

Agenda

	1	EFERT Highlights
	2	Industry & EFERT Business Performance
	3	Contributions & Challenges
	4	Way Forward
	5	Q&A Session



1. EFERT Highlights





Financial Highlights

YTD Financial Highlights



Revenue

↑ PKR **171.8** bn
16% vs SPLY



Profitability

↑ PKR **17.9** Bn
20% vs SPLY



EPS

↑ PKR **13.47** /share
vs. 11.27 SPLY

Quarterly Financial Highlights



Revenue

↓ PKR **58.6** bn
11% vs SPLY



Profitability

↓ PKR **8.6** Bn
11% vs SPLY



EPS

↓ PKR **6.41**
vs. 7.17 SPLY

EFERT has announced an interim dividend of **PKR 2.50/share** for **Q3'24**, compared to PKR 6.00 /share in Q3'23. YTD 2024 EFERT has distributed **100%** of its earnings during the year to date (DPS 13.5 vs EPS 13.47)

2. Industry & EFERT Business Performance





Factors affecting Pakistan's agriculture landscape



CHALLENGES

Reduction in Commodity Prices

Changing Weather
Patterns

Support Price

Reduced Farmer
Incomes & Cashflows

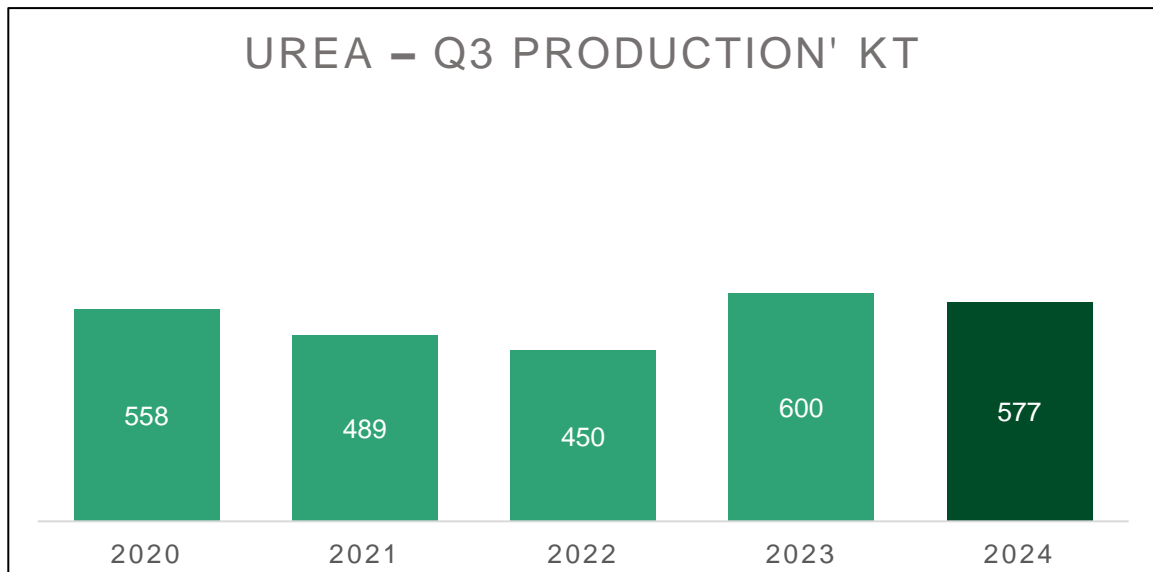
OPPORTUNITIES

- Reducing interest rate will enable farmer borrowing
- Controlled inflation and lower fuel cost will result in lower farmer input cost
- Increasing cultivation of non-cash crops including canola, sesame etc.
- Improved water availability expected for the upcoming season
- Targeted intervention by Govt to support farmers e.g. Kissan card scheme launched to reduce farmer input cost and increase farmer productivity.

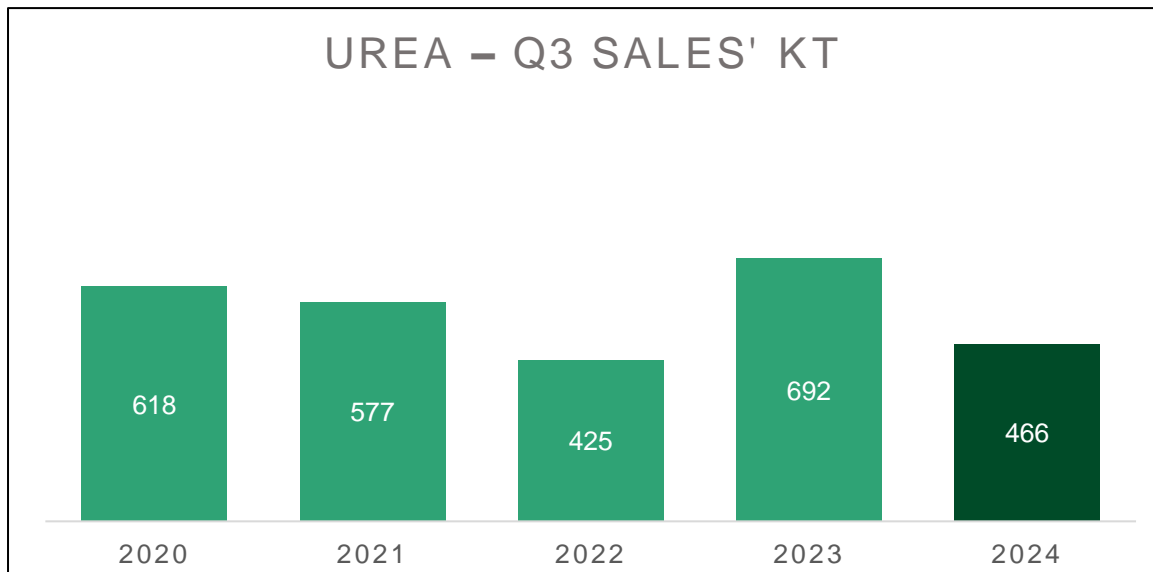


Urea Production & Sales Q3 2024

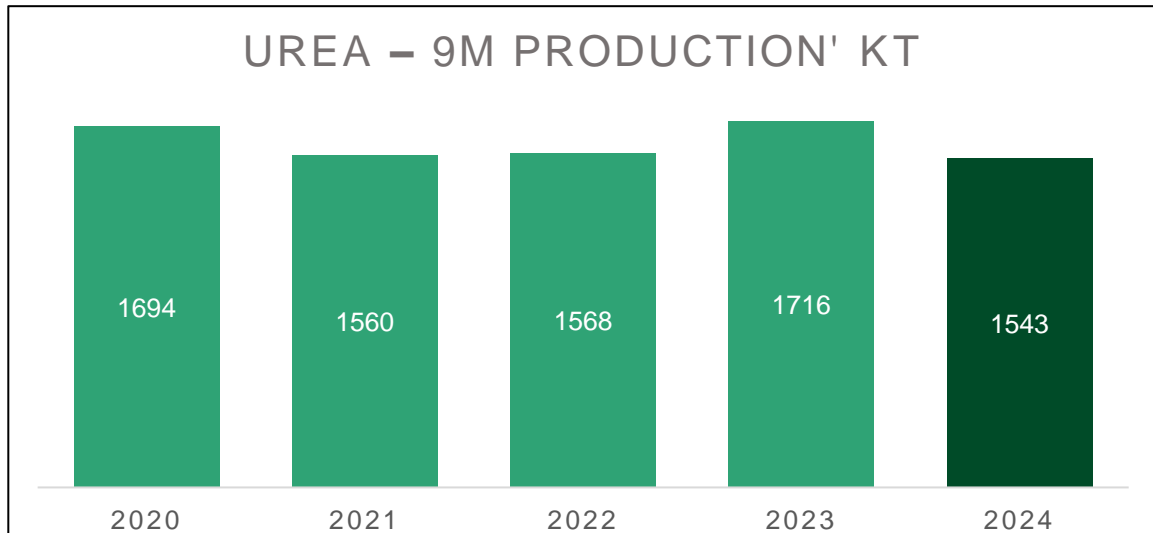
UREA – Q3 PRODUCTION' KT



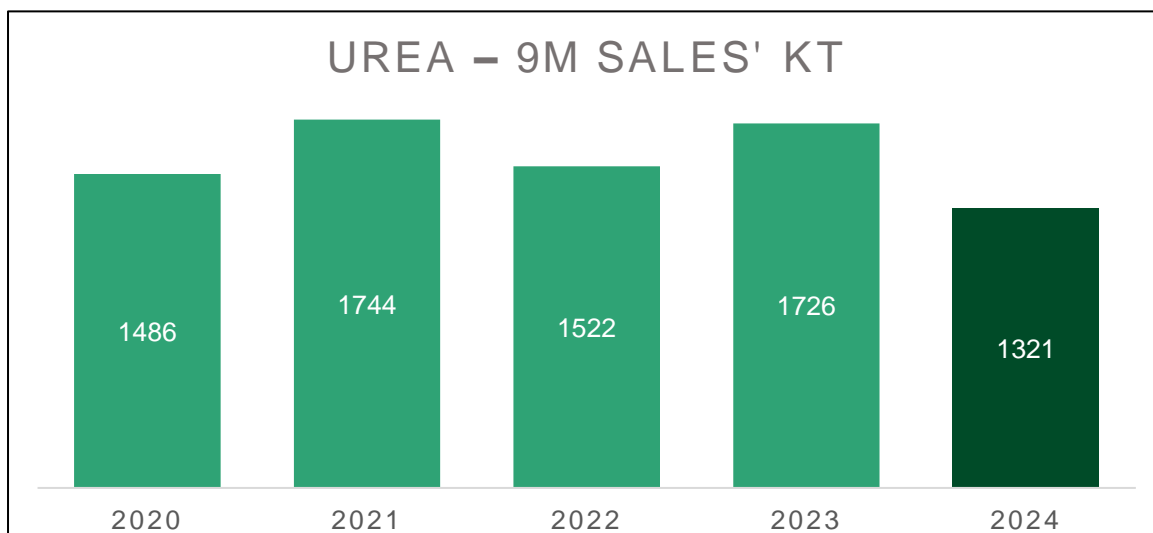
UREA – Q3 SALES' KT



UREA – 9M PRODUCTION' KT

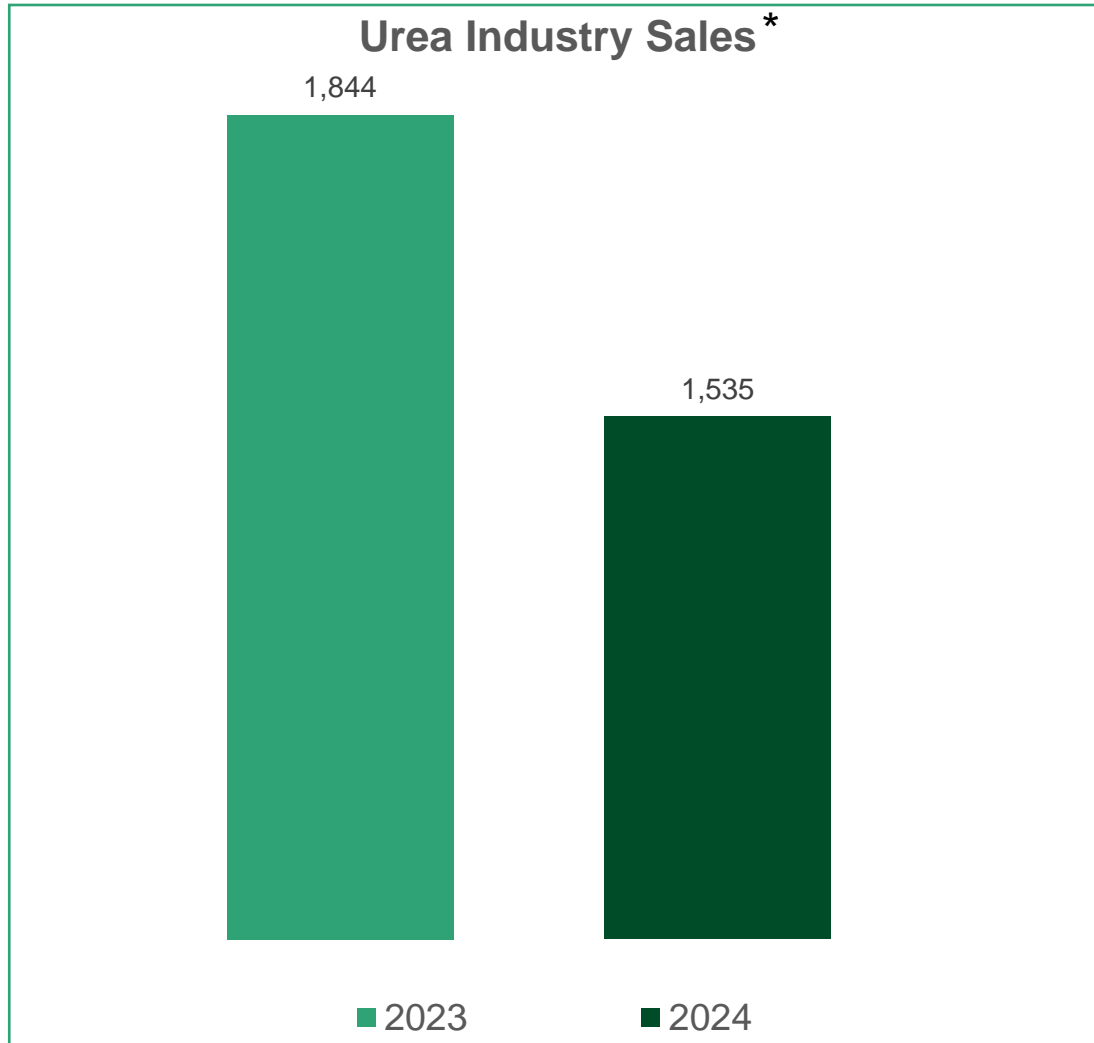


UREA – 9M SALES' KT

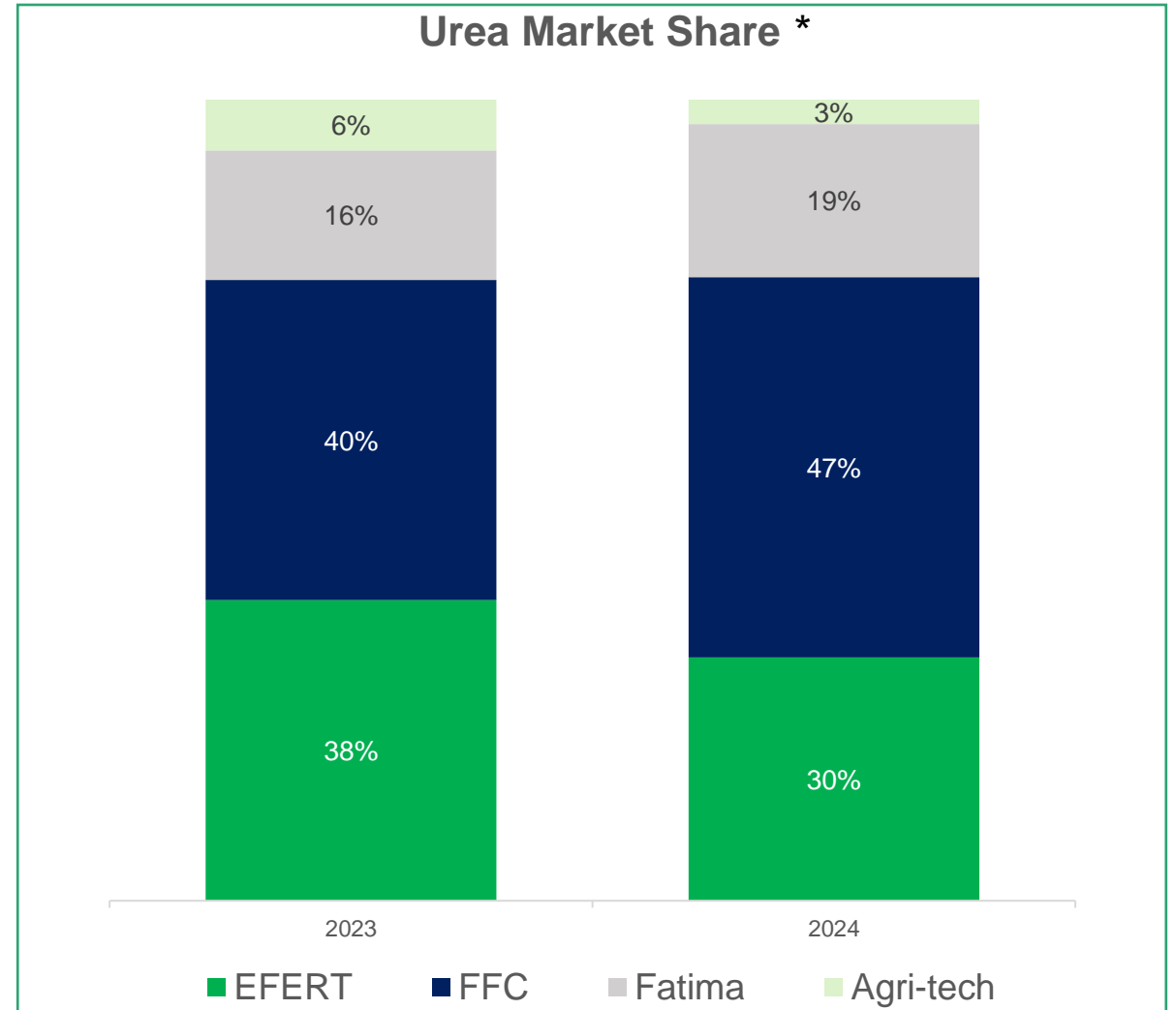




Urea Industry & Market Share Q3 2024



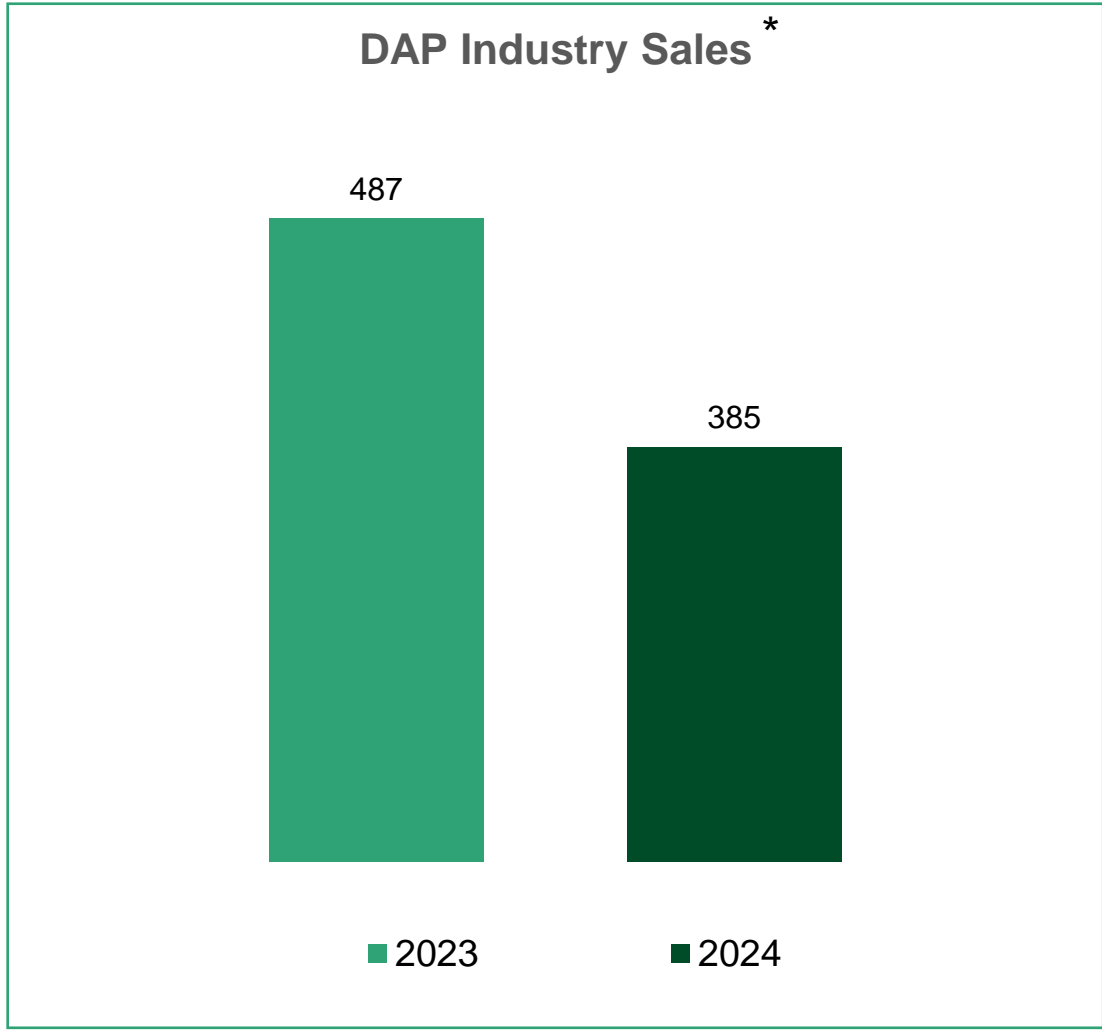
Urea industry has declined by 17%



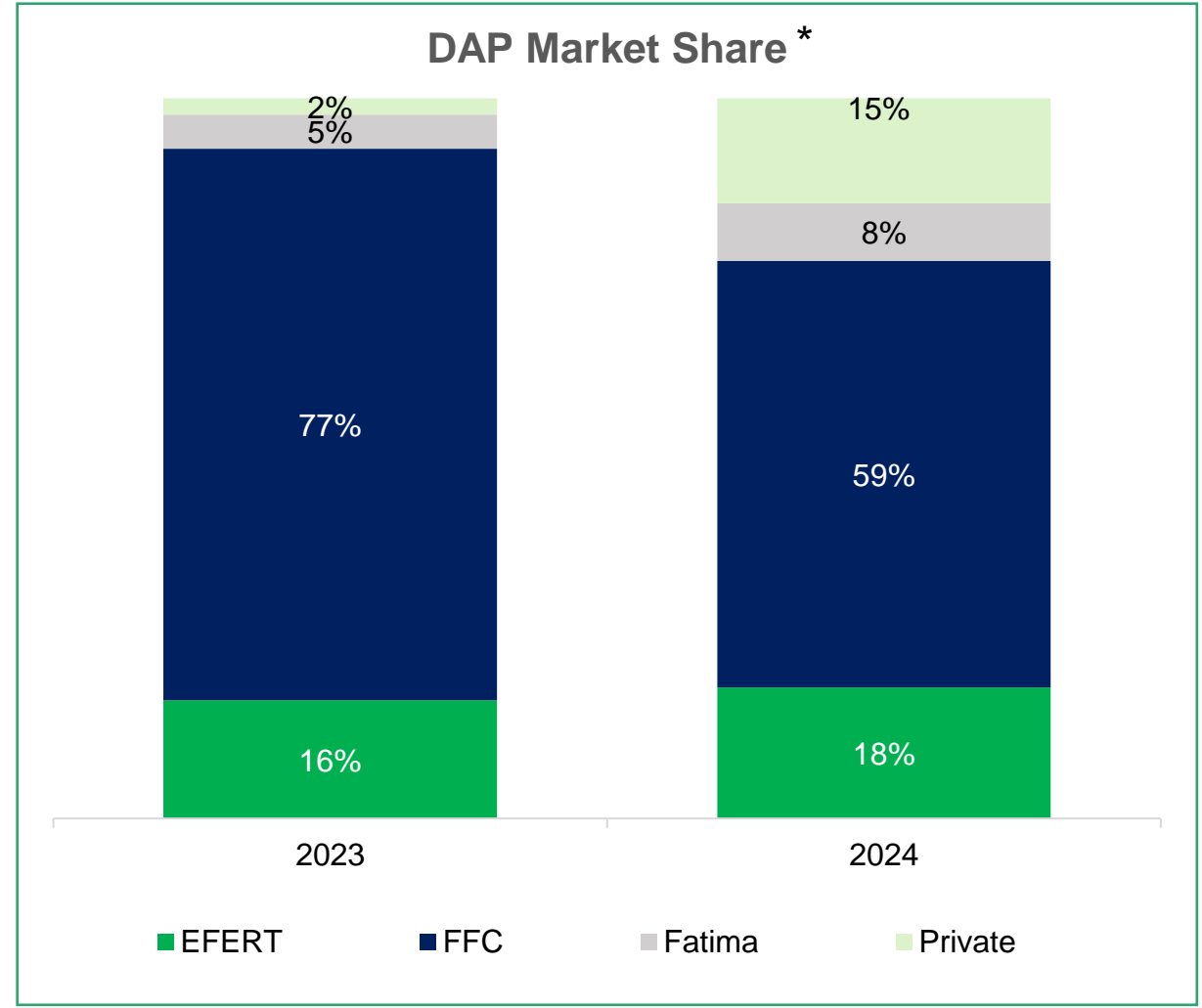
Urea market share declined by 8%



DAP Industry & Market Share Q3 2024



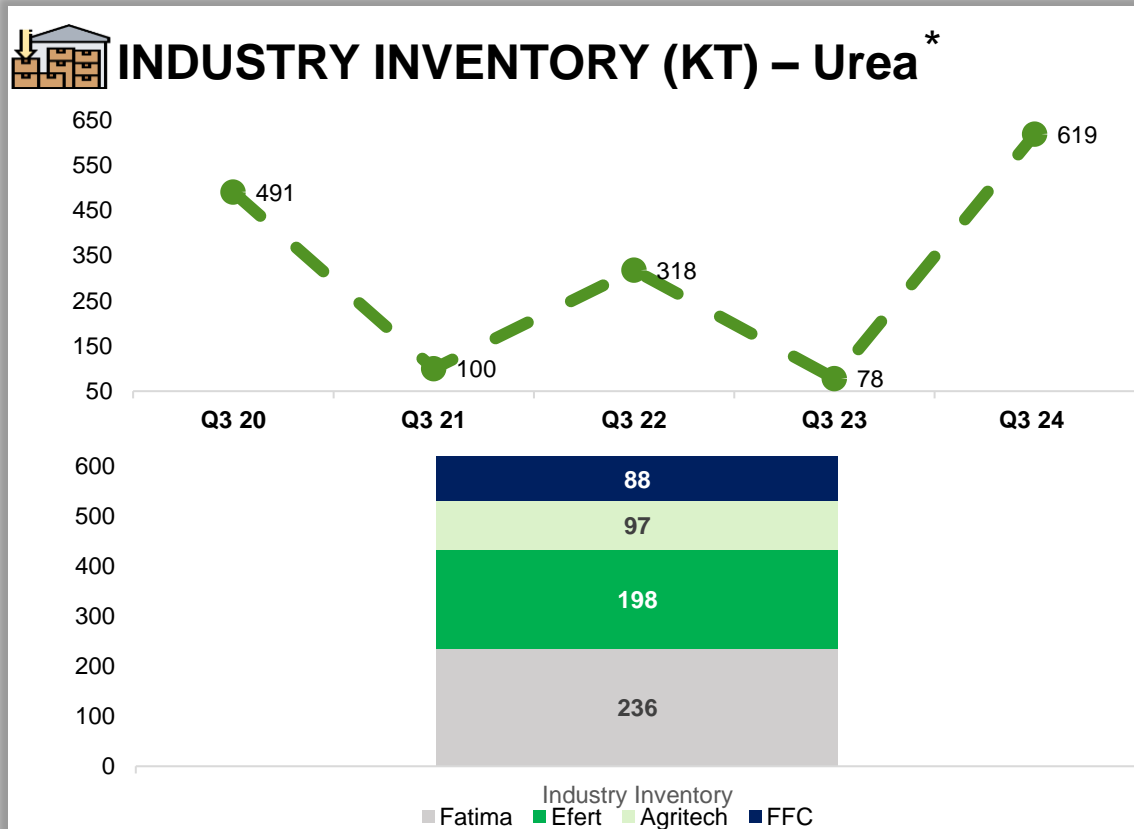
DAP industry has declined by 21%



DAP market share improved by 2%



Urea Inventory



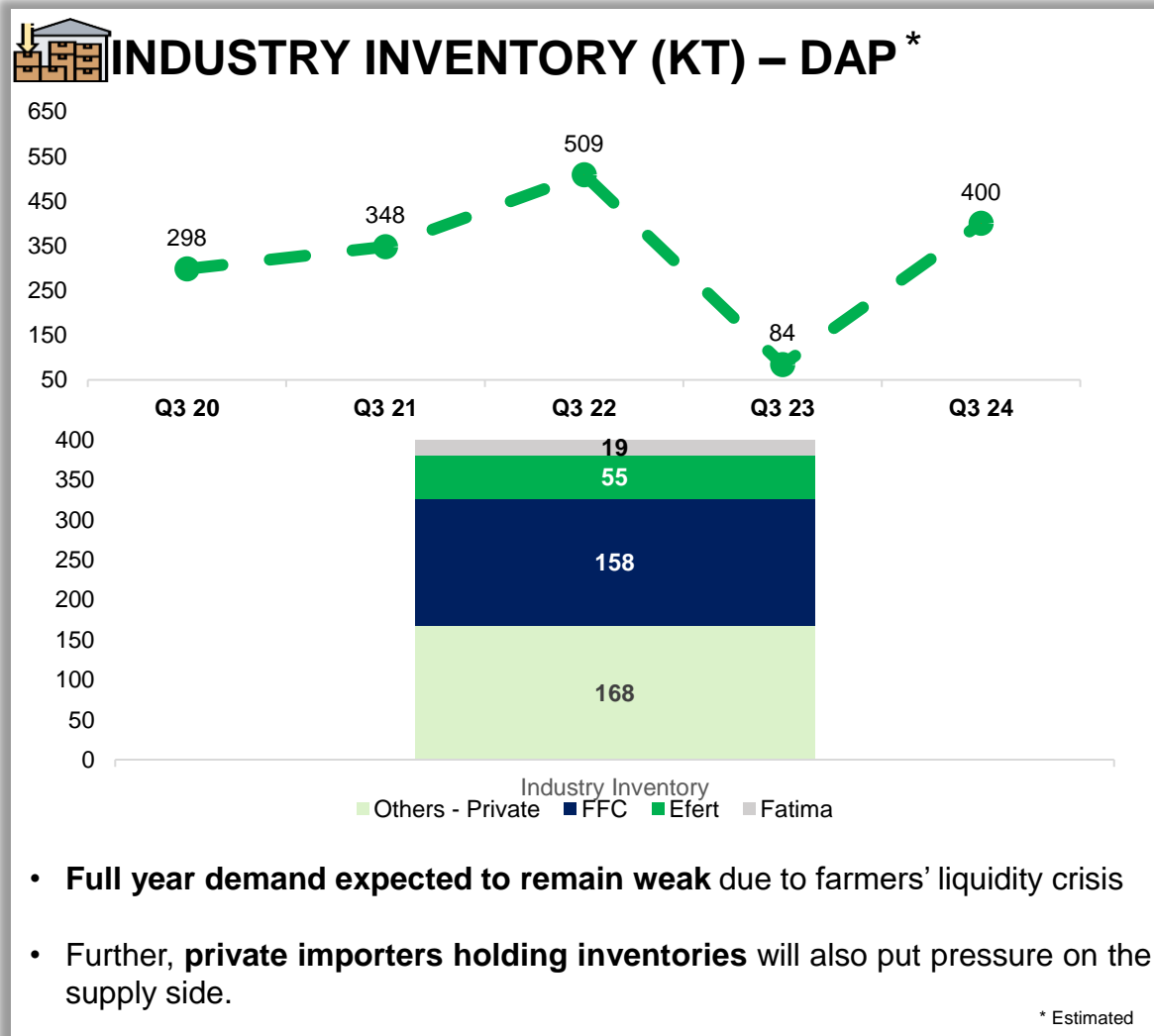
- **Full year demand expected to remain weak** due to farmers' liquidity crisis
- **Continuous operations of LNG plants and import of urea** has resulted in an oversupply situation.

* Estimated

Considering the market dynamics of liquidity and farmer economics, Efert has announced **off-season temporary sales incentive for Urea** to support the industry value chain.



DAP Inventory



3. Contributions & Challenges





Contributing to the Nation

Contribution to the National Exchequer

The Company contributed ~PKR 31.8 Bn towards the National Exchequer by way of Government taxes, duties, and levies, compared to PKR 16.5 Bn in 2023.

Import Substitution - shielding farmers from higher costing international Urea

	International Urea *	Local Urea
MRP per bag - PKR	7,118	4,649
International Urea – Premium per Bag	~2,500 (35%)	



Gas Pricing Snapshot

Gas price increase is only for 60% of the sector. Remaining 40% continues at PKR 580/MMBtu.

40% represents major players, i.e. FFC and Fatima.

This gas price increase has resulted in gas cost disparity. It now costs Engro substantially more to manufacture Urea than FFC and Fatima.

In March, Government increased gas price for some Fertilizer players, including Engro Fertilizers, from PKR 580/MMBtu to PKR 1,597/MMBtu.

Even though we welcome the gas price increase as a step in the right direction, we continue to urge the GoP to unify gas prices for the entire industry.

4. Way Forward





Engro Agri Tech - UgAi



Digital Platform with AI Enabled Services

Geo-Fencing

Drone Mapping

Satellite Mapping

Seamless Bank Integration

Enables the farmers to

Plan Fertilizer Purchases

Employ More Efficient Fertilizer Mix

Quality Genuine Product

Also gives farmers access to

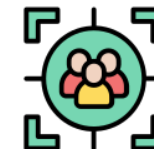
Fertilizers at Approved Prices

REGION



Sindh
Mirpurkhas & Sukkur

TARGET FARMERS



Large-scale 100+ acres



Pressure Enhancement Facility

- **USD 300Mn CAPEX** by the fertilizer industry to enhance gas pressure from Mari field, thereby securing long term sustainability of company operations
- **Phase 1**
 - **Scope 1:** 90% completed, Expected completion by Q4 2024.
 - **Scope 2 :** In Progress, Expected completion by Q2 2025.
- **Phase 2:** Ordering of compressors is in progress.

