

Analyst Briefing

Nov 2024



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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Economic Highlights & Fertilizer Market

Economic Highlights

▲ Declining CPI ~**24.5%** decrease on Sep-to-Sep basis

● Exchange rate remained stable during the period

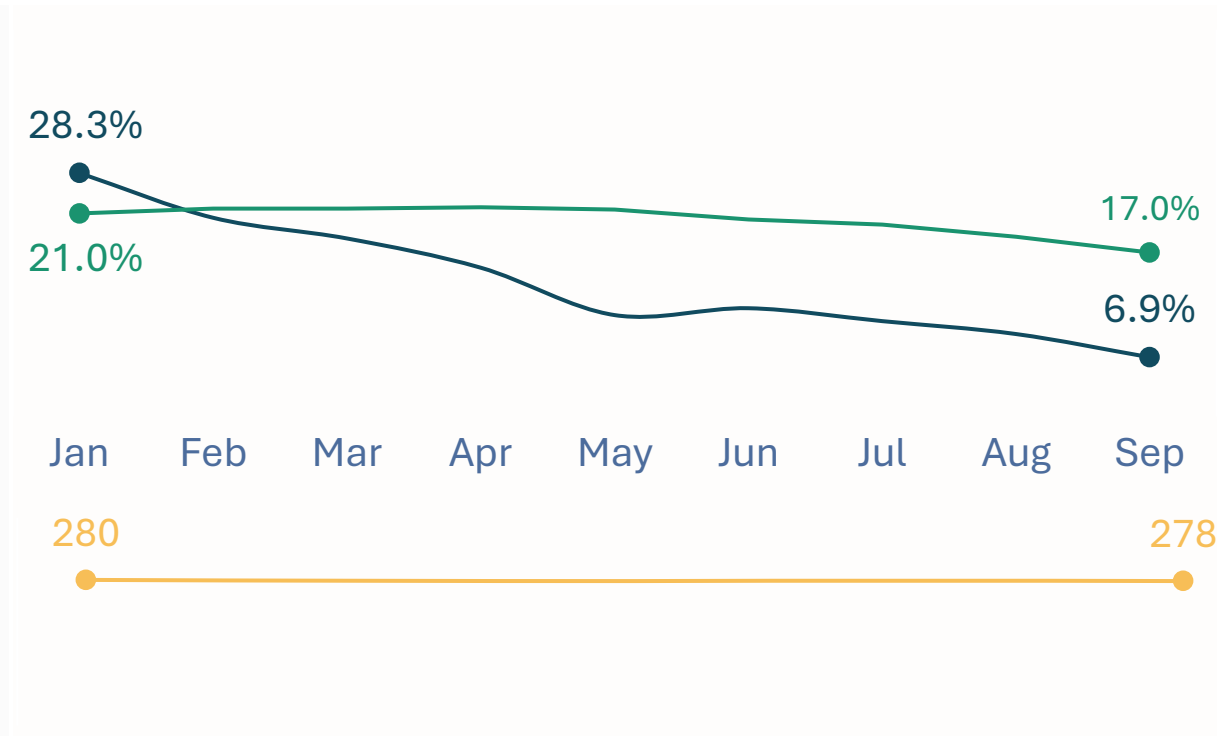
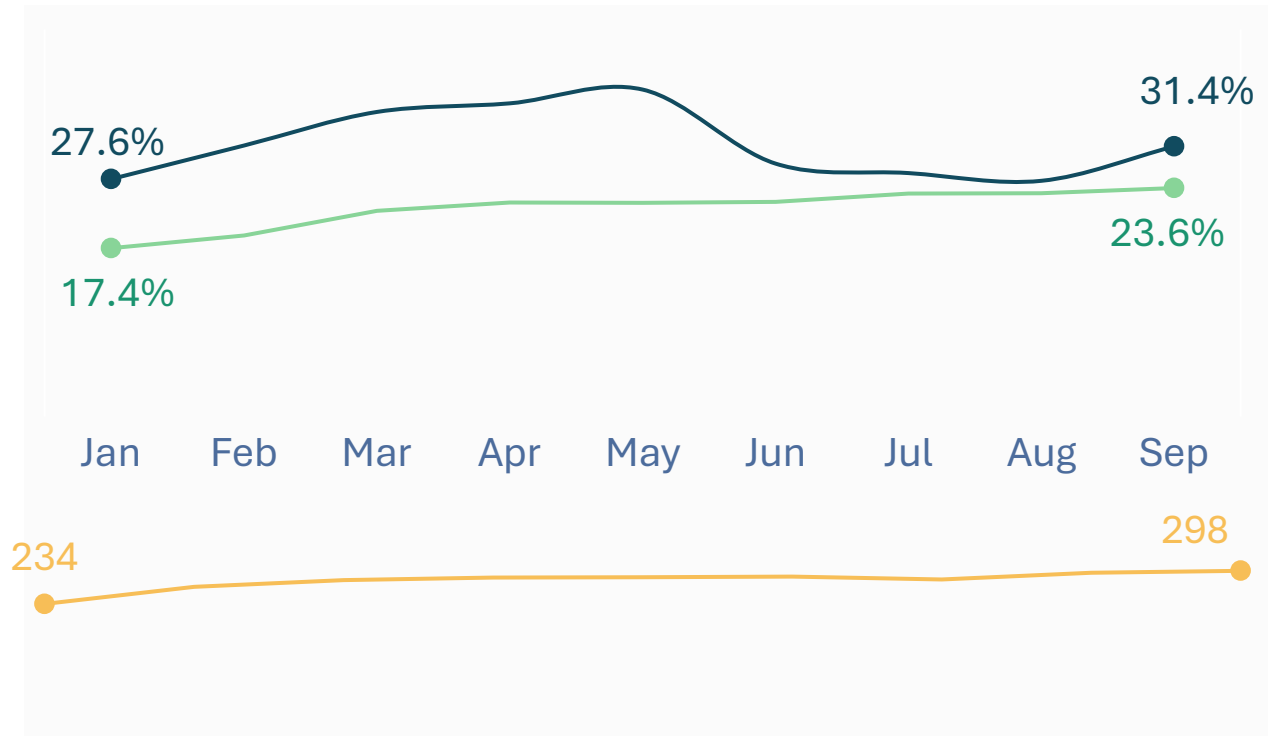
● KIBOR reduced by ~**660bps** on a Sep-to-Sep

▲ Rupee appreciated by ~**7%** on a Sep-to-Sep basis

2023

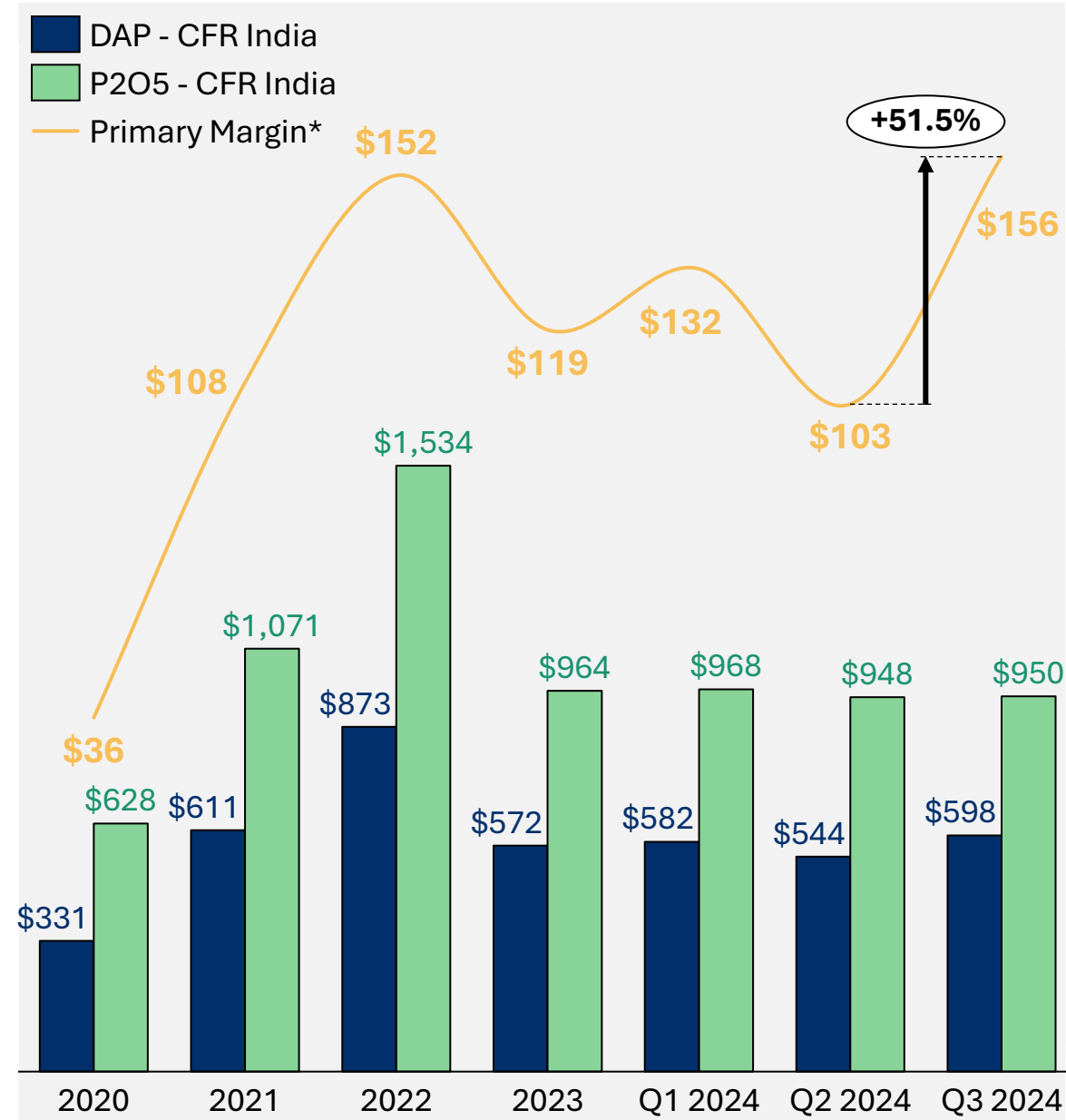
2024

— Inflation Rate — KIBOR — PKR/USD



International DAP Market

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



- ❑ **India's DAP imports** dropped by 56% in the first half of 2024, reaching 1.58 million tons vs 3.6 Mn, with purchases limited to public sector companies to stabilize stocks
- ❑ **China's DAP Exports:** Projected to remain capped at 4.5 million tons due to export restrictions and limited demand from India
- ❑ **DAP Price Stability:** Prices held steady through forward sales and logistical issues, with minor increases likely as supply remains constrained

*Primary Margin assumes ~47% Phos Content in DAP

DAP Market – Pakistan



DAP market in Pakistan saw a **5% decline** i.e. 943 KT in 2024 vs. 992 KT in SPLY

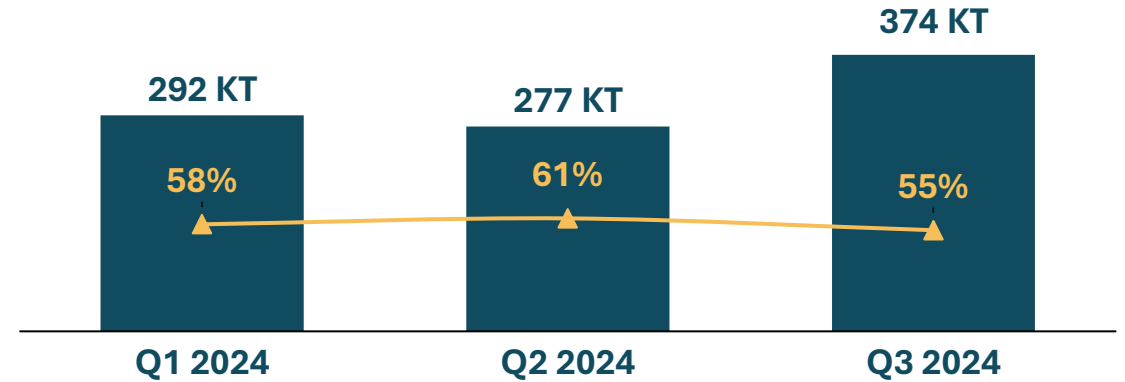


Industry DAP closing inventory levels increased to **366 KT** (FFBL 83 KT) in 2024 compared to just **38 KT** in 2023

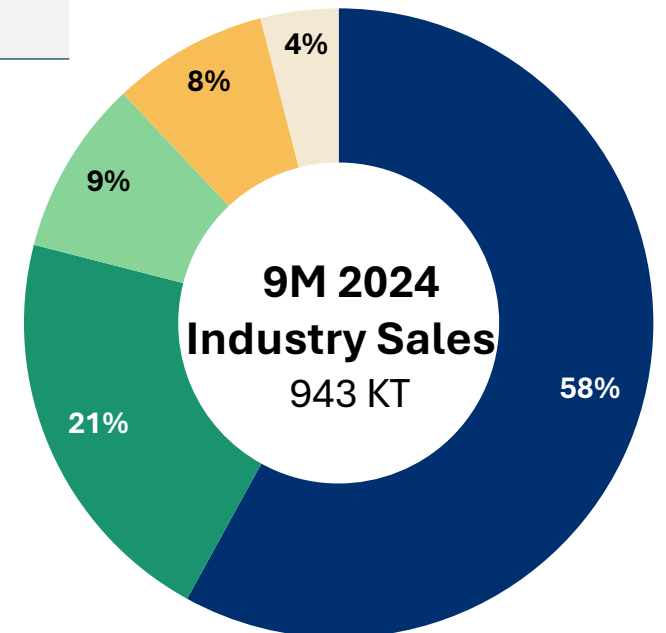
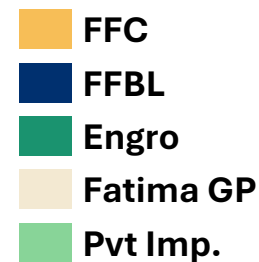


FFBL DAP saw a **8% decline in sales**, from **619** to **571 KT** in 2024 primarily due to market shrinkage.

■ DAP Market Size ▲ FFBL Market Share

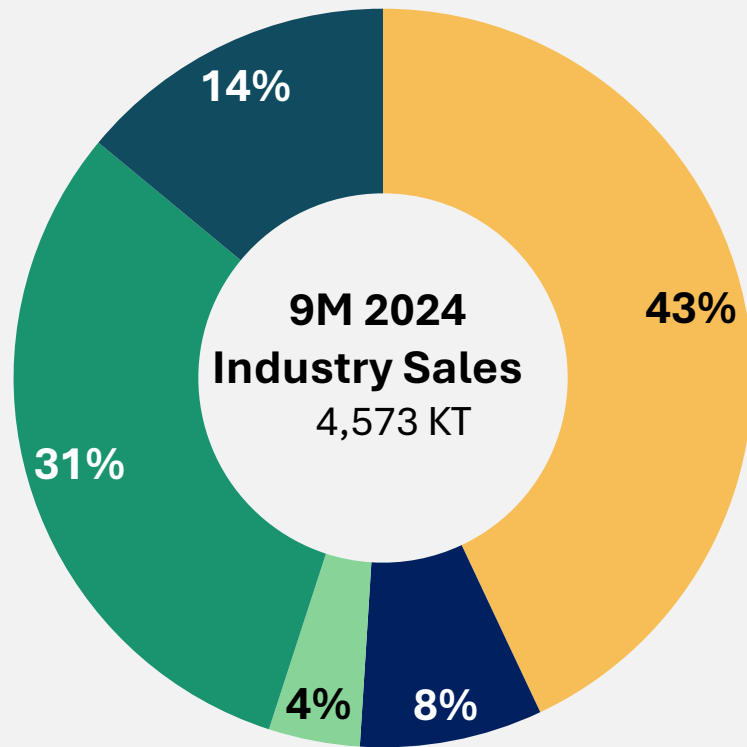


DAP Market Share



Urea Market - Pakistan

Urea Market Share



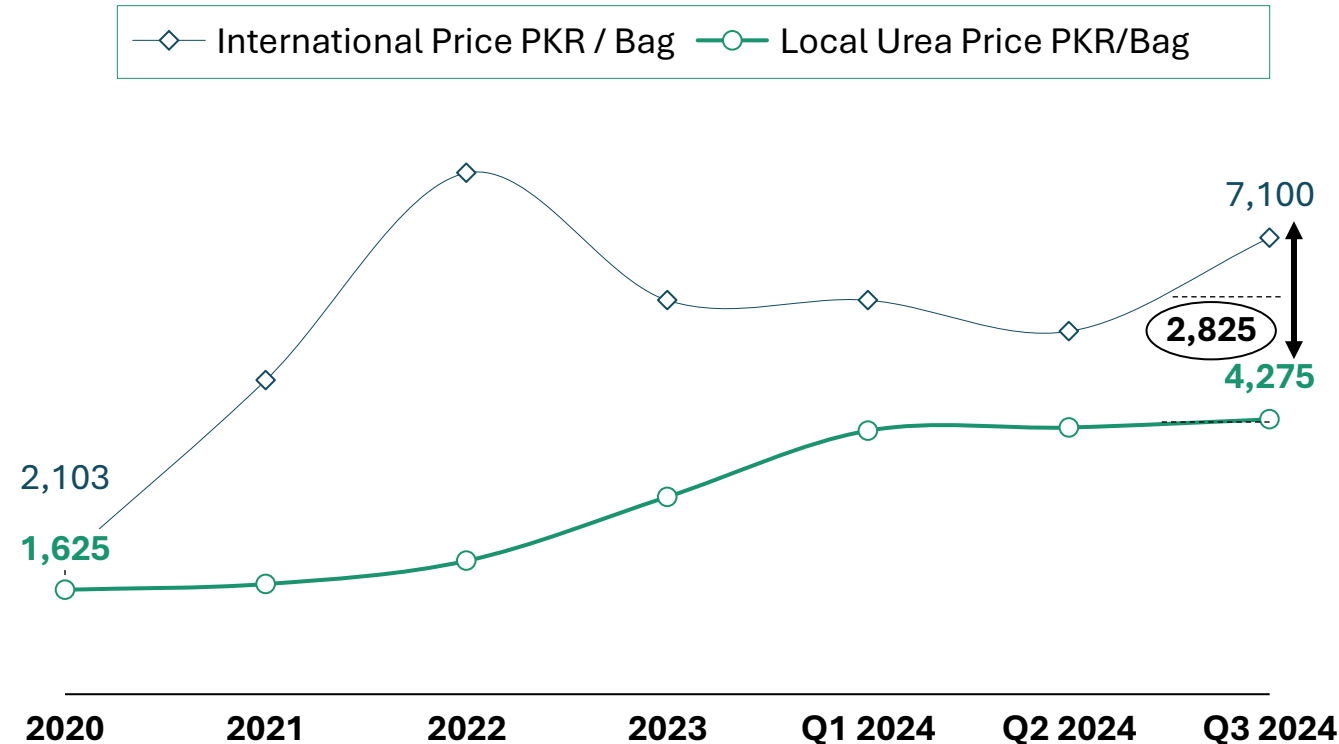
■ FFC
 ■ FFBL
 ■ Agritech
 ■ Engro
 ■ Fatima GP

*Market Share includes Imported Urea

- ▼ **Industry Sales Declining** i.e 4,573 KT (9M 2024) vs 4,945 KT SPLY reflecting 7% decline in market size

- ▲ Market share of **FFBL Improved to 8%** in 2024 from **5% SPLY** despite challenging market

- ▼ **Industry Inventory Level 600 KT (FFBL 26 KT) vs just 77 KT. (FFBL 4 KT) SPLY.**

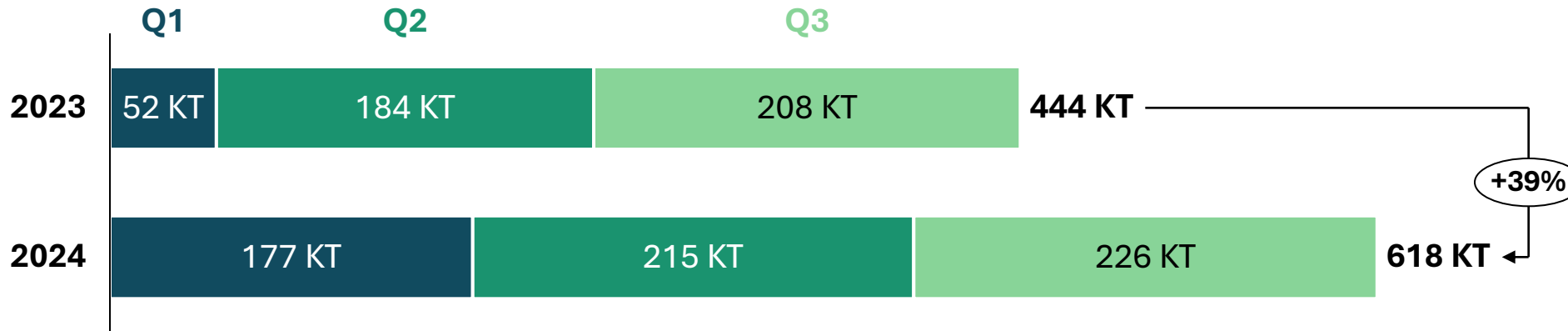




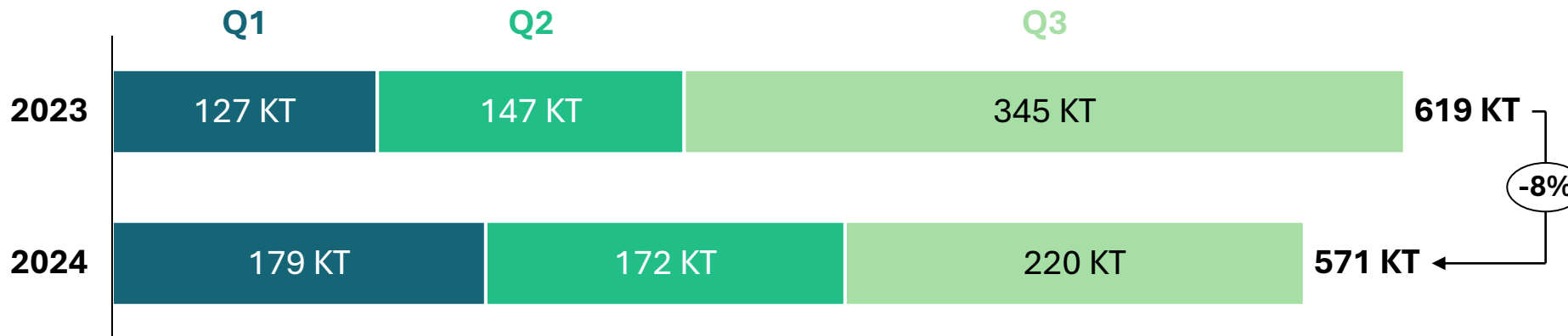
Business Performance

Operational Metrics – DAP

9 Months DAP Production

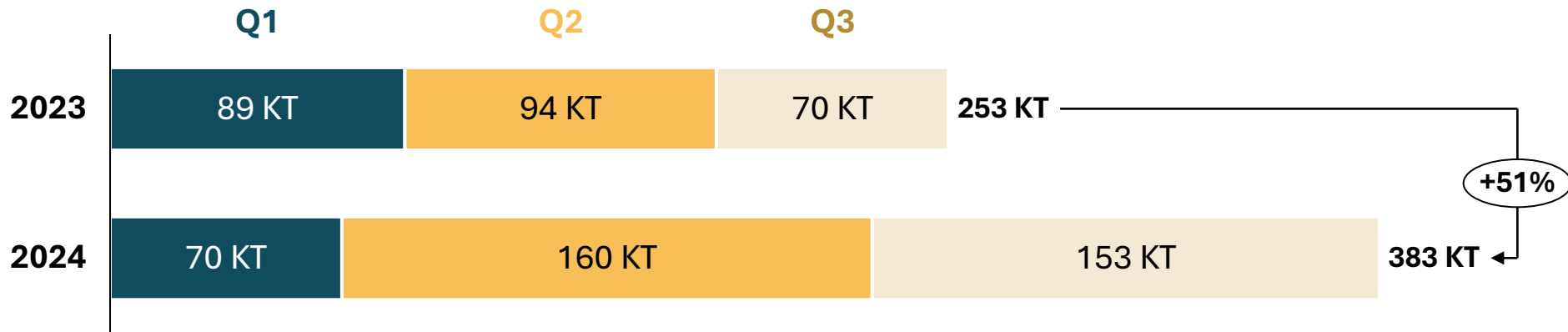


9 Months DAP Sales



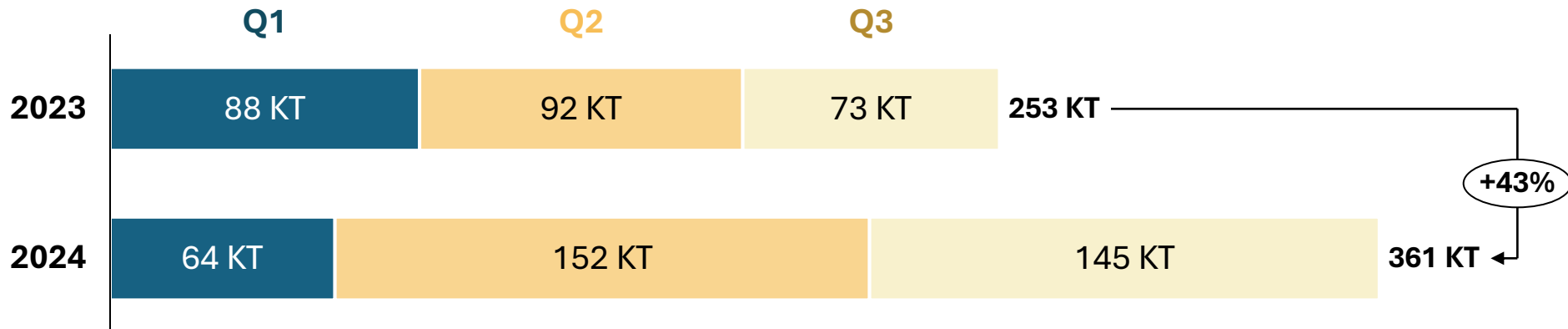
Operational Metrics – Urea

9 Months Urea Production



Production
 improved by **51%**
 owing to better gas
 availability and no
 TA.

9 Months Urea Sales



Urea sales
 represent a **43%**
 increase over 9M
 2024.

Business Highlights - FFBL

**Q3
Financial
Metrics**

Highest ever
GP and NP ★



PKR 57.6 Bn

Revenue

18% decrease
over SPLY (PKR 70.0
Bn)



PKR 14.1 Bn

Gross Profit

38% increase
over SPLY (PKR 10.2
Bn)



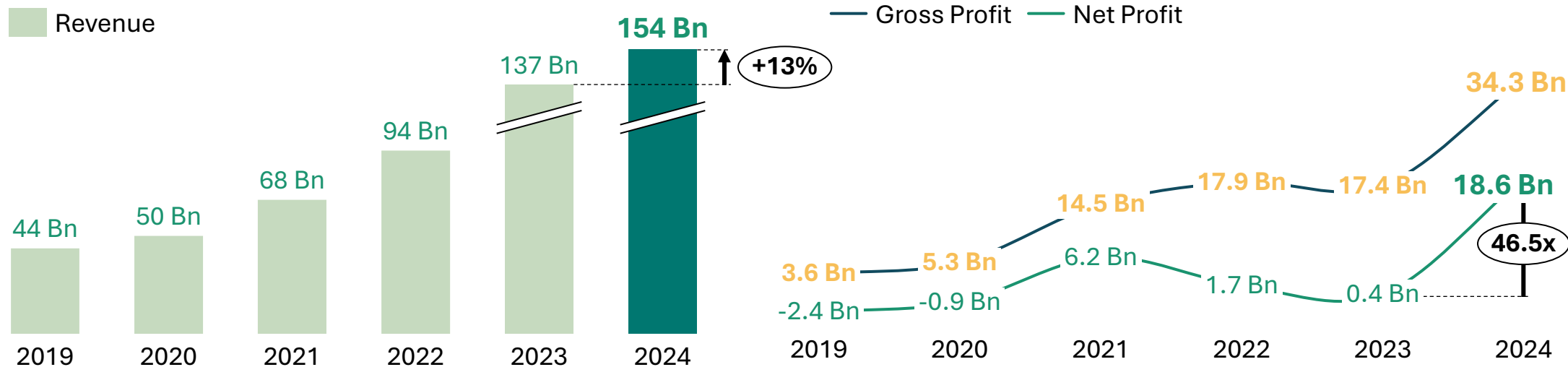
PKR 8.0 Bn

Profit after Tax

51% increase
over SPLY (PKR 5.3
Bn)

**9M
Financial
Metrics**

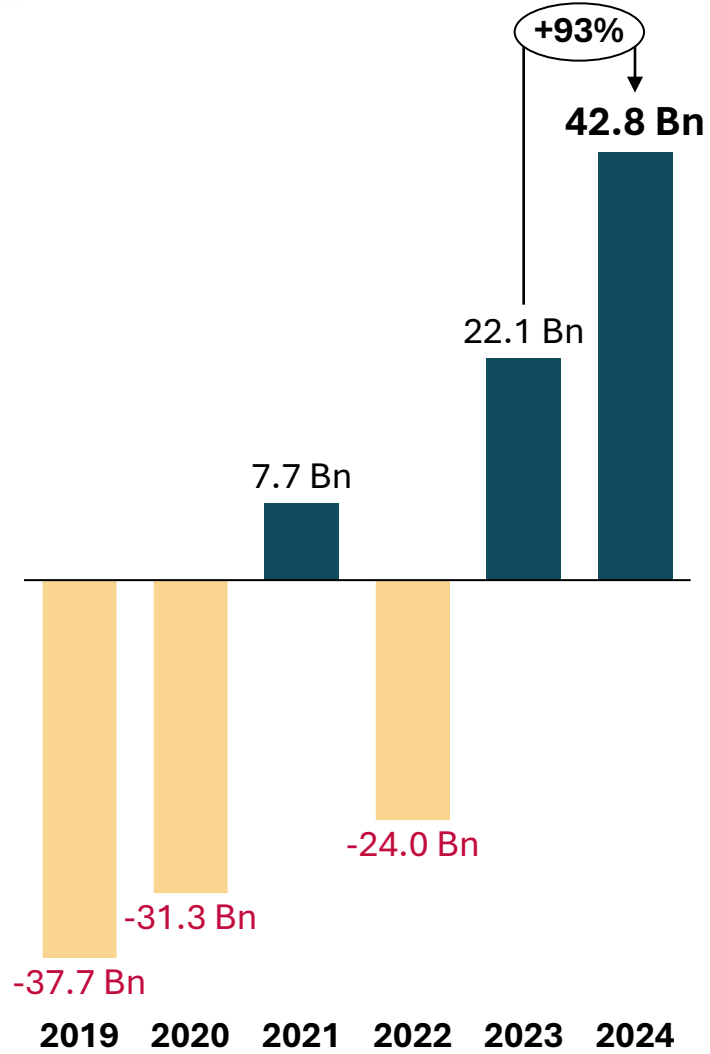
Highest ever
Revenue, GP
and NP ★



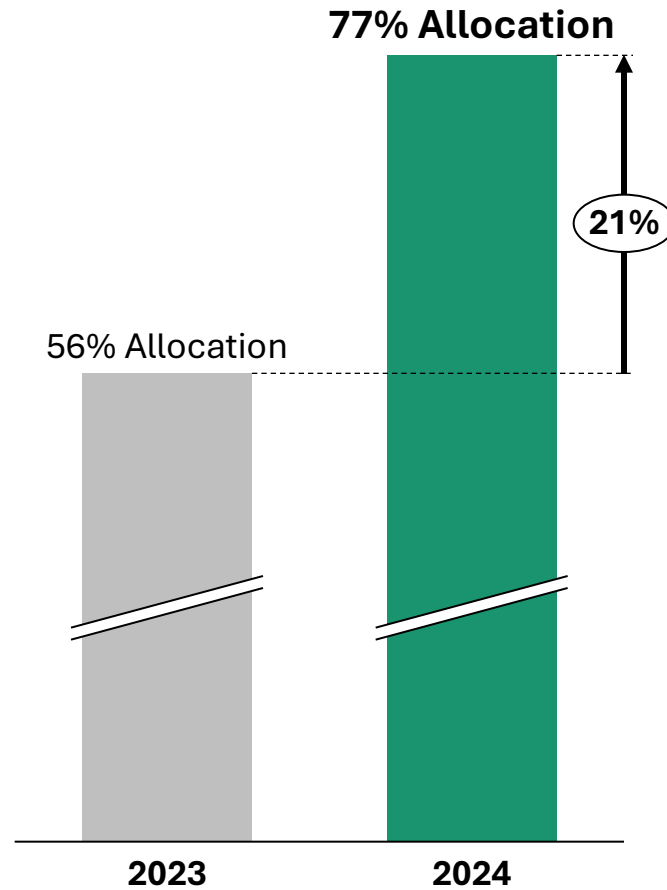
Business Highlights - FFBL



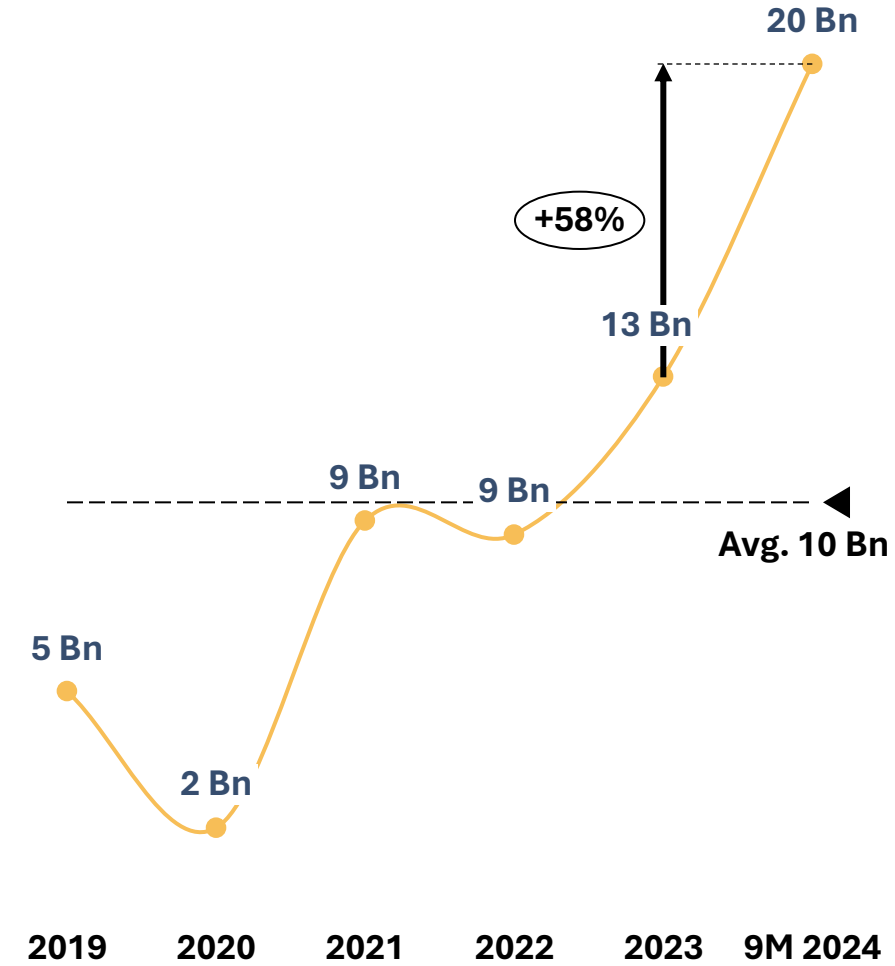
9M Net Cash / Debt



Gas Availability

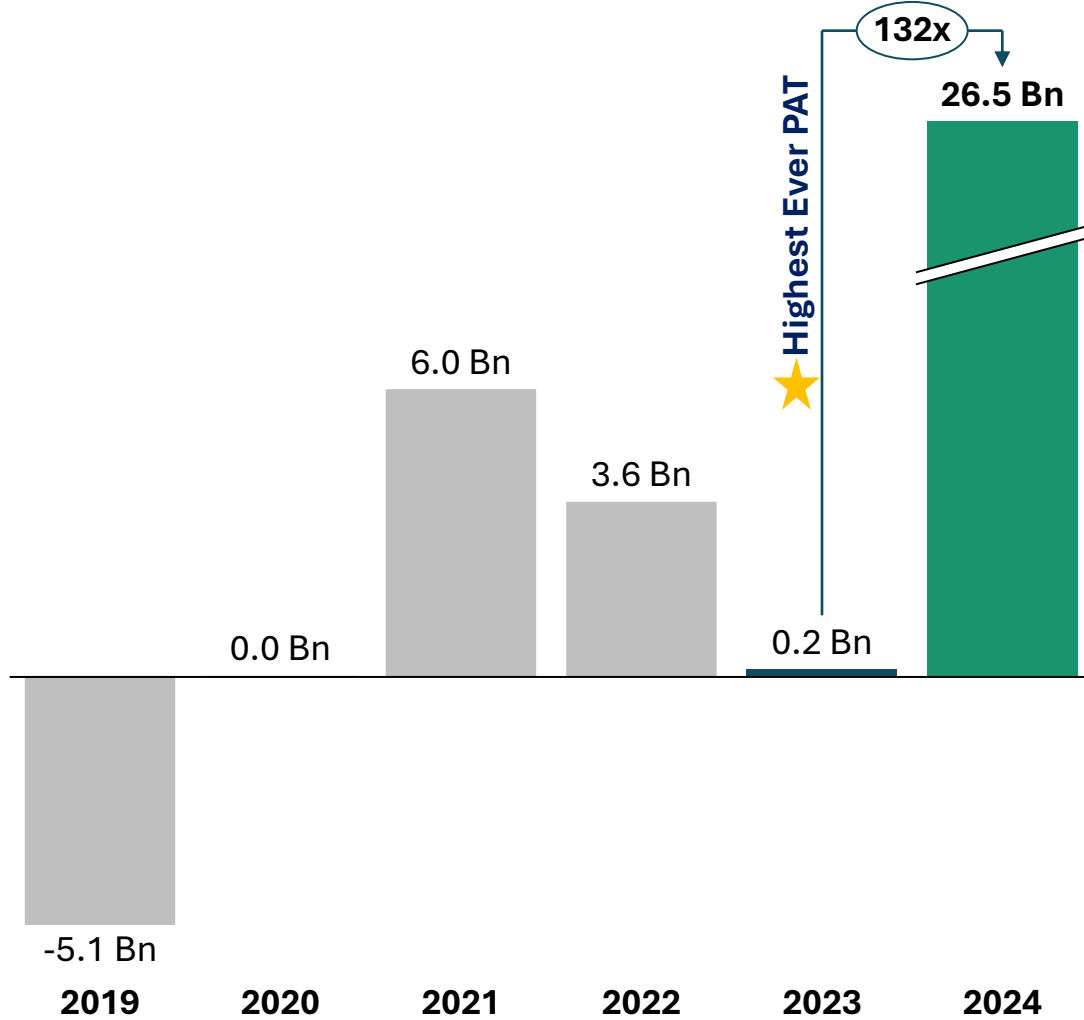


Contribution to Govt Exchequer (Standalone)

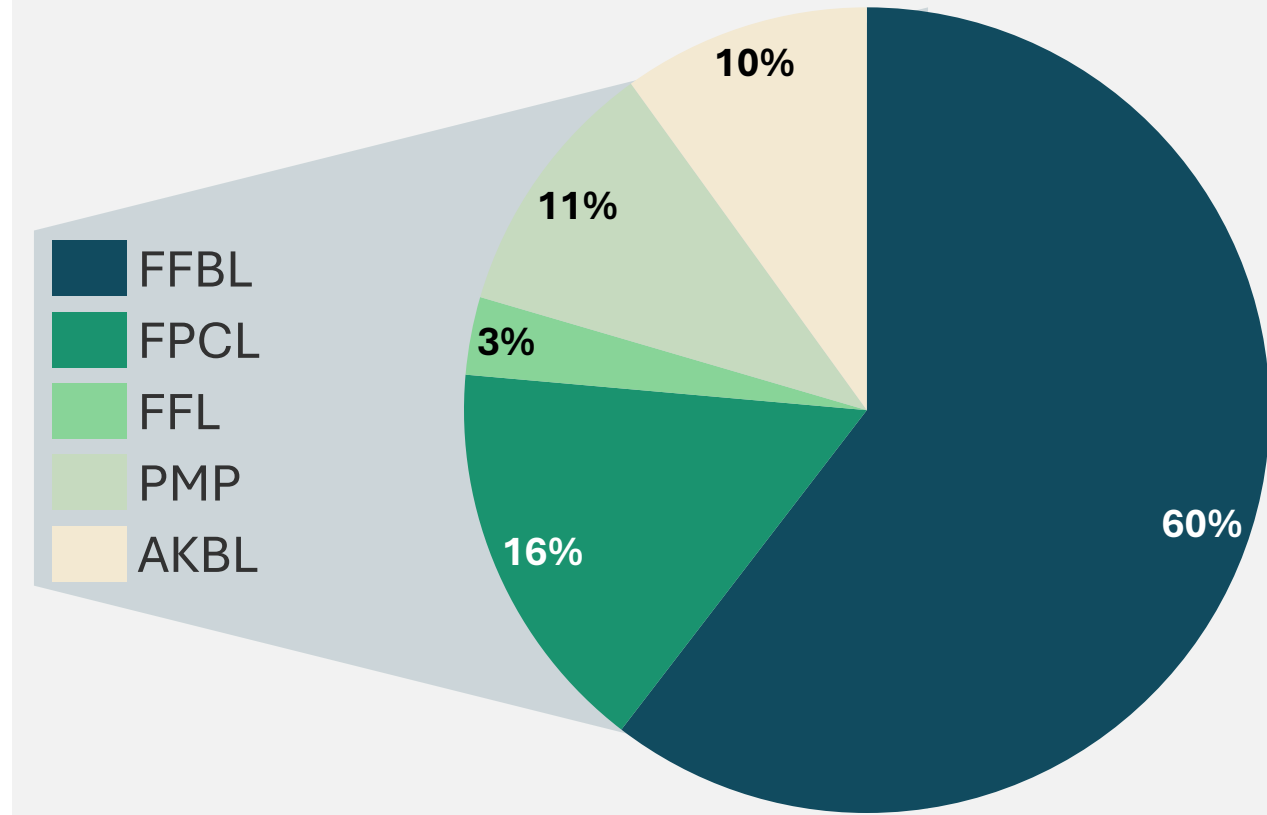


Highlights – FFBL (Consolidated)

9M Consolidated PAT / (LAT)



Consolidated Profit Breakup



Investment Updates

Investments

Performance

Key Updates

1



PKR 1.8 Bn

Dividend received in
9M (*SPLY 0*)

- Satisfactory operations.
- Turnaround from Loss in SPLY.

2



99%

Dispatch Factor in 9M
(*SPLY 75%*)

- Safe, reliable and consistent operations
- Energy cost optimization through blending of local coal.

3



PKR 598 Mn

9M Net Profit (*SPLY LAT*
PKR 109 Mn)

- Volume Improved by 15%, SPLY
- Gross Profit Improved by 5%
- EBITDA growth 122.6% vs SPLY
- PAT Improved 548% vs SPLY



Outlook

Outlook



Operations

- Ongoing efforts with GoP for continuation of higher gas supply.



Economic Conditions

- DAP Intl' prices are expected to remain stable globally with minor upward corrections.
- Macro economic indicators expected to remain stable.



Financial

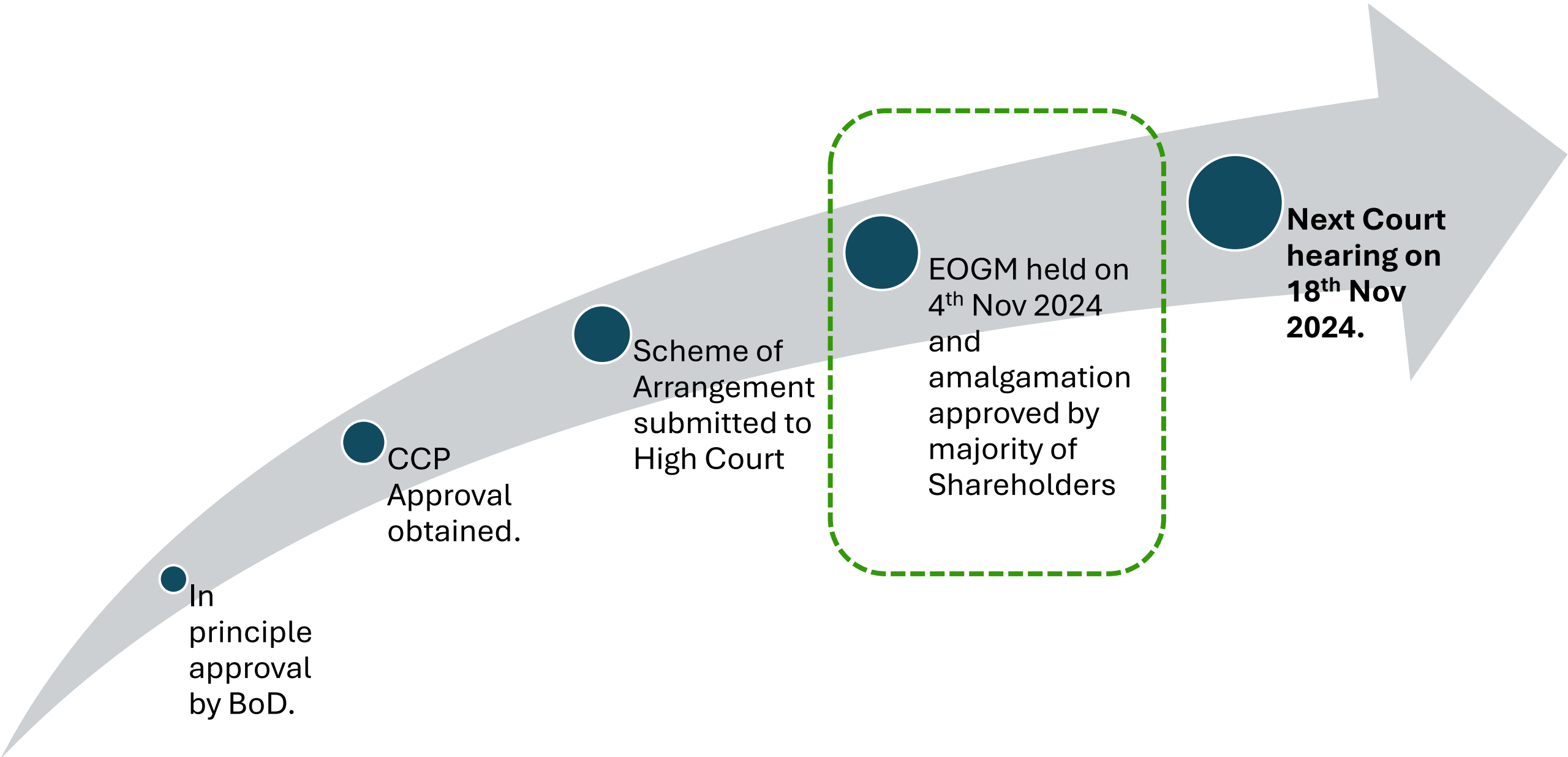
- Dollar parity expected to remain stable.
- Weather conditions and farm economics will continue to impact the business.



Subsidiaries

- Performance of investments is expected to remain consistent.

Amalgamation with FFC



In principle approval by BoD.

CCP Approval obtained.

Scheme of Arrangement submitted to High Court

EOGM held on 4th Nov 2024 and amalgamation approved by majority of Shareholders

Next Court hearing on 18th Nov 2024.



Q & A



Thank you