

FFL/HO/CS/
January 23, 2024

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



Financial Results for the Year Ended December 31, 2023

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **January 23, 2024 at 10:00 a.m.** 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.

The Annual General Meeting (AGM) of the Company will be held on **Monday, March 25, 2024 at 11:00 a.m. at Lahore.**

The Share Transfer Books of the Company will be closed from **March 19, 2024 to March 25, 2024** (both days inclusive) for holding the AGM.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of AGM.

Yours Sincerely,

Brig Naveed Azam Cheema (Retd)
Company Secretary

Encl: As above

FAUJI FOODS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contracts with customers - net	28	19,809,035,759	12,350,702,418
Cost of revenue	29	(16,826,717,108)	(11,382,005,892)
Gross profit		2,982,318,651	968,696,526
Marketing and distribution expenses	30	(1,323,482,146)	(1,338,285,748)
Administrative expenses	31	(722,329,209)	(446,174,042)
Profit / (Loss) from operations		936,507,296	(815,763,264)
Other income	32	238,475,021	199,400,052
Other expenses	33	(577,938,872)	(133,328,146)
Finance cost	34	(323,792,596)	(1,259,766,520)
Profit / (Loss) before taxation		273,250,849	(2,009,457,878)
Income tax	35	331,860,812	(159,052,640)
Profit / (Loss) for the year		605,111,661	(2,168,510,518)
Earning / (Loss) per share - basic and diluted	36	0.26	(1.37)

The annexed notes from 1 to 48 form an integral part of these financial statements.

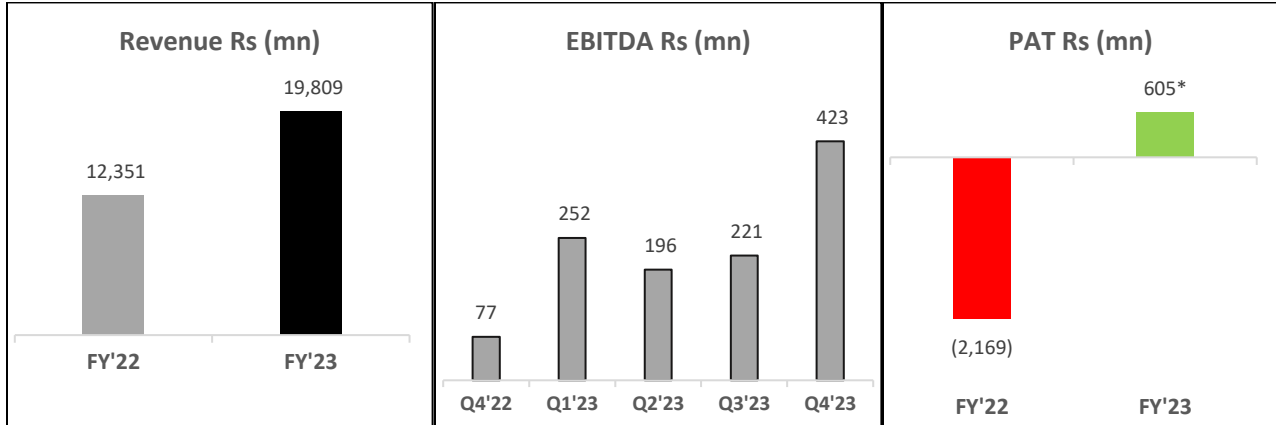
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Chief Financial Officer

Brief Commentary FFL 2023 Results

FFL delivered Rs 605 mn PAT in FY 2023 (+128% over LY). The company has now been in the green for nine months. The *three strategic pillars of a) Margin Accretive Growth b) COGS reduction and c) Capability Development* helped deliver a Revenue of Rs 19.8 bn (+60%), GP of Rs 2.98 bn (+207%), EBIDTA of Rs 1.09 bn (443%). The PAT includes deferred tax income of Rs 596 mn.



**Includes Deferred Tax Income of Rs 596 mn*

Nurpur continued to drive volume growth. The successful marketing campaign and Route to Market have ensured that Nurpur remains the fastest growing UHT milk in Pakistan for second successive year. The **strategic pivot to margin accretive portfolio** continues to deliver results as the entire value portfolio grew by 98.5% in value.

The **commercial sustainability** is reflected through improved structure of the P&L as Gross Margins increased from 7.8% to 15.1% in 2023. This was achieved through focus on cost efficiencies backed by twin sustainability projects of 1 MW solar and biomass. These projects along with optimized sourcing and improved efficiencies across the entire value chain helped counter the high inflation in 2023. All of the above was underpinned through a **cultural shift and a strong talent backbone**. A fact reflected in Employee engagement score that not only is ahead of the industry benchmark but has nearly tripled in three years.

Looking ahead, the investment in brands and distribution infrastructure should continue to fuel the growth. To further compliment the growth and as part of its **“Margin Accretive Growth strategy”** FFL received the board and shareholders’ authorizations in Q4 2023 to acquire **Fauji Cereals and Fauji Infraavest (Pasta)**. The compelling synergies across the three businesses will broaden the margin base and improve the P&L structure. This allows FFL to own the breakfast table and extend its portfolio across multiple culinary occasions. The acquisitions, once completed (post statutory approvals), are expected to be EPS accretive.

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.