

# Analyst Briefing

*Aug 2024*

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# DISCLOSURE

All forward – looking statements are management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ significantly from those described in the forward – looking statements.

Forward – looking statements should not be relied upon for making investment or other decisions as the statements speak only as of the date they were made

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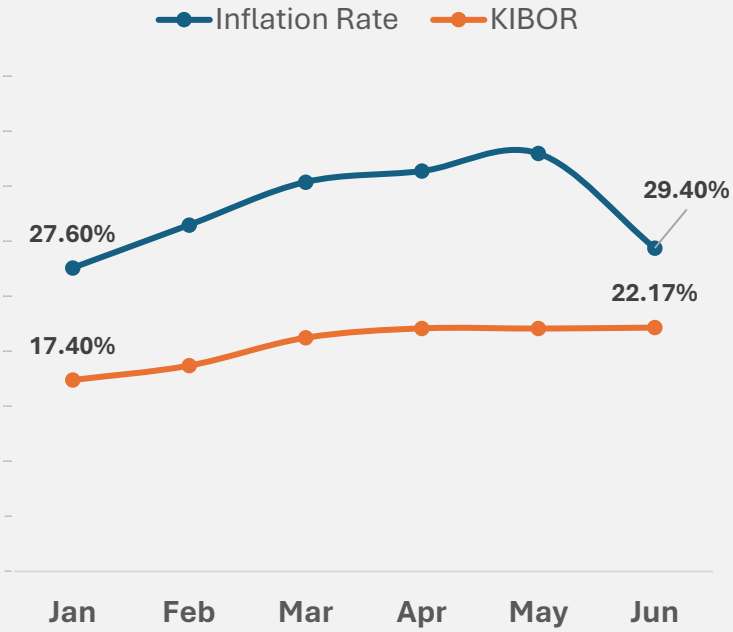


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# **Economic Highlights & Fertilizer Market**

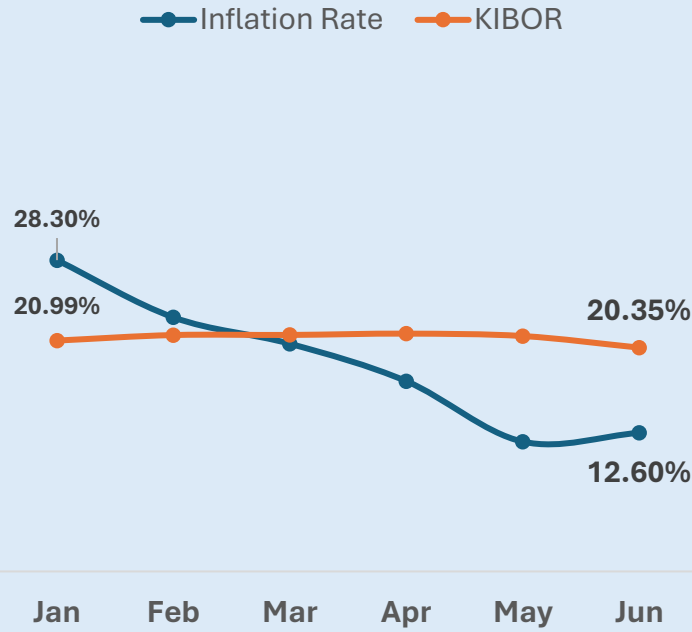
# Economic Highlights

## 2023



Source: State Bank of Pakistan (SBP)

## 2024

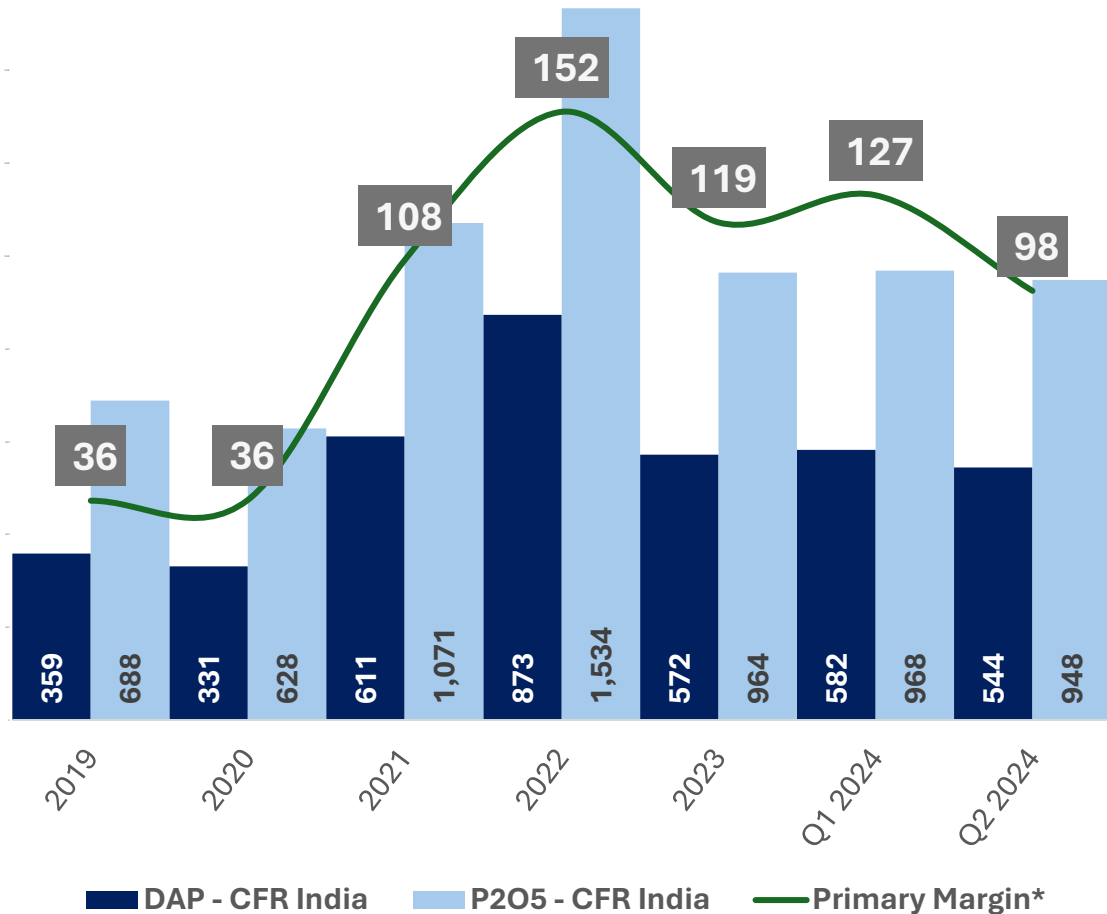


- Declining CPI trend in 2024 with a ~17% decrease on June-to-June basis.
- KIBOR reduced by ~180bps on a June-to-June basis.

- Exchange rate remained stable during the period.
- PKR USD parity appreciated by ~3% on a June-to-June basis.

# International DAP Market

DAP – International Primary Margin (US\$)



*As the sole DAP producer in Pakistan, FFBL saves Foreign Exchange (~US\$ 100 Mn per Annum) and ensures availability of DAP throughout the year*

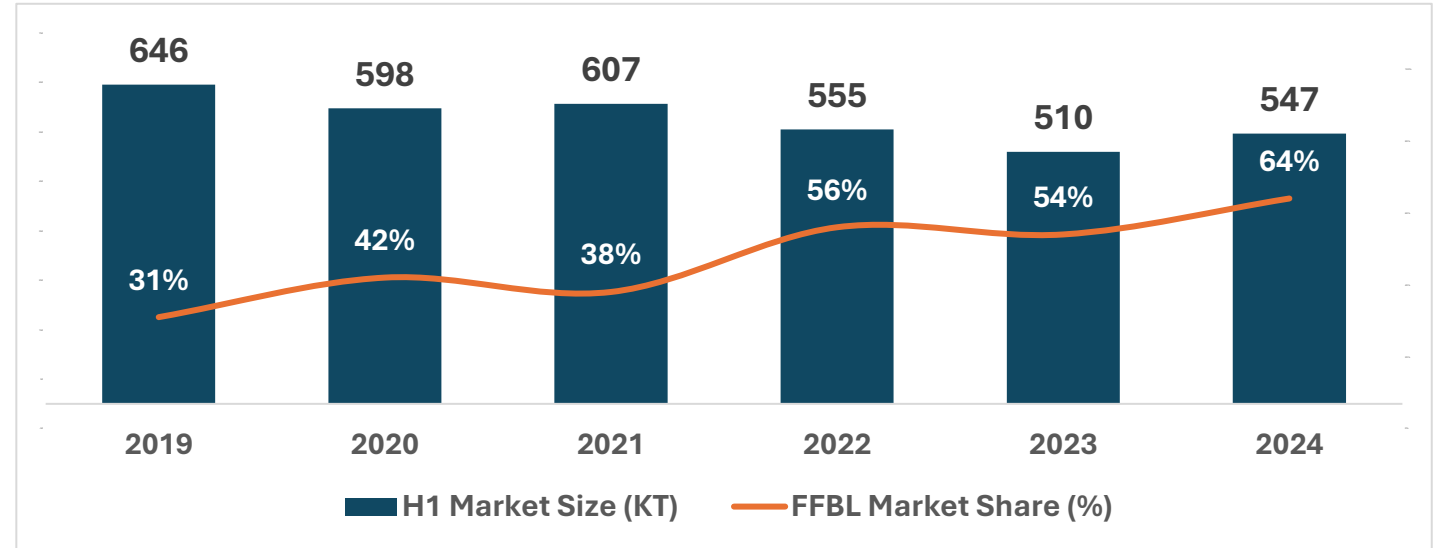
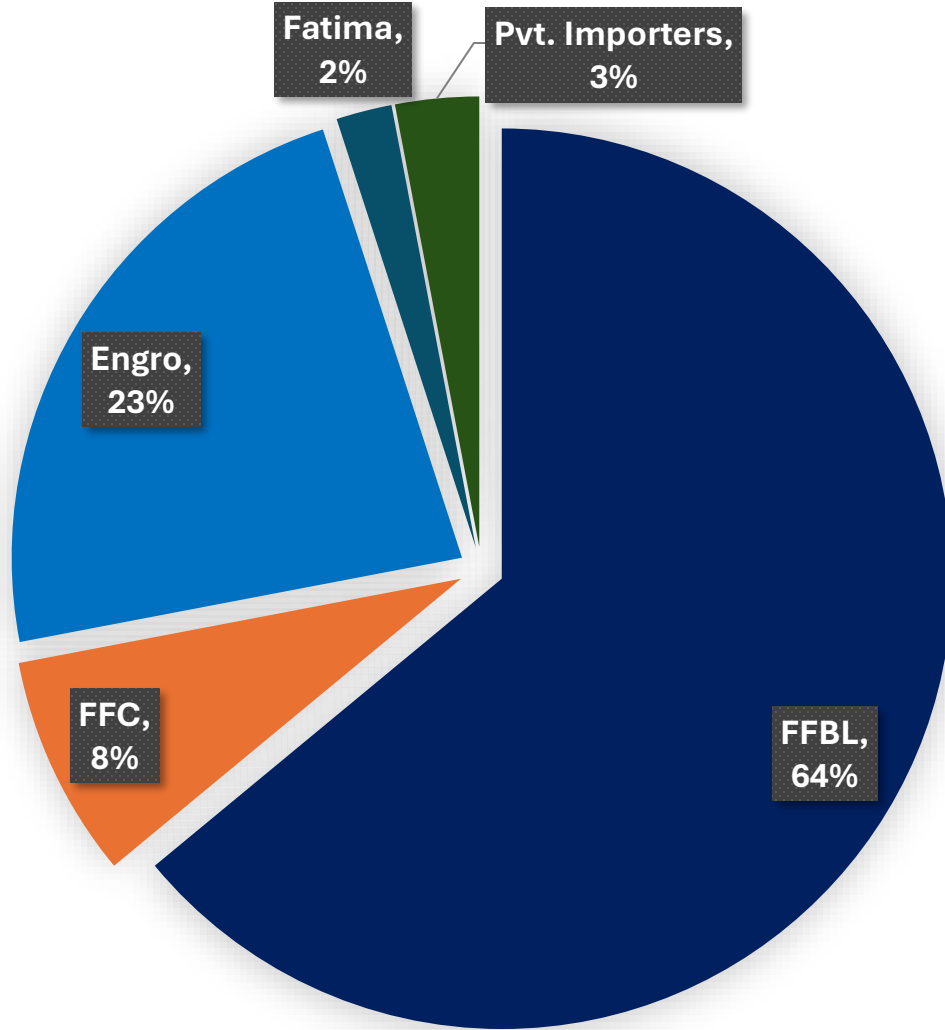
- The surge in DAP prices, which began in 2021 and was further compounded in 2022, started slowing down in 2023 and prices have stabilized in 1<sup>st</sup> half of 2024.*
- Limited imports by India in H1 (1.58 Mn Tons vs 3.6 Mn Tons in SPLY) due to insufficient Nutrient based Subsidy (NBS).*
- Reduction in export by China in H1 (1 Mn Tons vs 1.5 Mn Tons in SPLY) due to increase in local consumption.*

\*Primary Margin assumes ~47% Phos Content in DAP

# DAP Market – Pakistan

## Market Share

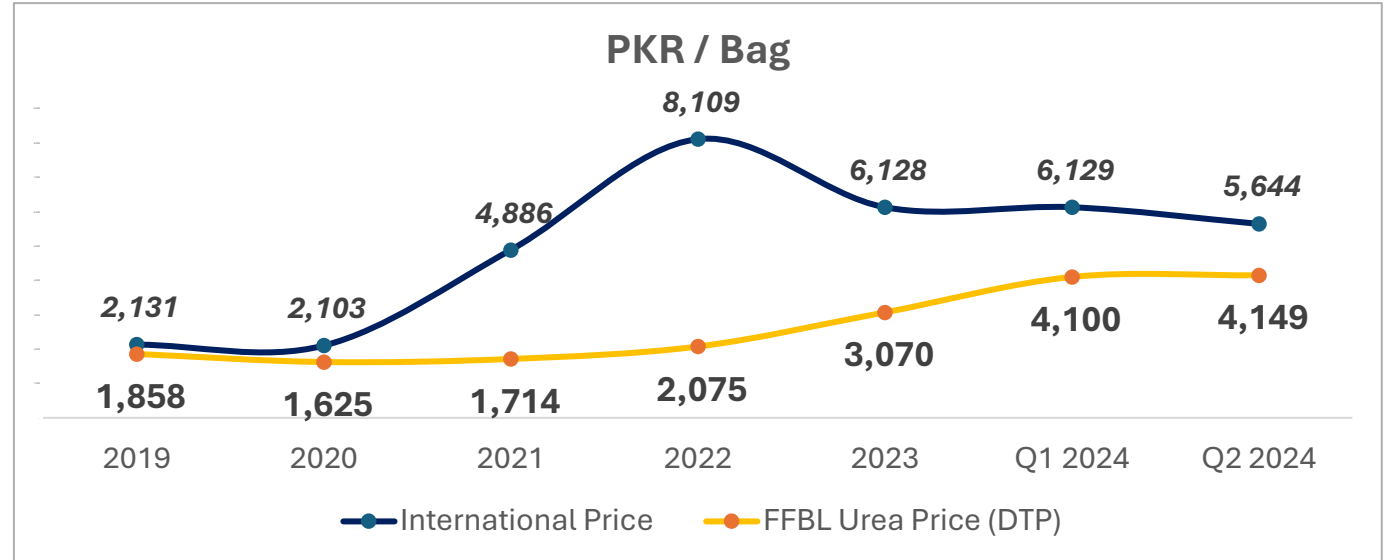
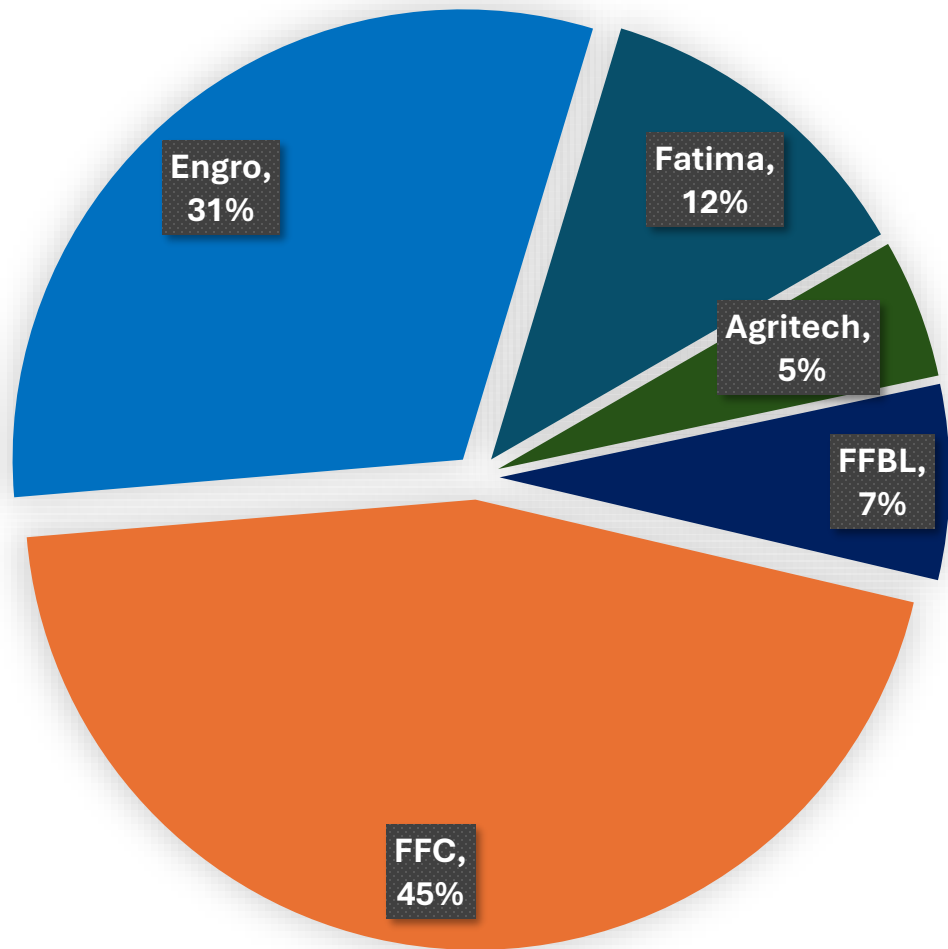
(H1 2024)



- DAP Market registered a 7% increase with total offtake 547 KT (SPLY 510 KT).
- ***With 327 KT of local and 24 KT of imported DAP, FFBL's total offtake stood at 351 KT (SPLY 274 KT) representing a 64% Market Share (SPLY 54%).***

# Urea Market - Pakistan

**Market Share\***  
(H1 2024)



- With price delta of **PKR 1,495 / bag** (Intl. vs FFBL), **1.4x benefit** is passed on to farmers (~**PKR 6.5 Bn** in H1 2024).
- H1 2024 Forex saving from local production ~**US\$ 87 Mn**.
- Urea Market registered a 2% decrease with total offtake 3,037 KT (SPLY 3,100 KT).
- **FFBL's offtake stood at 216 KT (SPLY 180 KT) representing a 7% Market Share (SPLY 6%).**

\*Market Share includes Imported Urea



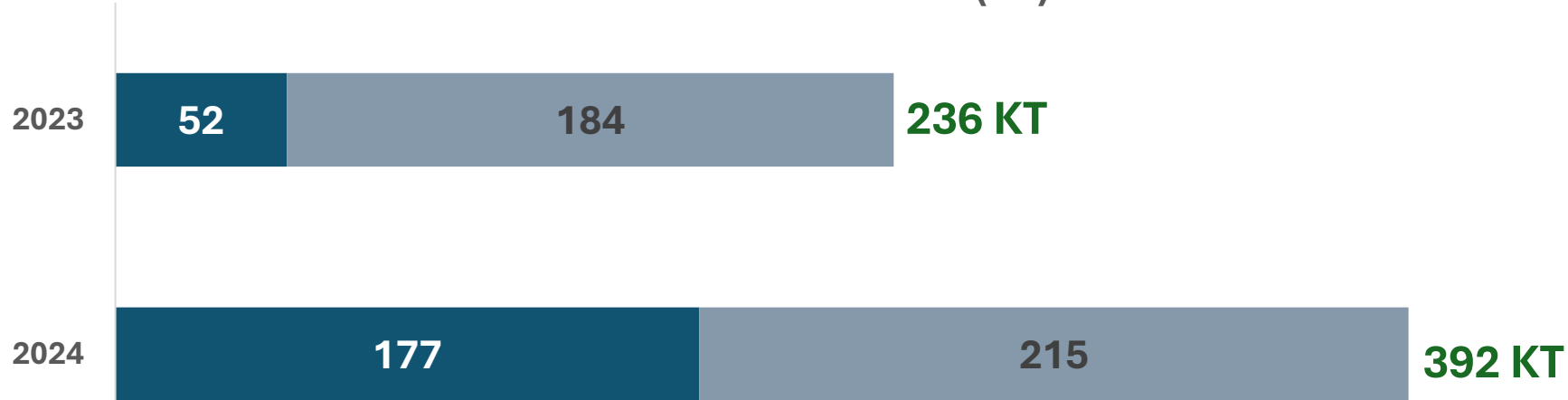


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# Business Performance

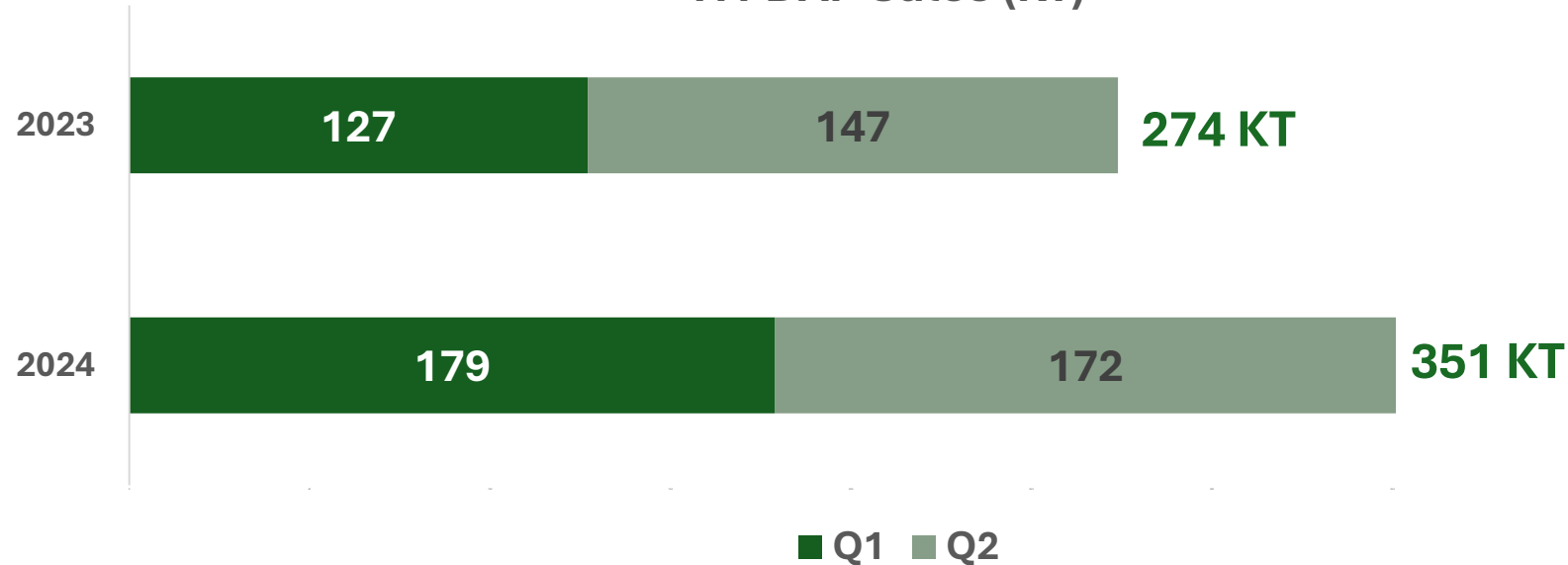
# Operational Metrics – DAP

## H1 DAP Production (KT)



Production improved by 66% owing to no TA and no inventory mgmt. shutdown (*SPLY 33 days*).

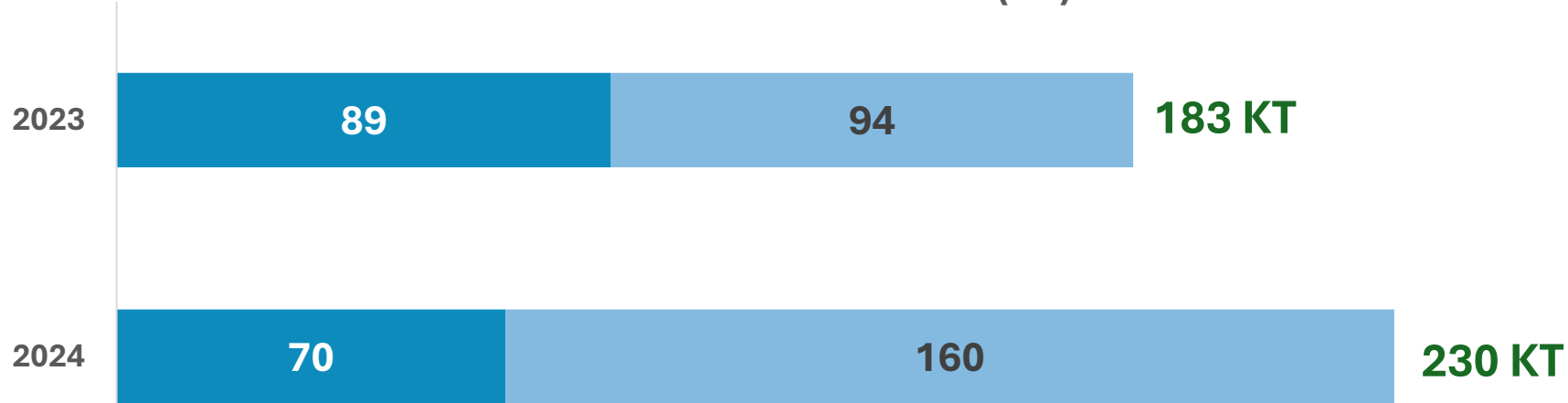
## H1 DAP Sales (KT)



DAP sales represent a 28% increase over H1 2023.

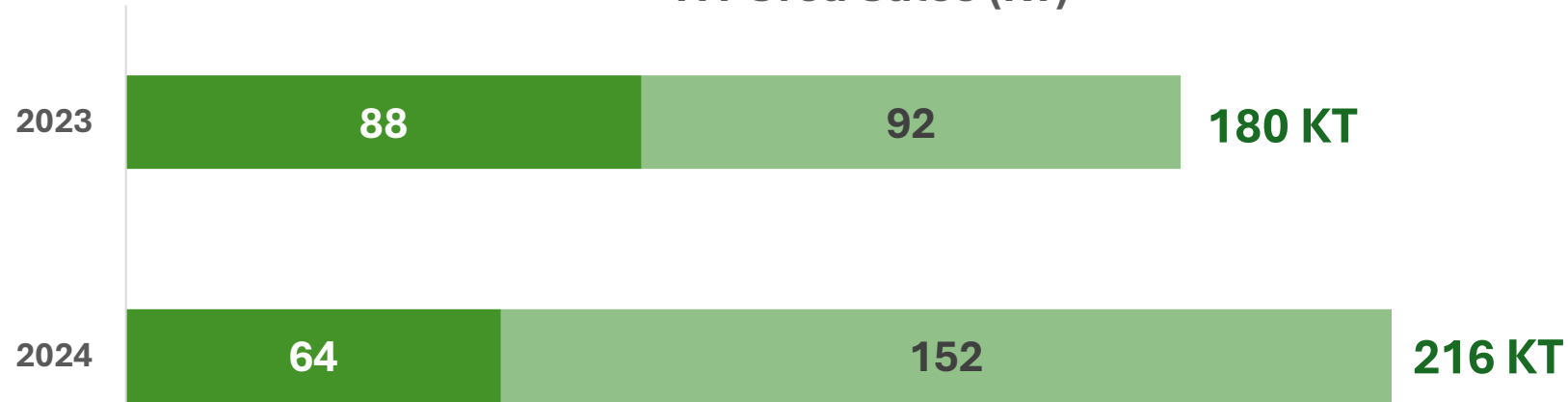
# Operational Metrics – Urea

## H1 Urea Production (KT)



Production improved by 26% owing to better gas availability and no TA.

## H1 Urea Sales (KT)



Urea sales represent a 20% increase over H1 2023.

■ Q1 ■ Q2

# Business Highlights - FFBL

## Q2 Financial Metrics



**PKR 50.3 Bn**

Revenue

**43% increase**  
over SPLY (PKR  
35.2 Bn)



**PKR 11.3 Bn**

Gross Profit

**153% increase**  
over SPLY (PKR 4.5  
Bn)



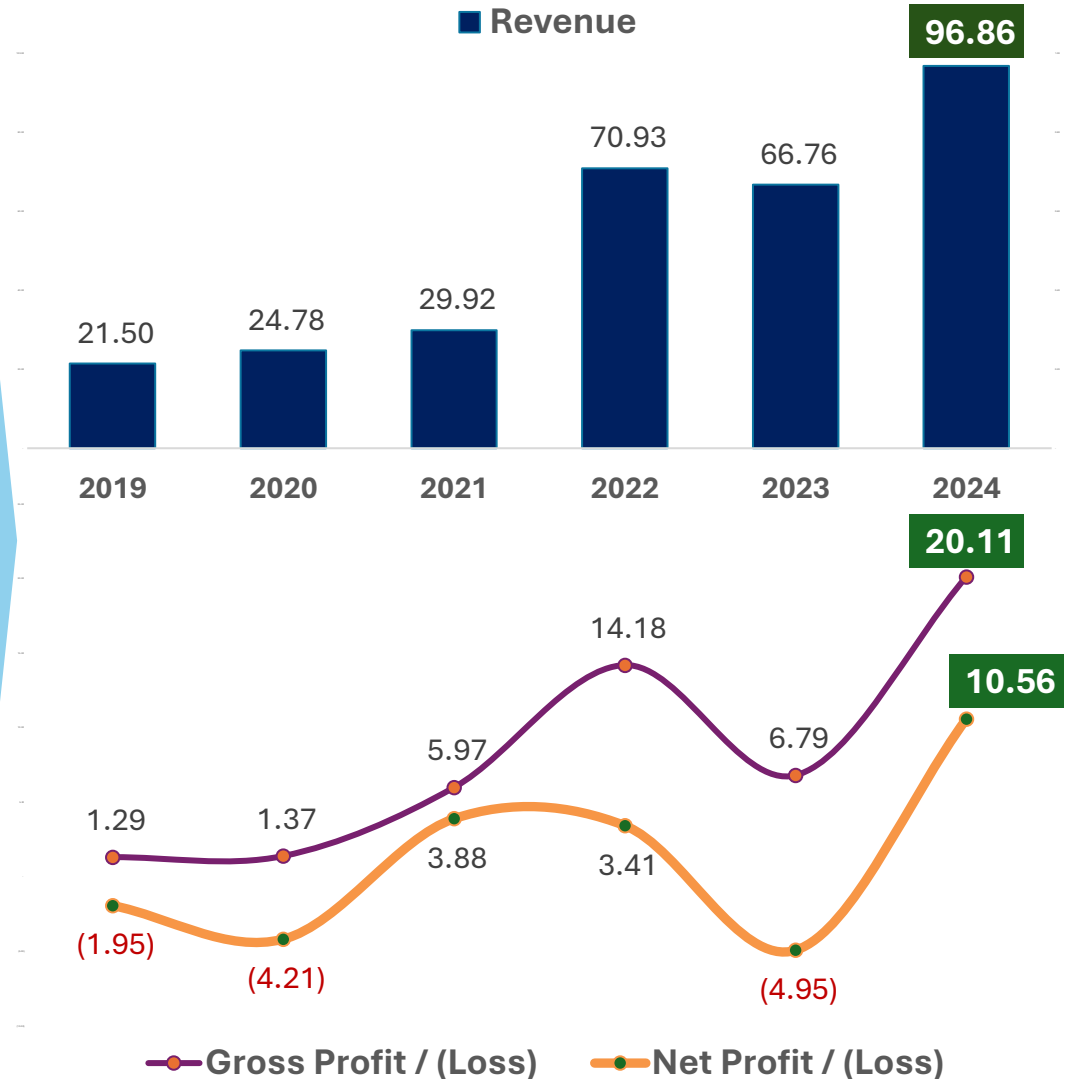
**PKR 6.3 Bn**

Profit After Tax

**1,206% increase**  
over SPLY (PKR 0.5  
Bn)

**Highest ever Revenue, GP and PAT**

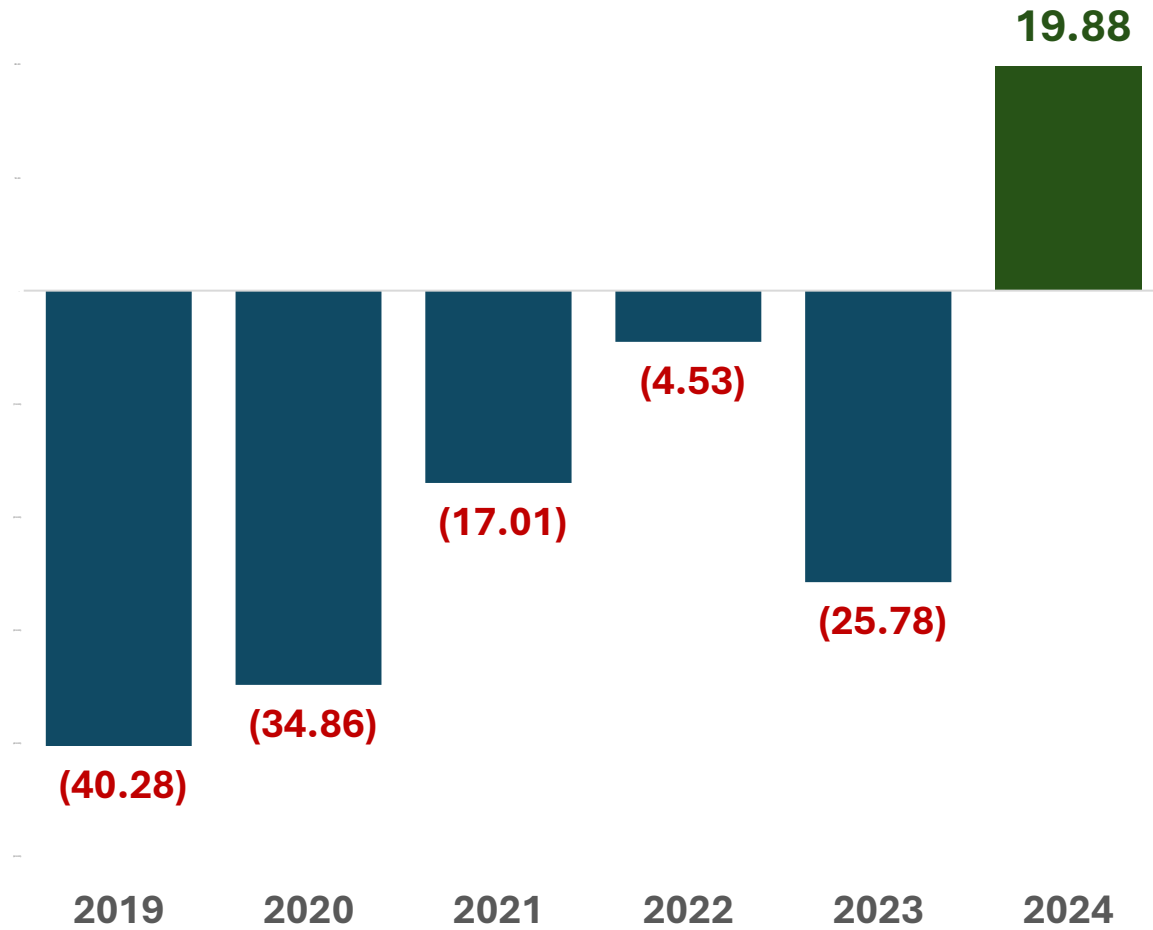
## H1 Financial Metrics



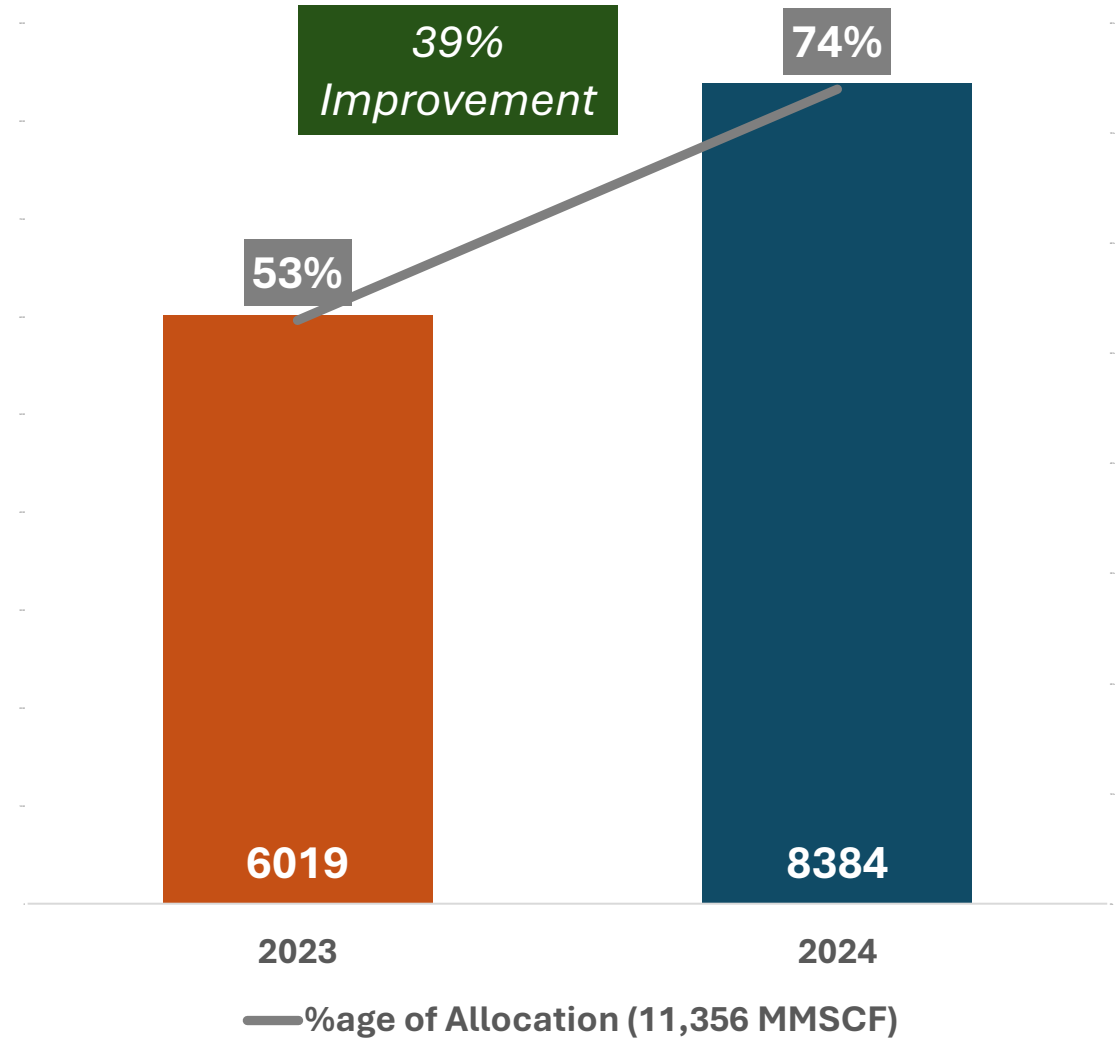
**Highest ever Revenue, GP and PAT**

# Business Highlights - FFBL

**H1 Net Cash / (Debt)**  
(PKR Bn)



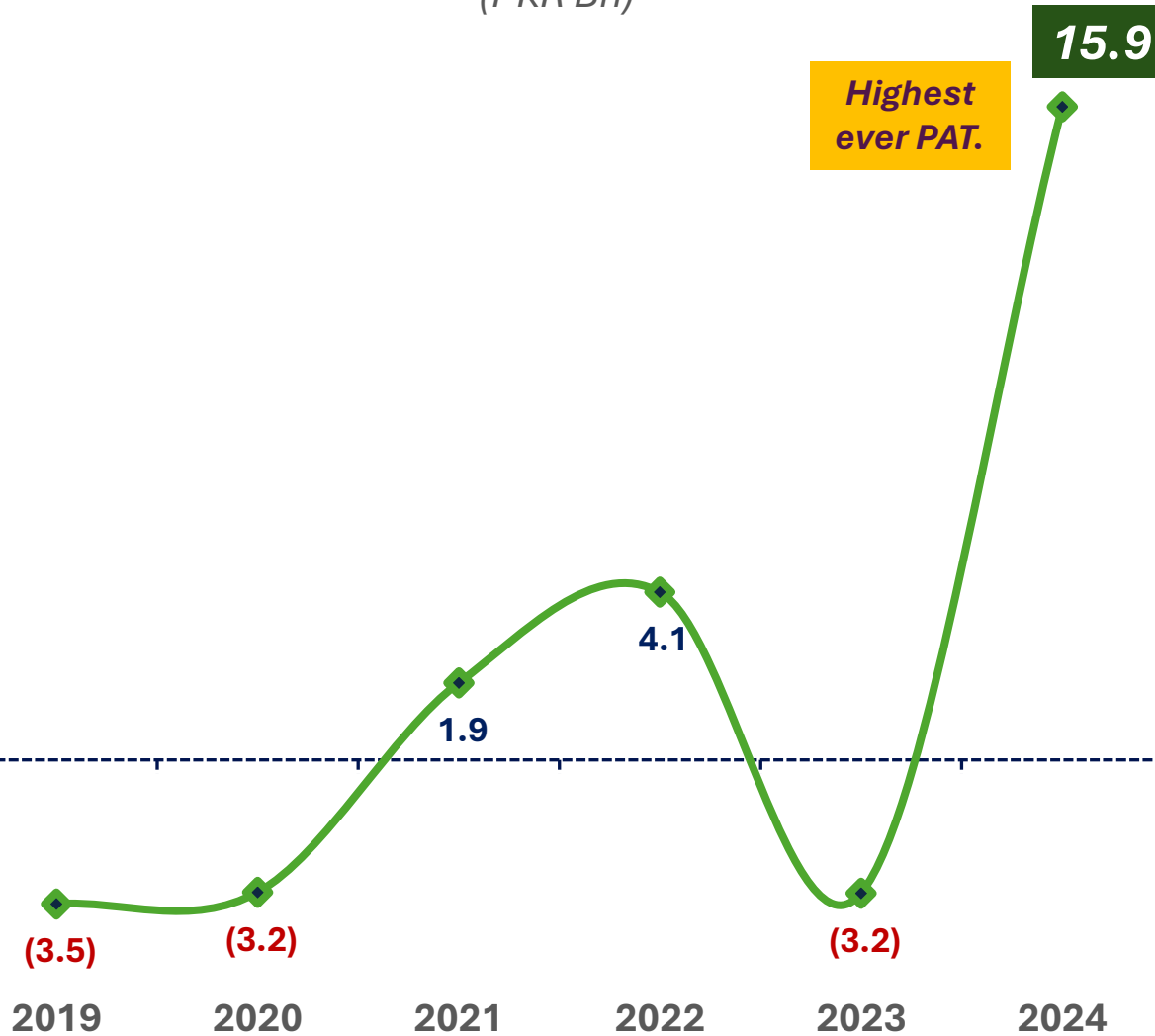
**H1 Gas Availability**  
(MMSCF)



# Business Highlights - FFBL

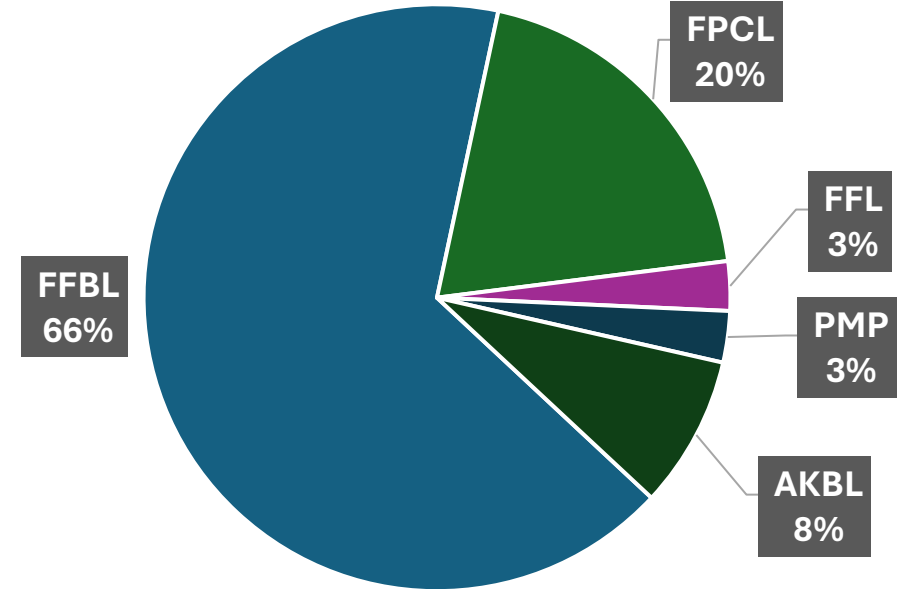
## H1 Consolidated Profit / (Loss)

(PKR Bn)



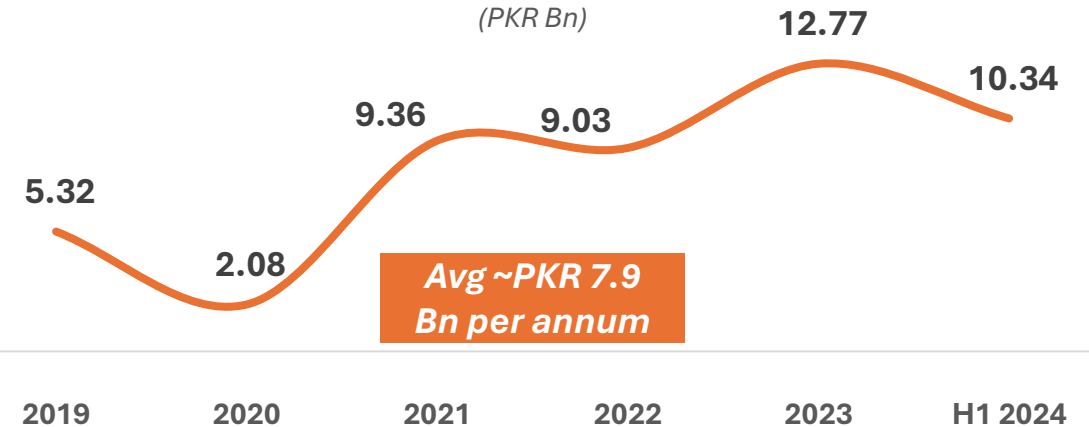
## Consolidated Profit Breakup – 2024

(Percentage)



## Contribution to Govt Exchequer

(PKR Bn)



# Investment Updates



**PKR 1.7 Bn**

*Dividend Receipt in  
 H1*

- Satisfactory operations.
- Capacity enhancement project in progress.



**80%**

*Plant Availability in  
 H1 (SPLY 64%)*

- Safe, reliable and consistent operations
- Energy cost optimization through blending of local coal (~34%).



**PKR 337 Mn**

*H1 Net Profit (SPLY  
 LAT PKR 147 Mn)*

- Key drivers were improved revenue and margins.

	Improvement over H1 2023
Volume	11%
Revenue	14.6%
GP	67.0%
Net Profit	329%



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# Outlook



# Outlook

## Operations



- Continuous liaison with GoP for gas supply.
- No turnaround planned for 2024

## Economic Conditions



- DAP Intl' prices are expected to remain firm globally.
- Macro economic indicators expected to further improve.

## Financial



- Dollar parity expected to remain stable
- Weather conditions and farm economics will continue to impact profitability.

## Subsidiaries



- Performance of investments is expected to remain stable.



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# Q & A



**Thank you**