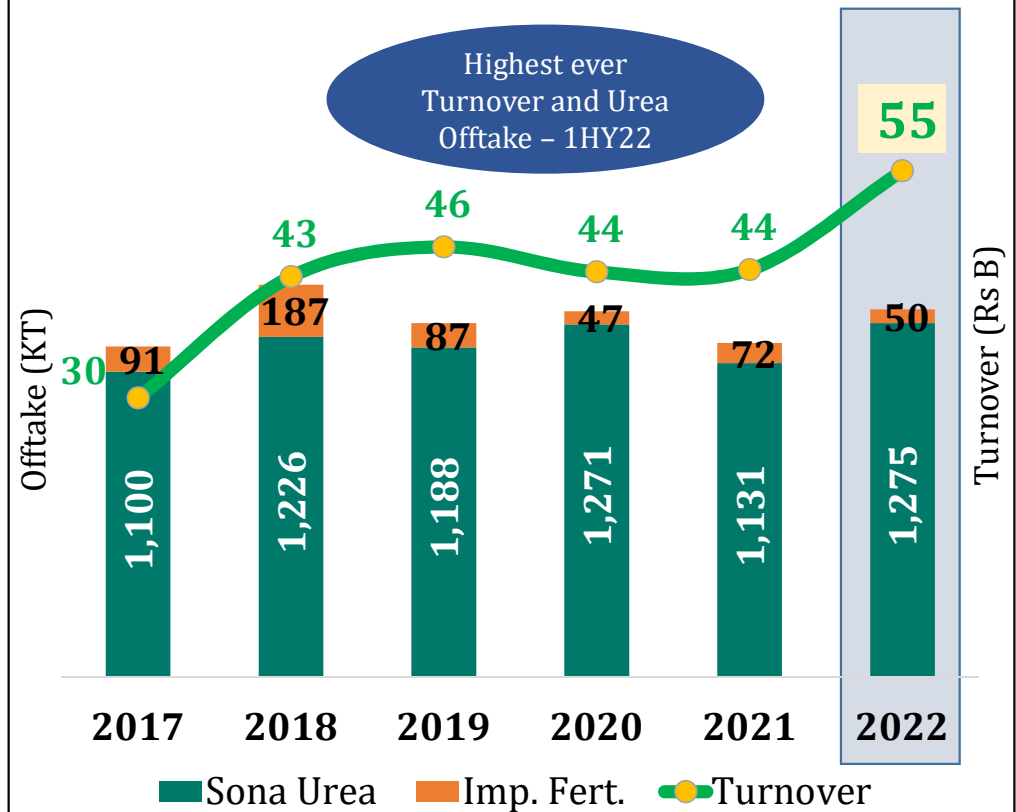
# Production & Offtake

## Sona Urea Production



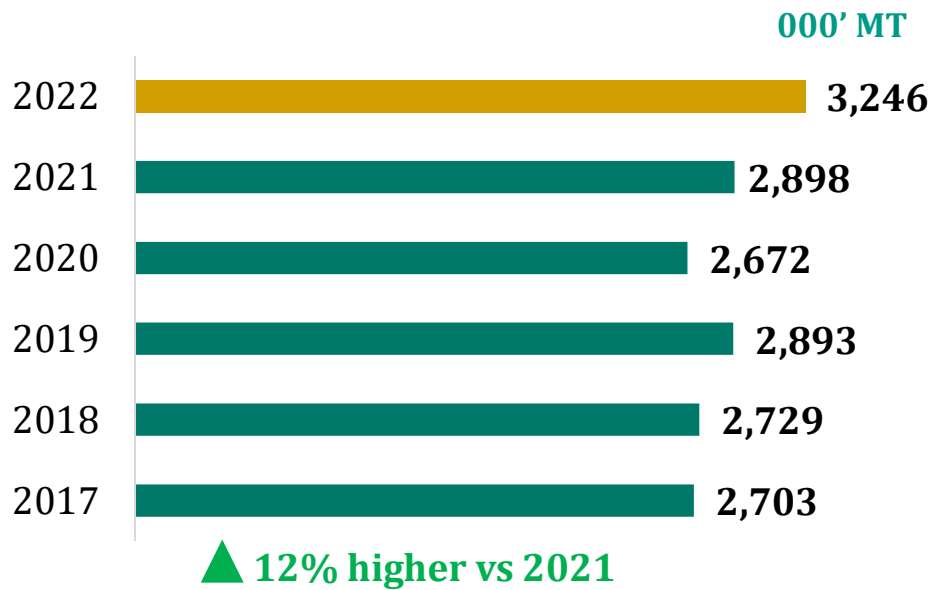
▲ 4% higher vs 2021

## Fertilizer Sales & Aggregate Turnover

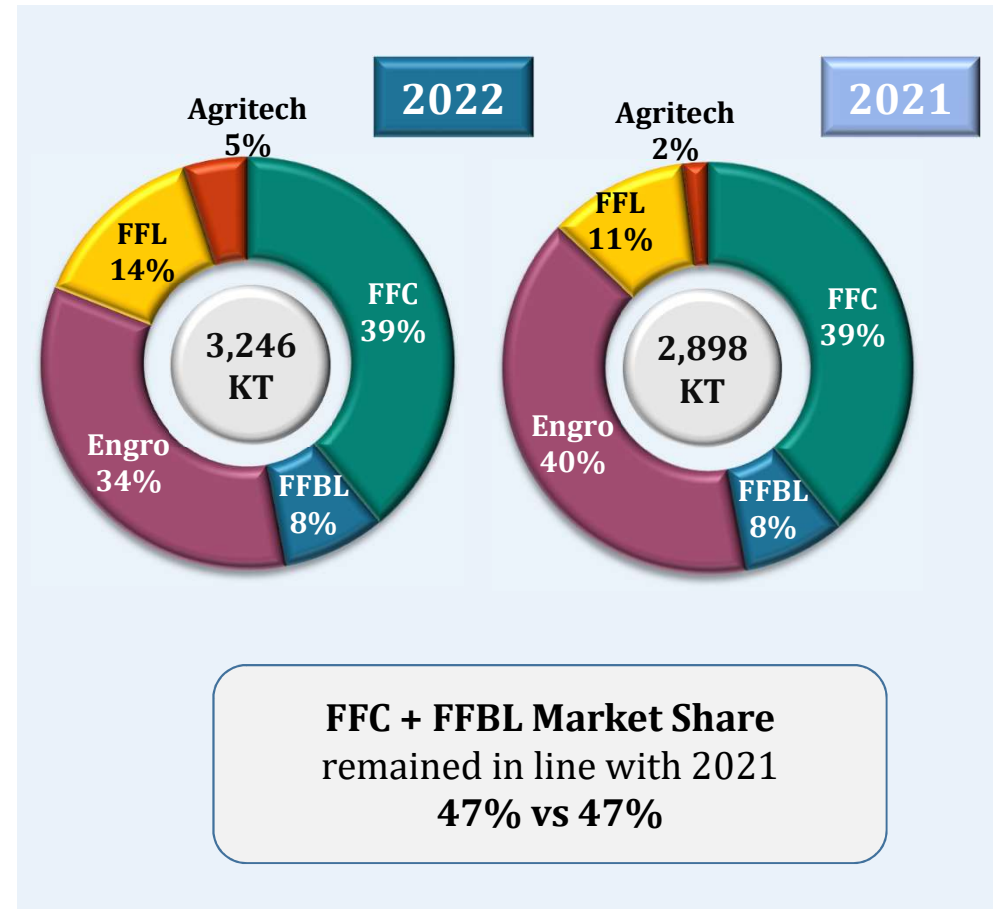


# Industry Urea sales and Market share - 1HY 2022

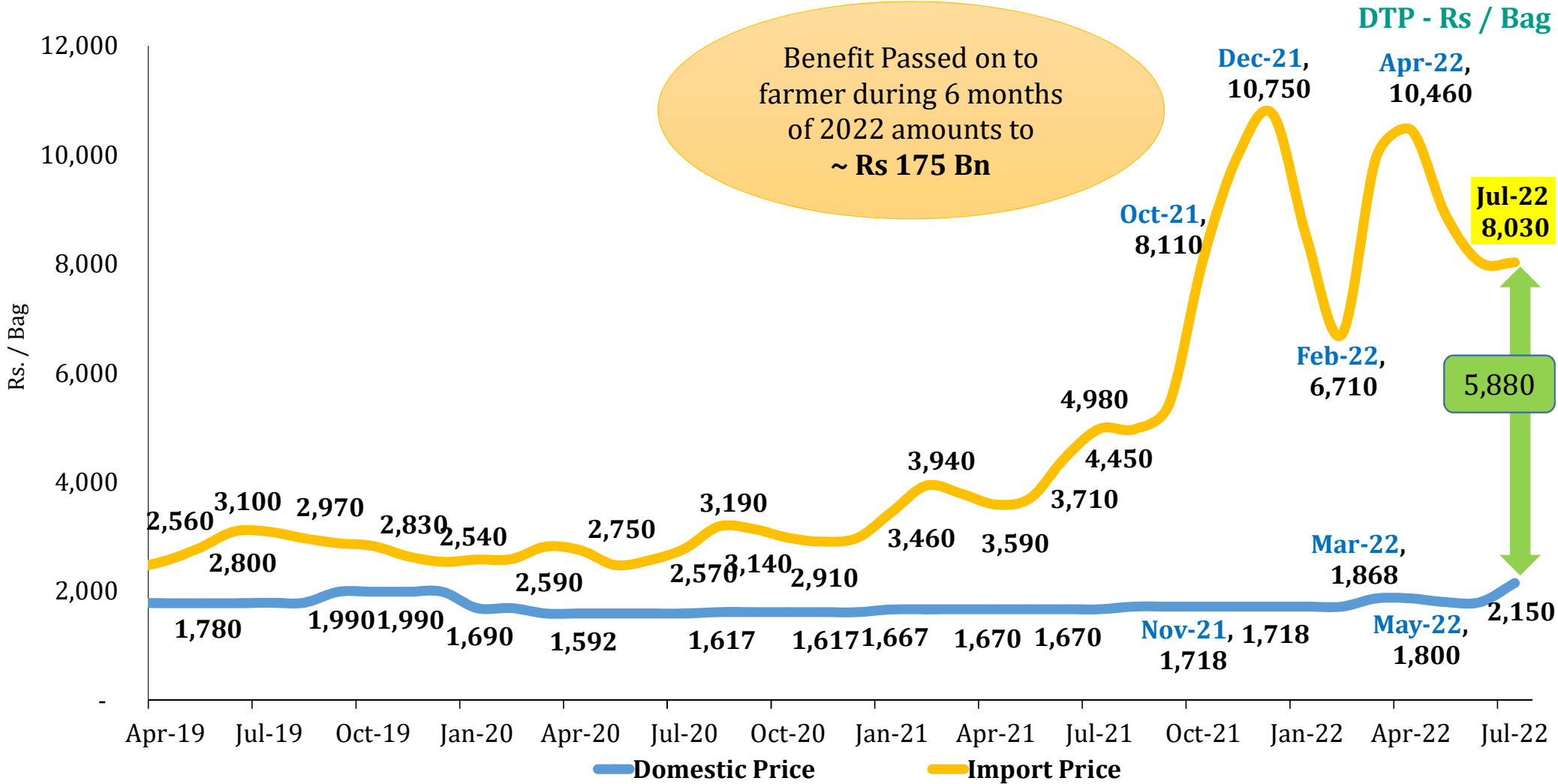
## 6 years Industry Sales



## Urea Market share



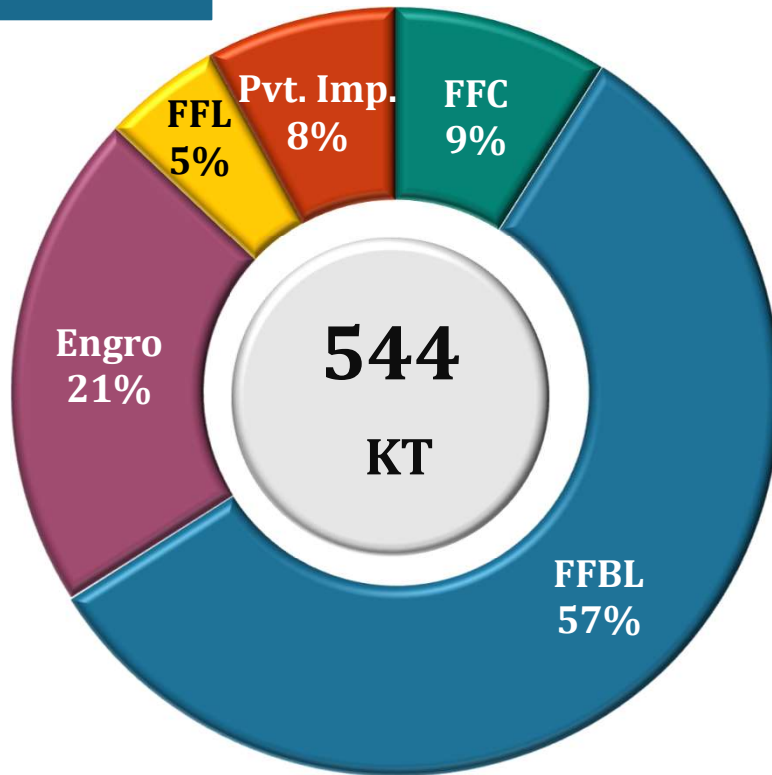
# Urea International vs Local Prices





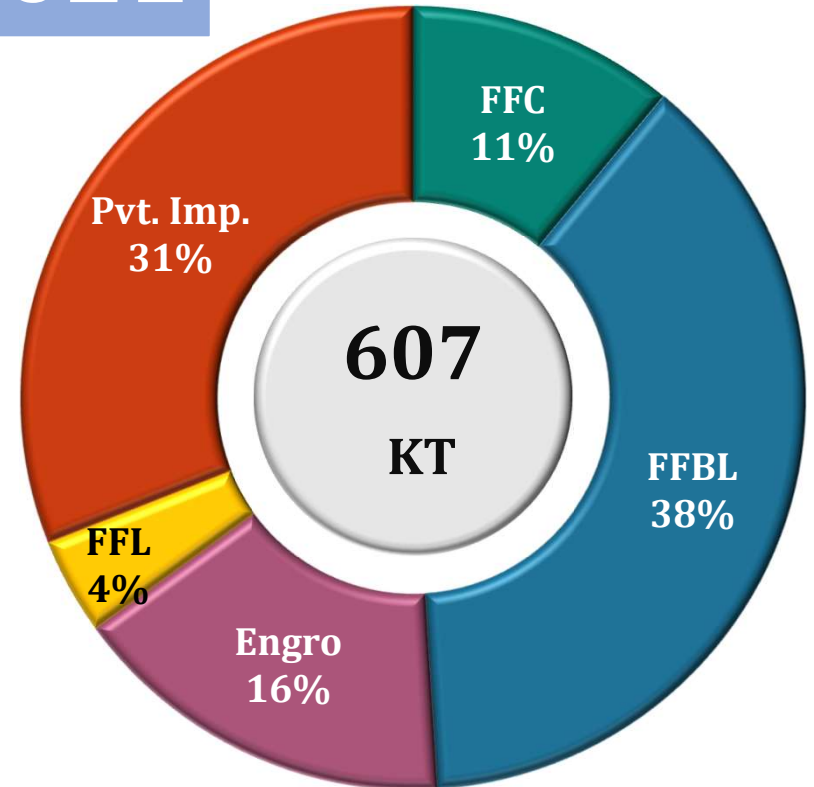
# DAP Market share

**2022**



**66% (FFC+FFBL)**

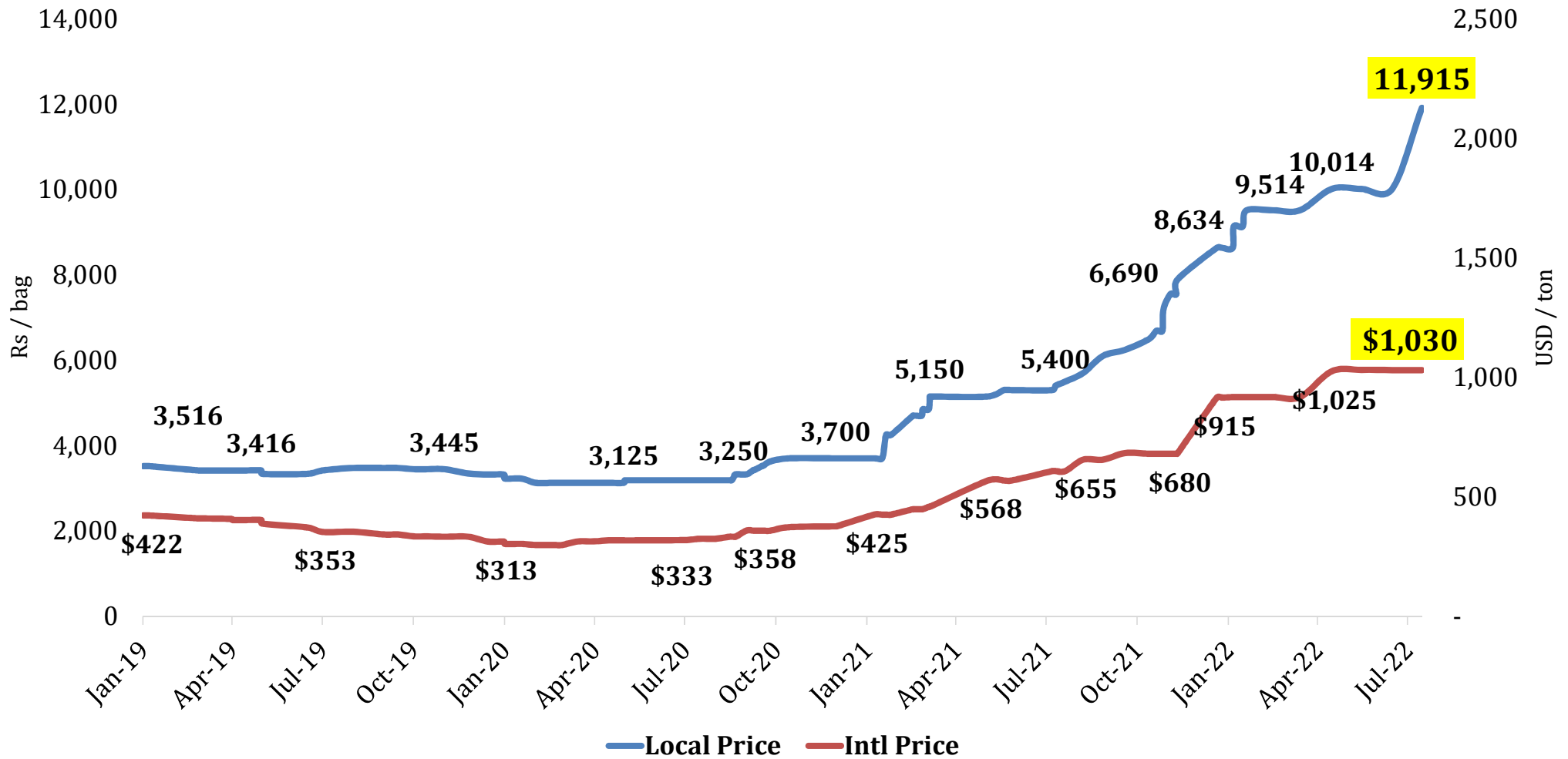
**2021**



**49% (FFC+FFBL)**



# DAP International Price Trend



# Other Businesses

## FFCEL

**56.23GWh** of electricity  
supplied  
(2021: 50.13GWh)

Availability factor: **99%**

Carbon credit units sold:  
**659,828**  
net proceeds Rs 149m

## FWEL I&II

### FWEL-I

**65.78GWh** of electricity  
supplied  
(2021: 75.50GWh)  
Availability factor: **98.8%**

### FWEL-II

**68.11GWh** of electricity  
supplied  
(2021: 75.00GWh)  
Availability factor: **98.5%**

## FFF

Revenue **51%** ↑  
Gross profit **24%** ↑  
Operating profit **148%** ↑  
Net loss **39%** ↓

First time achievement of  
**Operating Profit**  
Intl. fast food chains  
onboard

## TEL

Investment 1HY22  
**Rs 1.25 b**  
(Total Rs 4.83b  
as of Jun 2022)

Satisfactory operational and financial performance



# Challenges

**Natural gas  
depletion**

**GOP  
Policies**  
(Gas Pricing/  
availability)



**Aging Plants and  
their  
sustainability**

**Forex  
availability /  
Inflation**

ANY QUESTIONS



**THANK YOU**