

FFL/HO/CS/

October 23, 2023

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road,  
Karachi.



fauji foods

**3<sup>rd</sup> Quarterly Financial Results for the Period ended September 30, 2023**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on October 23, 2023 at 1:30 p.m. at Rawalpindi recommended the following:

- |  |      |
|--|------|
| (i) CASH DIVIDEND:                           | Nil. |
| (ii) BONUS SHARES:                           | Nil. |
| (iii) RIGHT SHARES:                          | Nil. |
| (iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION: | Nil. |
| (v) ANY OTHER PRICE-SENSITIVE INFORMATION:   | Nil. |

The financial results of the Company and brief commentary are attached.

3<sup>rd</sup> Quarterly Financial Report of the Company for the period ended September 30, 2023 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

Brig Hamid Mahmood Dar (Retd)  
Company Secretary

Encl: As above.

# FAUJI FOODS LIMITED

## Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine months period ended 30 September 2023

	Nine months ended		Quarter ended	
	30 September		30 September	
	2023	2022	2023	2022
	( Rupees )	( Rupees )	( Rupees )	( Rupees )
Revenue from contracts with customers - Net	14,754,446,231	8,071,196,397	4,916,710,088	3,274,595,818
Cost of revenue	(12,936,763,259)	(7,788,972,077)	(4,329,627,196)	(3,171,141,282)
<b>Gross profit</b>	<b>1,817,682,972</b>	<b>282,224,320</b>	<b>587,082,892</b>	<b>103,454,536</b>
Marketing & distribution expenses	(1,027,532,892)	(1,029,149,635)	(331,570,997)	(351,306,878)
Administrative expenses	(531,843,845)	(322,644,977)	(187,678,361)	(113,271,781)
<b>Profit / (Loss) from operations</b>	<b>258,306,235</b>	<b>(1,069,570,292)</b>	<b>67,833,534</b>	<b>(361,124,123)</b>
Other income	189,299,517	137,766,655	62,612,891	56,103,123
Other operating expenses	(24,765,614)	-	(22,603,374)	-
Finance costs	(341,400,691)	(909,279,822)	(6,030,962)	(343,916,767)
<b>Profit / (Loss) before taxation</b>	<b>81,439,447</b>	<b>(1,841,083,459)</b>	<b>101,812,089</b>	<b>(648,937,767)</b>
Income tax expense	(190,190,412)	(102,816,281)	(63,251,225)	(41,488,888)
<b>Profit / (Loss) after taxation for the period</b>	<b>(108,750,965)</b>	<b>(1,943,899,740)</b>	<b>38,560,864</b>	<b>(690,426,655)</b>
<b>Earnings/(Loss) per share - basic and diluted</b>	<b>(0.05)</b>	<b>(1.23)</b>	<b>0.02</b>	<b>(0.44)</b>

The annexed notes form an integral part of these condensed interim financial statements.



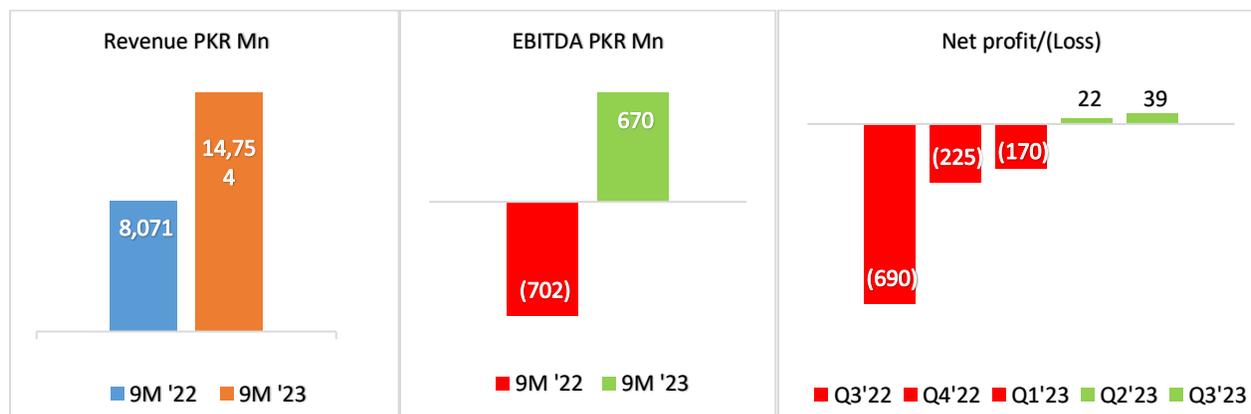
Chief Financial Officer

### Brief Commentary FFL Q3 & 9 months 2023 Results

FFL recorded its second consecutive PAT positive quarter (PKR 38.6 mn) in Q3 2023. The company has cemented its turnaround as it has been in green for 7 months running. The YTD revenue of Rs 14.8 bn (+83% SPLY) reflect the sustained growth momentum for the business.

Nurpur continues to drive growth (+45% SPLY). The successful marketing campaign and Route to Market revamp remain the main drivers. Nurpur was duly recognized as the most Impactful Brand by Oula (Kantar) in UHT category. The institutional business forms the other key pillar of growth strategy, and it grew by 147% over SPLY.

The commercial sustainability is reflected through improved structure of the P&L as Gross Margins increased from 3.5% 9 months 2022 to 12.3% in 9 months 2023. This was driven by continued focus on cost efficiencies backed by twin sustainability projects of 1 MW solar and bio mass which went into production in Q1 and are expected to positively impact energy cost in 2023. These initiatives along with price increases & other planned cost optimizations yielded an additional 8.8% Gross Margin. As a result, FFL achieved 9 months operating profit of PKR 258 mn vs PKR (1.07) billion loss in SPLY, an increase of PKR 1.33 billion. This is despite of renewed focus and spend behind the brand in 2023. With a solid turnaround strategy delivering results, the EBIDTA, which has been on a growth path since Q4`22 surged to PKR 670 Mn in 9 months `23 from an EBITDA loss of PKR (702) mn, an increase of 1.37 billion over SPLY.



Looking ahead, the investment in brands and distribution infrastructure should continue to fuel the growth. With the legacy debt burden now removed from the books, the growth in Margins and EBIDTA will help grow the business even faster whilst introducing new products. The strategy of pivoting to value added portfolio will enable the business to cover the expected inflation through pricing & margin management. We are confident that FFL driven by its vision of “Unleashing Pakistan’s promise in everything we touch” will not only build a successful business but leave a mark on the broader national landscape for times to come.