



**CORPORATE AFFAIRS DEPARTMENT**

Ref No. 6.12-KSE/S/FFC  
12 August 2024

To : **Ms. Raeda Latif**  
GM - Mktg & BD  
Pakistan Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road  
KARACHI  
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Subject: **Second Corporate Briefing for the Year 2024**

Presentation of FFC Second Corporate Briefing scheduled on August 13, 2024 is attached, please.

Best regards,

  
**Company Secretary**  
Brig Zulfiqar Ali Haider (Retd)

**FAUJI FERTILIZER COMPANY LIMITED**  
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# Fauji Fertilizer Company Limited

## Corporate Briefing

For the period ended  
June 30, 2024

**Presented by: CFO**

Aug 13, 2024



**Challenges &  
Highlights**

**01**

**Fertilizer Industry  
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**Financial  
Overview  
(FFC & Group)**

**A New Chapter  
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# Economic Highlights and Fertilizer Industry



**Agriculture Growth: 6.25% FY24**  
Highest in last 19 years  
*(mainly due to wheat, rice & Cotton)*



**150 bps reduction in Policy Rate**  
*(from 22% to 20.5%)*



**Inflation easing up**  
*12.6% in June 2024 vs 29.4% in June 2023 (YOY)*



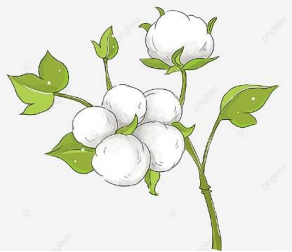
**Exchange rate stabilizing**  
*PKR to USD parity at 278.51*



**Fertilizer market sustained at last SPLY**  
*Urea: 3,047 vs 3,100 (↓ 2%)*  
*DAP: 547 vs 510 (↑ 7%)*



**Challenging Farm Economics**  
*Net farm income witnessed a declined except for sugarcane*



**Farm income witnessed a decline in all major crops except sugarcane**

	2020-21	2021-22	2022-23	2023-24
Crops	Net Income Rs./Acre			
Wheat	32,882	27,930	88,799	<b>13,572</b>
Cotton	10,029	64,679	30,486	<b>20,674</b>
Sugarcane	69,397	26,216	54,475	<b>124,322</b>
Rice (Fine)	25,750	30,561	91,515	<b>72,468</b>

# Business Highlights & Challenges

## Highlights

- Turnover PKR 116 Bn  
61% increase vs LY
- Investment income PKR 9 Bn  
45% increase vs LY
- PAT PKR 26 Bn  
Vs PKR 13 Bn LY

Improved **plant reliability** yielding **efficiencies**

Savings of **USD 227 million** to the farming community

**65% increase in Cost of sales** due to high cost **imported products**, increased **gas cost** (w.e.f. 1 Oct'23) besides **inflationary** factors

Financial impacts of **Finance Act, 2024**

A significant **87% increase in Freight cost** due to **Axle Weight Regulations** and **inflationary** impacts

## Challenges

# Financial and Operational Overview

# Financial Snapshot H1-2024

Dividend & investment income, Cost optimization driving profitability

**Profit After Tax  
PKR 26 Bn**

*SPLY PKR 13 Bn*

**Revenue  
PKR 116 Bn**

*SPLY PKR 72 Bn*

**Gross Profit  
PKR 48 Bn**

*SPLY PKR 31 Bn*

**Operating Profit  
PKR 38 Bn**

*SPLY PKR 25 Bn*

**Other Income  
PKR 16 Bn**

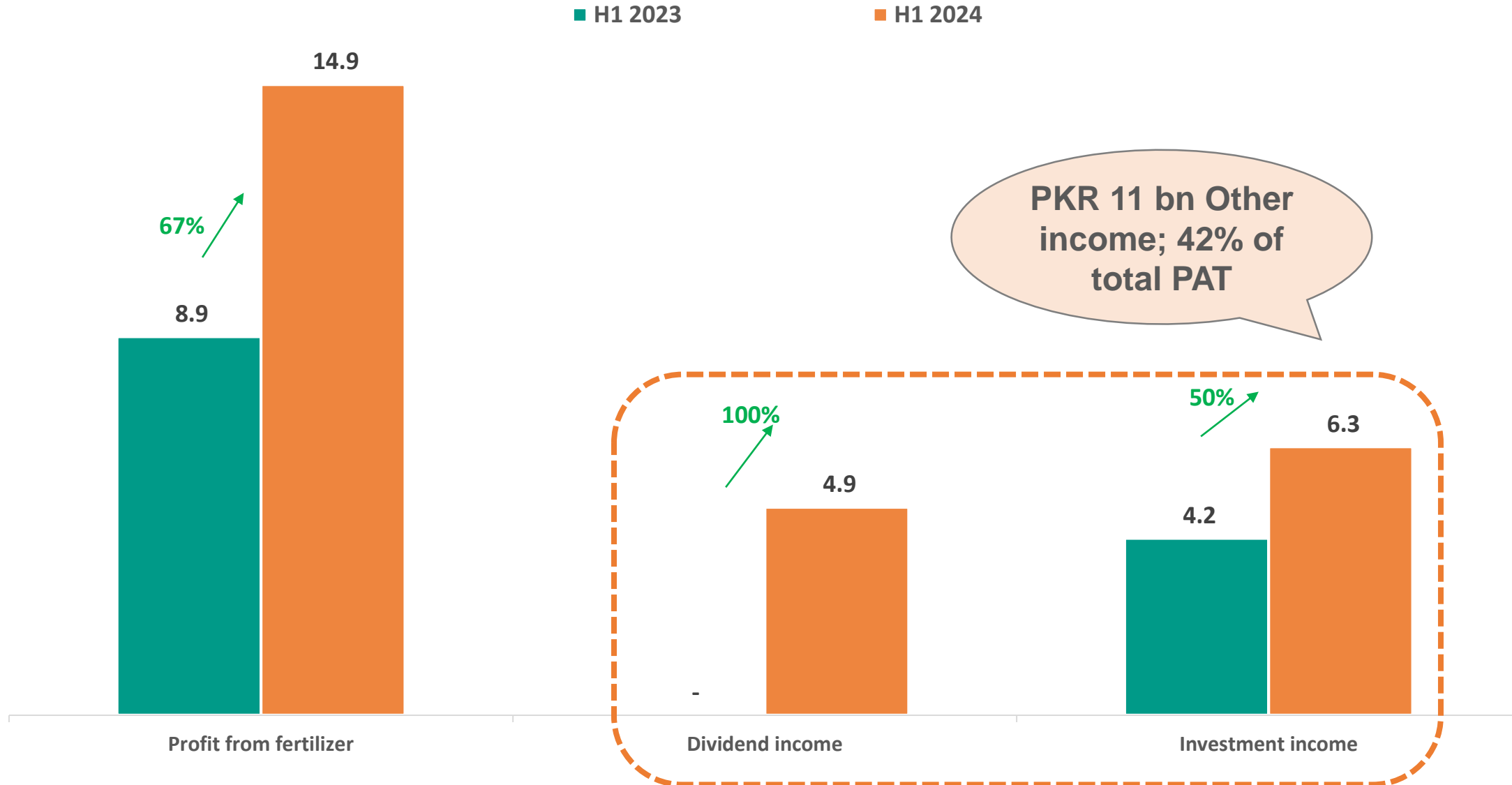
*SPLY PKR 6 Bn*





# Profitability Breakdown (PKR 26 Bn) - 1H'24 vs 1H'23

Dividend and investment income driving profitability



# Production & Offtake 1HY - Six years at a glance

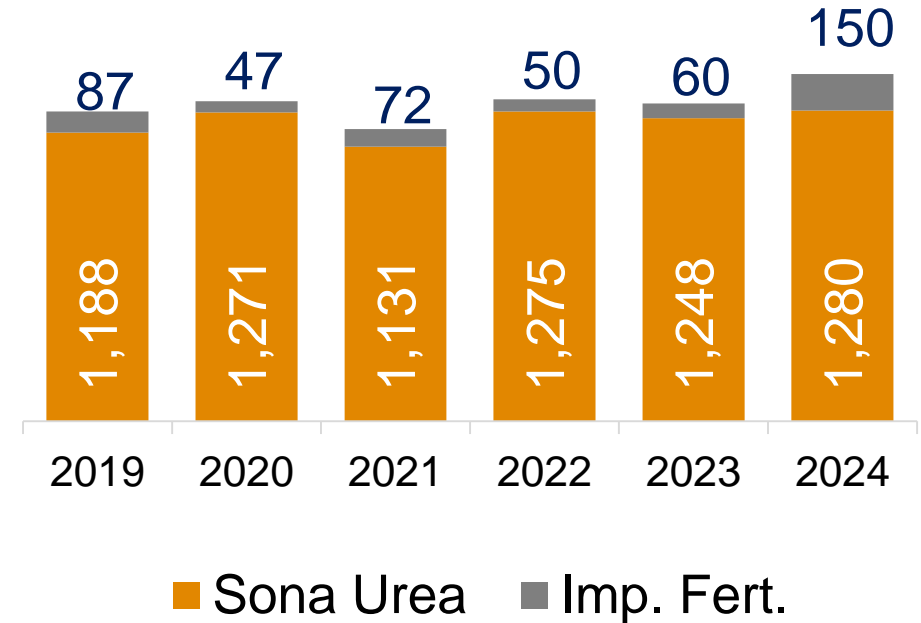


Improved plant reliability resulted in higher sales

## Production (KT)



## Sales (KT)



# Operational Excellence

## Plant capacity factors CY vs LY



### Plant I

Capacity achieved: **115%** [**113.2%**]



### Plant II

Capacity achieved: **118.8%** [**118%**]



### Plant III

Capacity achieved: **110%** [**109.3%**]

## Consistency in Plant Operations

### Plant wise production 'KT



# **Financial Overview (FFC Group)**

# FFC Group Financial Snapshot H1-2024



**Profit After Tax  
PKR 38 Bn**

*SPLY PKR 21 Bn*

**Revenue  
PKR 127 Bn**

*SPLY PKR 83 Bn*

<b>FFC</b>	PKR 116 Bn
<b>Energy</b>	PKR 8 Bn
<b>Food</b>	PKR 3 Bn

**Gross Profit  
PKR 48 Bn**

*SPLY PKR 31 Bn*

**Profit Subsidiary  
and Associates  
PKR 22 Bn**

*SPLY PKR 9 Bn*

<b>Energy</b>	PKR 6 Bn
<b>Food</b>	PKR 304 Mn
<b>FFBL</b>	PKR 7 Bn
<b>AKBL</b>	PKR 5 Bn
<b>Others</b>	PKR 3.5 Bn

**Other Income  
PKR 10 Bn**

*SPLY PKR 7 Bn*

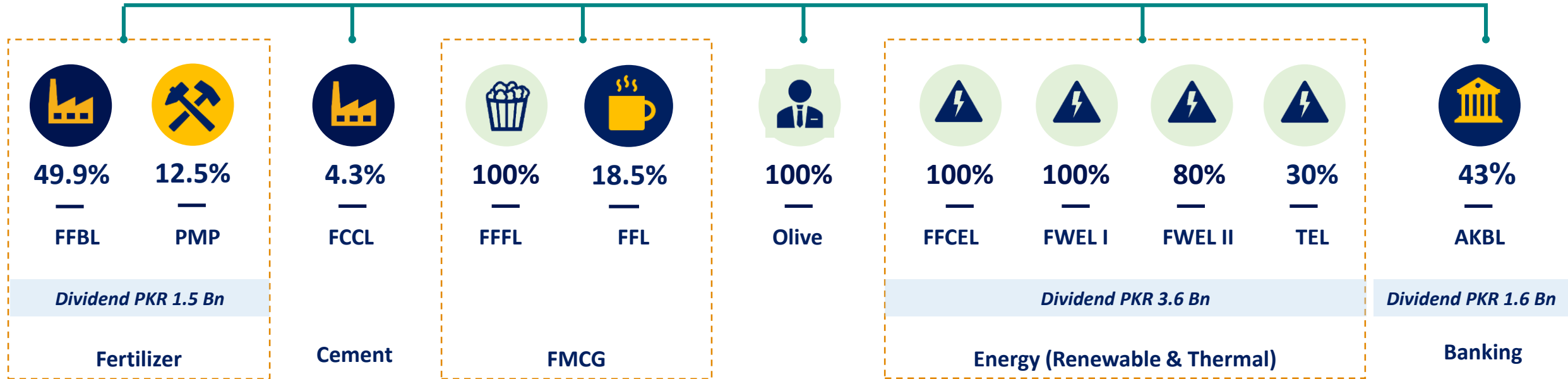
<b>FFC</b>	PKR 9 Bn
<b>Others</b>	PKR 1 Bn



# FFC Group Overview



## Fauji Fertilizer Company Limited



### Legend

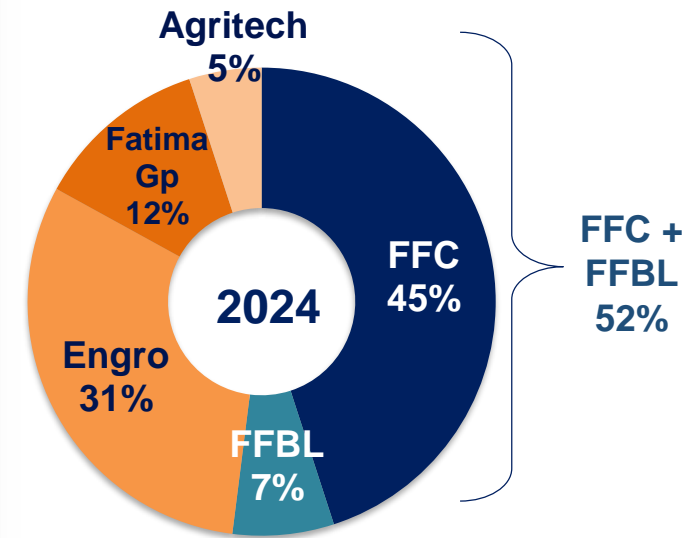
- Listed Entities (04)
- Non-Listed Entities (06)
- International JV (01)

# Fertilizer Industry Snapshot

# Sona Urea

**Market Share improved to 52%** vs 46% (FFC + FFBL)

Sales KT	H1 2024	H1 2023	% Variance
Imported Urea	94	-	
<b>Sona (NC)</b>	<b>217</b>	<b>155</b>	<b>40</b>
Sona (P) -Total	1,280	1,248	3
Sona (G) - FFBL	216	180	20
<b>Urea Total</b>	<b>1,590</b>	<b>1,428</b>	<b>11</b>



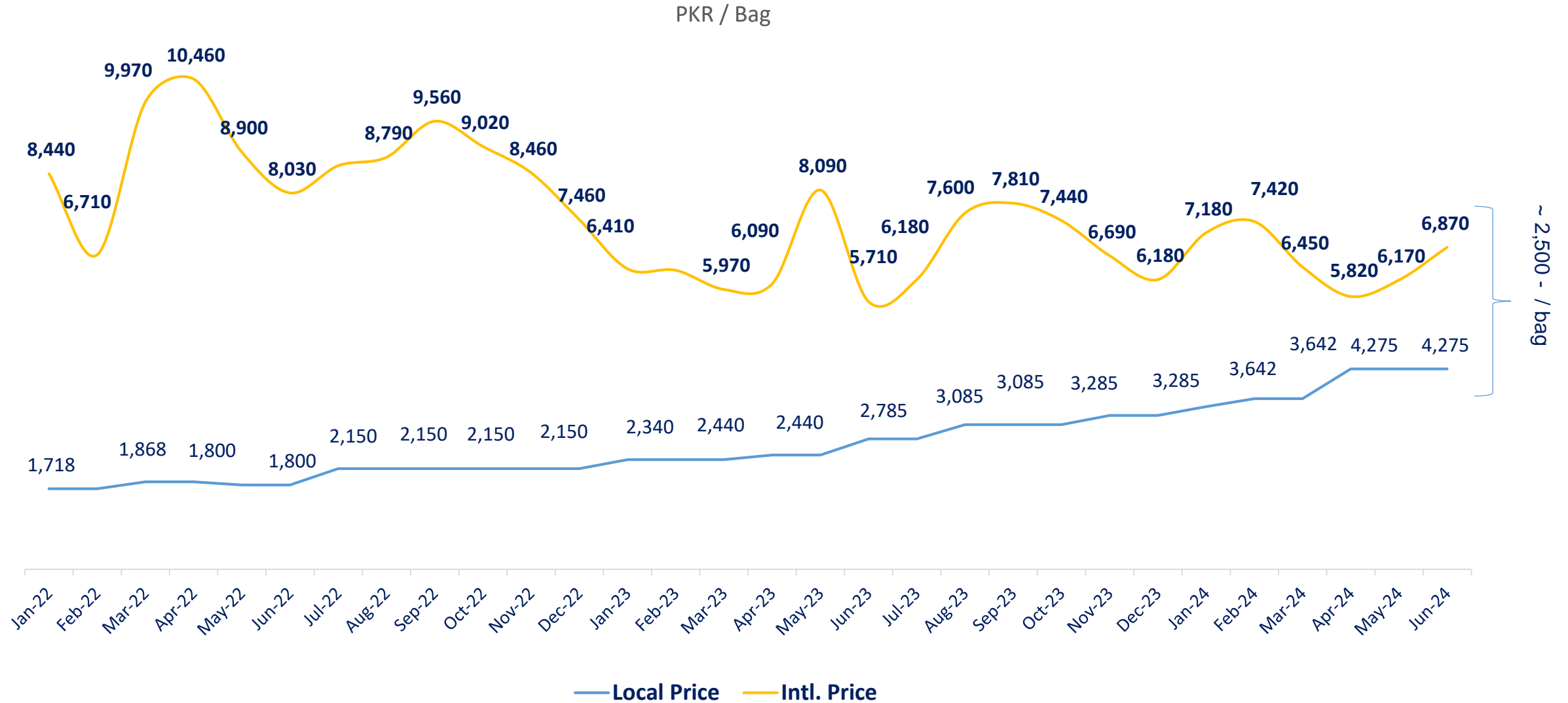
**Industry closing inventories**  
430KT vs 215KT SPLY (↑ 100%)

**Industry sales**  
3,037 KT vs 3,100 KT SPLY 2023 (↓ 2%)



# Local Urea vs International Price

Benefit of **USD 227Mn (PKR 63Bn)** passed on to the farmers during H1 2024



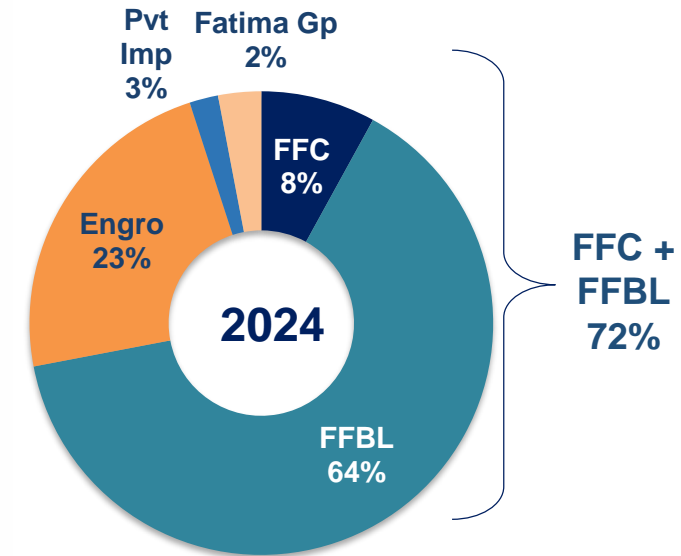
# Di Ammonium Phosphate (DAP)

Market Share improved to **72%** vs 64% (FFC + FFBL)

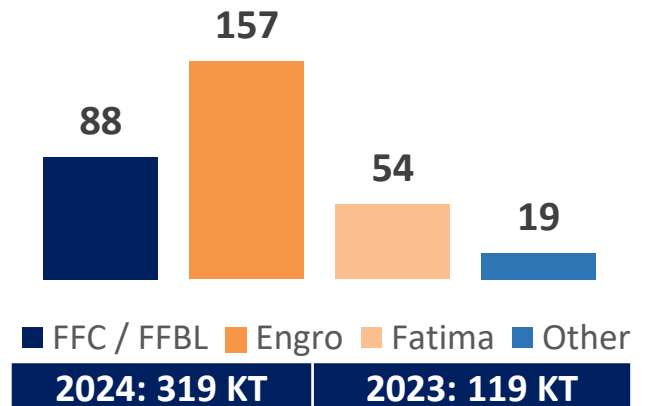


Sales KT	H1 2024	H1 2023	% Variance
FFC Imported DAP	45	49	(8)
FFBL Imported DAP	24	-	-
<b>Imported DAP</b>	<b>69</b>	<b>49</b>	<b>41</b>
SONA DAP – FFBL	327	274	19
<b>DAP Total</b>	<b>396</b>	<b>324</b>	<b>22</b>

**Industry closing inventories**  
 166KT vs 275KT SPLY (↓ 40%)  
**Industry sales**  
 547 KT vs 510 KT SPLY 2023 (↑ 7%)



Imports - KT



# Sona Centers

## Direct to Farmers Channel

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# Sona Centers – Direct to Farmers Channel

Fertilizer availability at **MRP** to farmers

Established to ensure the **timely availability** of quality fertilizers **at controlled rates** for farm agronomics



## Sona Centers

70 stores by October, 2024

3 Stores inaugurated



Goth Machi



Mirpur Mathelo



Port Qasim (FFBL)



Imported potash & Phosphates



Mode of transportation – Road & Rail

Institutions



Field warehouses



Dealer outlets



Direct to Consumer



Farmers

# A New Chapter Begins





# FFC & FFBL Amalgamation



*The amalgamation presents a strategic opportunity with the potential to create significant synergies and strengthen the Group's competitive advantage*



## We Operate in Same Space

Business lines are similar, overlapping & at times, competing

1

## Financial Strengths

Enhancement of fiscal space leading to improved debt pricing & ceiling  
More opportunities for expansion  
Efficient use of funds & working capital

2

## Economies of Scale

Merger would unlock economies of scale & sharing of resources, will directly improve organizational efficiency

3

# Q&A Session

