

FFL/HO/CS/
July 22, 2024



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

Financial Results for the Half Year ended June 30, 2024

Dear Sir,

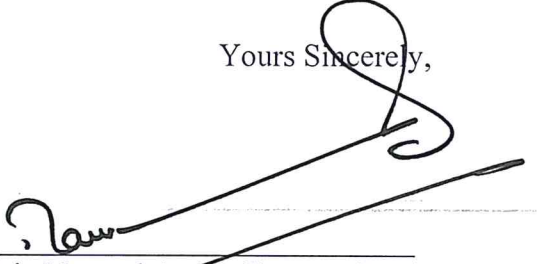
We have to inform you that the Board of Directors of our company in their meeting held on **July 22, 2024 at 10:00 a.m.** recommended the following:

- | | |
|--|------|
| (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 for the period ended June 30, 2024, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) and brief commentary are attached.

Half Yearly Financial Report of the Company for the period ended June 30, 2024 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,


Brig Naveed Azam Cheema (Retd)
Company Secretary

Encl: As above

FAUJI FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX-MONTH AND THREE-MONTH PERIOD ENDED JUNE 30, 2024

	Note	Six-month ended June 30		Three-month ended June 30	
		2024 (Rupees)	2023 (Rupees)	2024 (Rupees)	2023 (Rupees)
Revenue from contracts with customers - net	17	11,413,478,903	9,958,277,374	5,839,024,389	4,789,209,100
Cost of revenue	18	(9,140,601,530)	(8,607,136,063)	(4,656,277,377)	(4,098,740,110)
Gross profit		<u>2,272,877,374</u>	<u>1,351,141,312</u>	<u>1,182,747,011</u>	<u>690,468,990</u>
Marketing and distribution expenses		(820,580,442)	(695,961,895)	(390,106,385)	(349,239,894)
Administrative expenses		(420,831,854)	(344,165,484)	(224,818,212)	(157,427,445)
Profit from operations		<u>1,031,465,078</u>	<u>311,013,933</u>	<u>567,822,415</u>	<u>183,801,651</u>
Other income		192,550,894	126,686,626	100,573,589	56,866,382
Other operating expense		(520,662,548)	(122,703,472)	(181,082,239)	(122,235,679)
Finance costs		(14,708,756)	(335,369,729)	(11,122,218)	(35,591,493)
Profit / (loss) before taxation		<u>688,644,667</u>	<u>(20,372,642)</u>	<u>476,191,547</u>	<u>82,840,861</u>
Income tax expense	19	(323,527,170)	(126,939,187)	(223,240,920)	(60,569,676)
Profit / (loss) after taxation for the period		<u><u>365,117,497</u></u>	<u><u>(147,311,829)</u></u>	<u><u>252,950,627</u></u>	<u><u>22,271,185</u></u>
Earnings / (loss) per share - basic and diluted	20	<u><u>0.14</u></u>	<u><u>(0.07)</u></u>	<u><u>0.10</u></u>	<u><u>0.01</u></u>

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Signature

Chairman

Chief Executive Officer

Director

Signature
Chief Financial Officer



FAUJI FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX-MONTH AND THREE-MONTH PERIOD ENDED JUNE 30, 2024

	Note	Six-month ended		Three-month ended	
		June 30		June 30	
		2024	2023	2024	2023
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue from contracts with customers - net	16	11,413,478,903	9,958,277,374	5,839,024,389	4,789,209,100
Cost of revenue	17	(9,157,026,102)	(8,607,136,063)	(4,670,571,862)	(4,098,740,110)
Gross profit		<u>2,256,452,802</u>	<u>1,351,141,312</u>	<u>1,168,452,526</u>	<u>690,468,990</u>
Marketing and distribution expenses		(820,580,442)	(695,961,895)	(390,106,385)	(349,239,894)
Administrative expenses		(420,973,263)	(344,165,484)	(222,771,621)	(157,427,445)
Profit from operations		<u>1,014,899,097</u>	<u>311,013,933</u>	<u>555,574,521</u>	<u>183,801,651</u>
Other income		192,586,208	126,686,626	100,604,903	56,866,382
Other operating expense		(520,662,548)	(122,703,472)	(181,082,239)	(122,235,679)
Finance costs		(26,084,409)	(335,369,729)	(18,000,871)	(35,591,493)
Profit / (loss) before taxation		<u>660,738,347</u>	<u>(20,372,642)</u>	<u>457,096,314</u>	<u>82,840,861</u>
Income tax expense	18	(323,527,170)	(126,939,187)	(223,240,920)	(60,569,676)
Profit / (loss) after taxation for the period		<u>337,211,177</u>	<u>(147,311,829)</u>	<u>233,855,394</u>	<u>22,271,185</u>
Earnings / (loss) per share - basic and diluted	19	<u>0.13</u>	<u>(0.07)</u>	<u>0.09</u>	<u>0.01</u>

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chairman

Chief Executive Officer

Director

Chief Financial Officer



Brief Commentary FFL Q2 & H1, 2024 Results

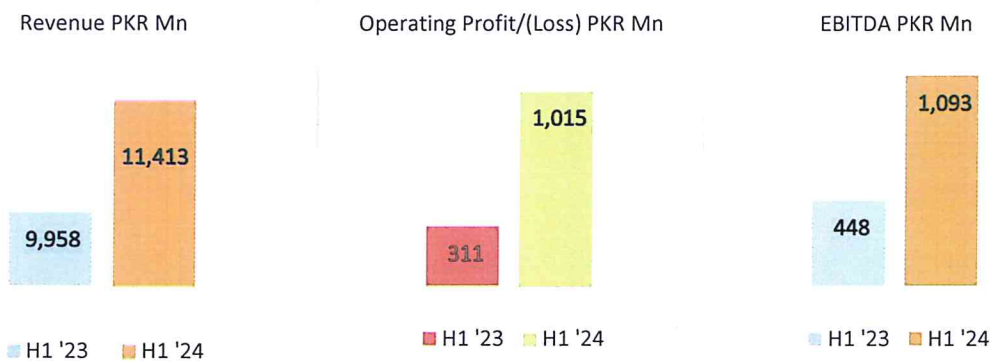
FFL reported a PAT of PKR 234 Mn in Q2 2024 vs Pkr 22 mn SPLY (+950%) & PKR 337 Mn for 1st half 2024 vs loss of Pkr (147) Mn SPLY (+329%). The business has continued its growth momentum, recording a YTD revenue of Rs 11.4 bn (+14.6% vs SPLY). The three strategic pillars of a) Margin Accretive Growth b) COGS reduction and c) Capability, continued to drive topline as well as bottom-line.

Margin Accretive Growth: Nurpur UHT milk remains the fastest growing Milk brand in Pakistan. It recorded 50% revenue growth in H1 2024 vs SPLY. The strategic acquisition of cereal business in Feb 2024 helped diversify the portfolio and allows the business to own the breakfast table.

COGS Reduction: The commercial sustainability is reflected through the improved structure of the P&L as **Gross Margins increased from 14.4% Q2 2023 to 20% in Q2 2024**. This was driven by continued focus on cost efficiencies backed by continuous improvement in the Supply Chain. As a result, FFL achieved **Q2 2024 operating profit of PKR 556 mn** vs PKR 184 mn in SPLY, **an increase of 202%** and a **Profit after Tax of Pkr 234 mn** vs Pkr 22 mn SPLY, **an increase of 950%**.

Capability: The company is on its journey to build world class capability across the organization. The First Management Trainee Program concluded this year and there are plans to broaden the scope in future. Additionally, the digitization agenda is being driven across the businesses to harness insights for growth and efficiency.

With the commercial strategy delivering results, the EBIDTA, which has been on a growth path, closed at **PKR 1.09 bn in H1 2024** from an EBITDA of Pkr 448 mn, **an increase of 144%** over SPLY.



Looking ahead, the 18% GST on packaged milk is expected to affect the packaged milk industry. However, investment in brands and distribution and high margin Cereals portfolio should continue to fuel the growth and delivery of improved financial performance. Pasta launch later in the year will further strengthen the culinary credentials of the portfolio extending it beyond the breakfast table. 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.