

Q1 2025

# Corporate Briefing Session

24<sup>th</sup> April 2025



# Agenda



1

Highlights



2

Business Performance



3

Contributions & Challenges



4

Q&A Session



# 1. Highlights





# Macro Economic Overview

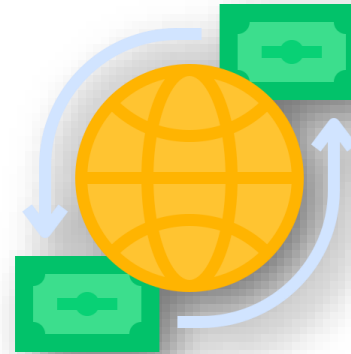


## Inflation



**0.89%** in Mar'25 MoM,  
**0.69%** YoY

## Exchange Rate



Has remained stable  
**~280 PKR/USD**

## Policy Rate



Declined to **12%** in  
Jan'25

## Stock Market



KSE-100 at **117,807 pts** –  
**2.3% gain** during Q1'25



## Q1 2025 – Agricultural Landscape



### 1. Input Costs

Farm inputs including utilities, seeds, diesel and land rentals remain high impacting farmer profitability.

### 2. Crop Support Prices

Transition to free market as against earlier support price mechanism continues to impact farmer including wheat harvest prices for 2025.

### 3. Climate Change

Winter droughts have impacted wheat crop, while lower water availability and high summer temperatures are expected to impact crops.

### 4. Inventory Pile Up

High industry inventory of 803kt for Urea at Q1'25 end.



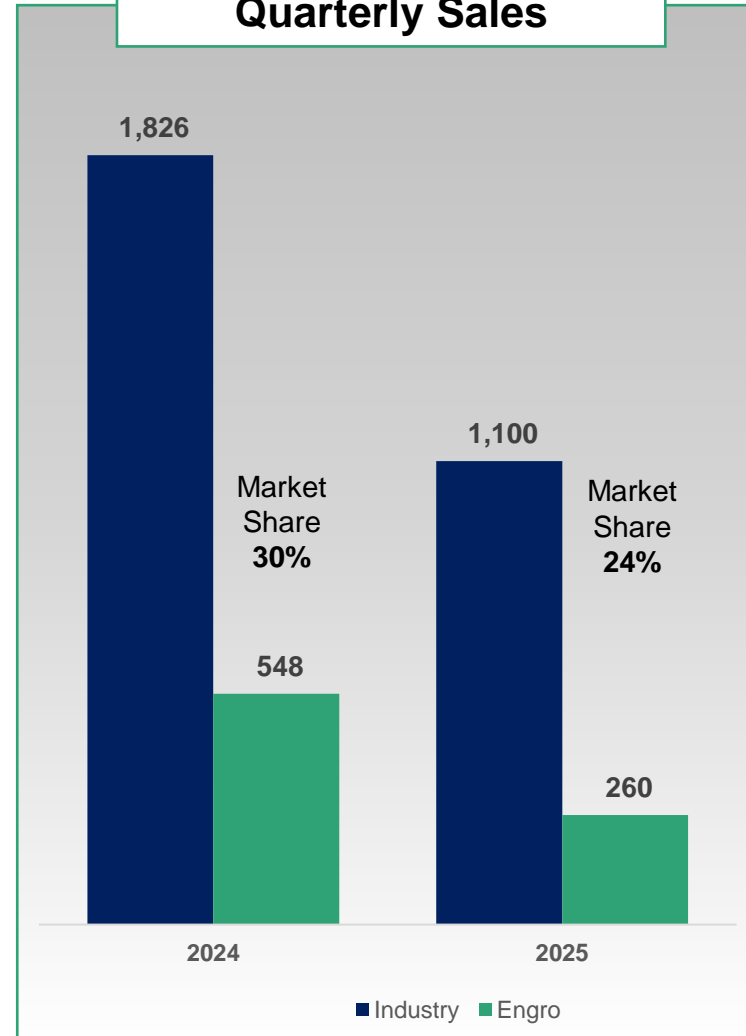
## 2. Business Performance



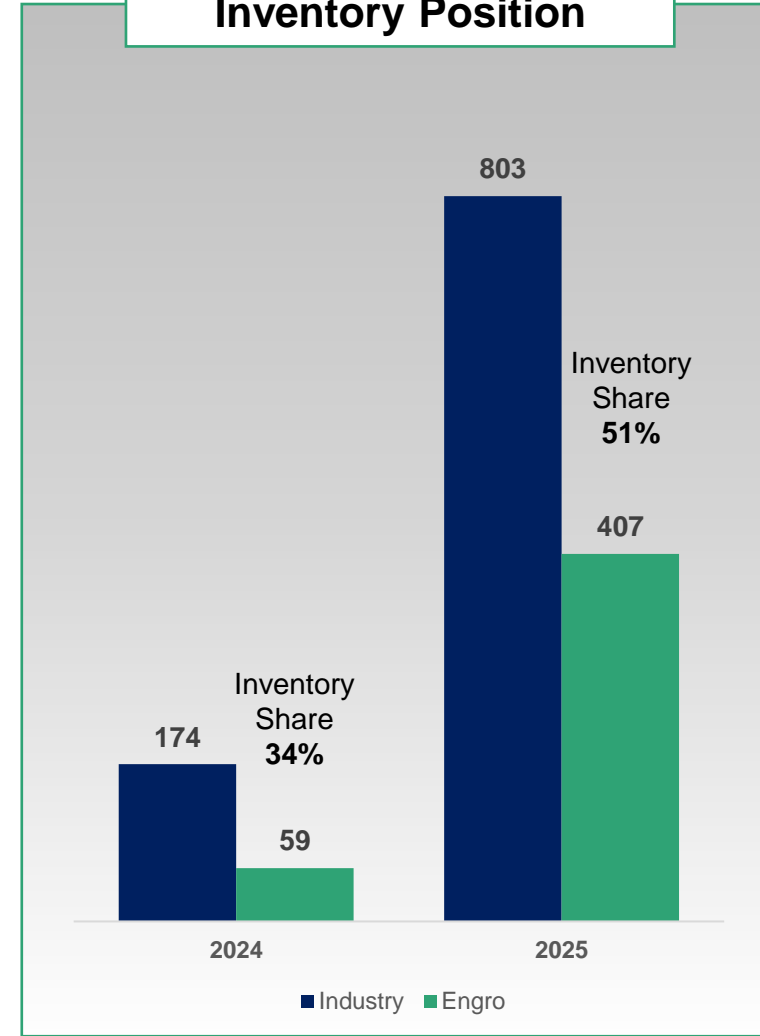
## Urea Business



### Quarterly Sales



### Inventory Position



While the production has largely remained constant, the inventory has piled up due to decline in sales.

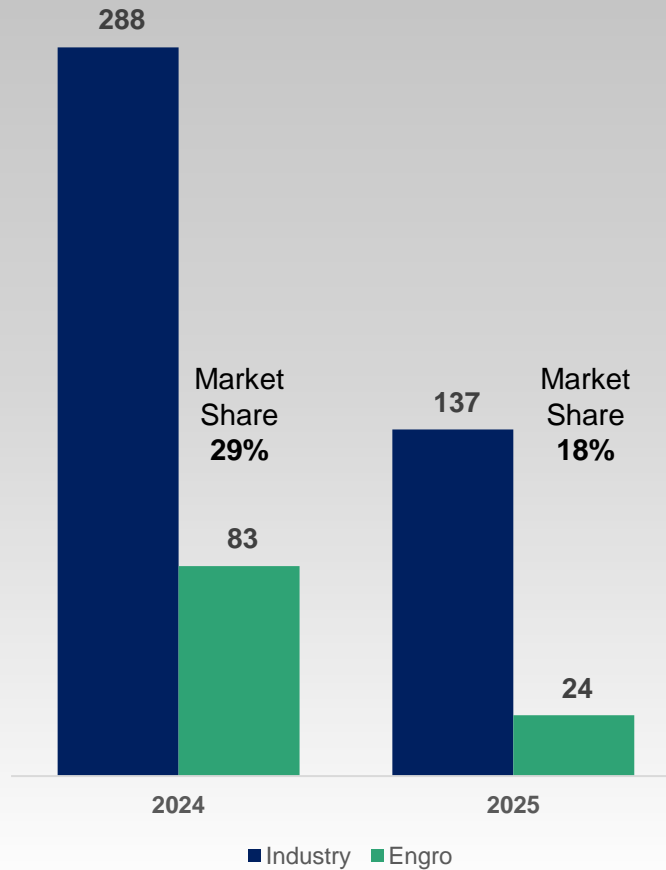




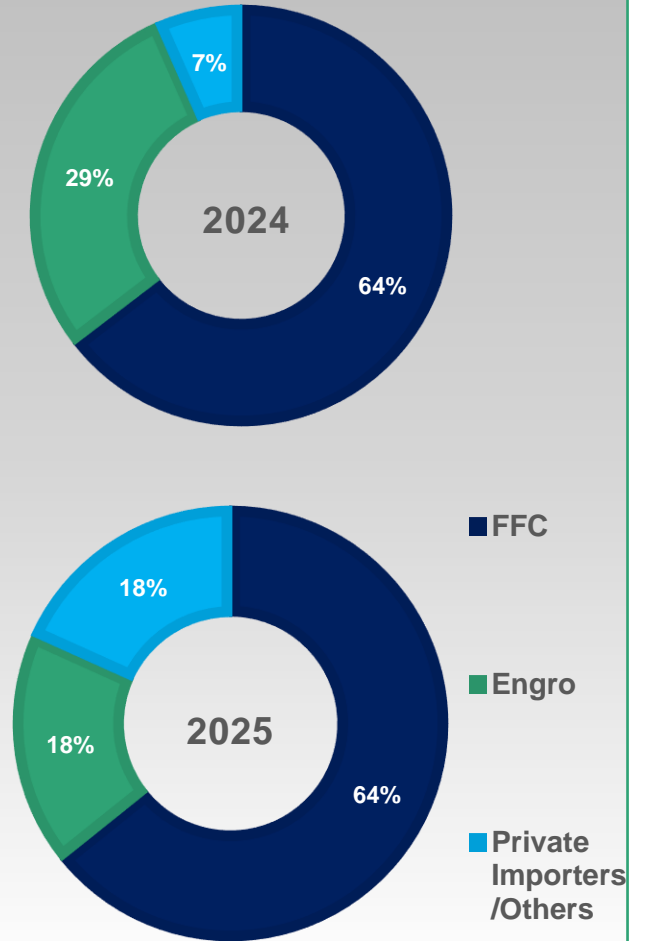
## DAP Business



### Quarterly Sales



### Market Share Q1



Industry decreased by **52%** due to decline in agronomic demand.





## Financial Highlights – 1/2



### Quarterly Financial Highlights



Revenue  
PKR **30.3** bn  
-59% vs SPLY



Profitability  
PKR **2.9** Bn  
-63% vs SPLY



EPS  
PKR **2.17**  
vs. 5.81 SPLY



Market Capitalization  
PKR **277 Bn**  
vs. 273 Bn as of Dec'24

EFERT has announced first interim dividend of **PKR 2.25 /share** for **Q1'25**.



## Financial Highlights – 2/2



Revenue has decreased by **59%**

Lower sales of Urea and DAP in a long market with depressed farmer economics.



Gross profit has decreased by **38%**

GP decline is in line with lower revenue; however Gross Profit Margin has increased to 35% from 23% due to imported Urea adjustment in comparative period.



Net Profit Margin is at 10% vs 11% SPLY

Higher finch and higher effective tax impacting net profit margin.



Gearing ratio at 58% vs 42% on Dec'24

Debt to EBITDA 1.74

Increase in short term borrowings is primarily due to high working capital requirement.  
Debt to EBITDA remains at healthy levels.

## 3. Contributions & Challenges





# Contributing to the Nation

## Contribution to the National Exchequer

During the quarter, the Company contributed ~**PKR 6.1 Bn** towards the National Exchequer by way of Government taxes, duties, and levies.

## Import Substitution - shielding farmers from higher costing international Urea

International Urea

Local Urea

MRP per bag -  
PKR

7,920

4,649

International Urea –  
Premium per Bag

~3,271 (41%)



## Engro Markaz & UgAi

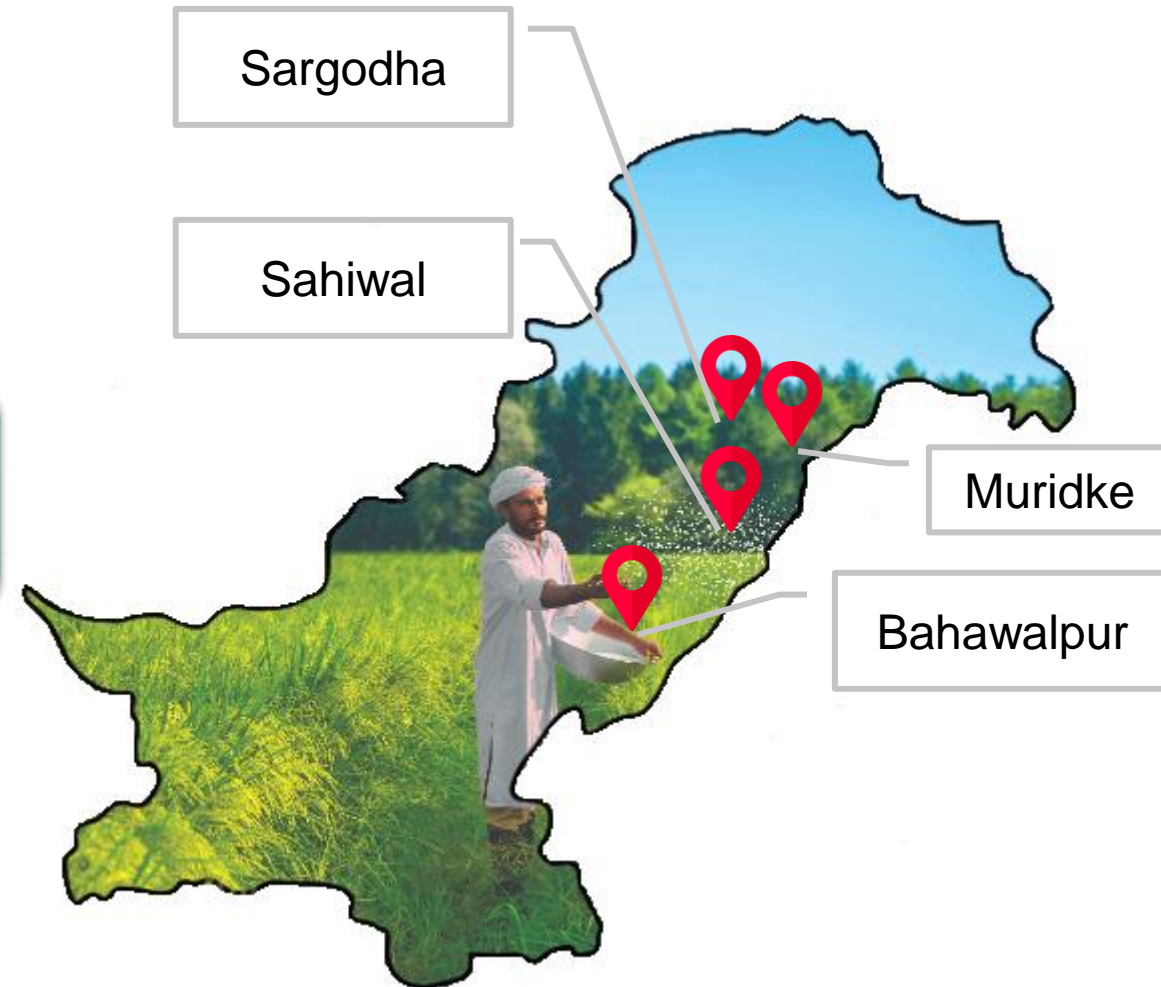


Products  
available at  
retail prices

Expert guidance

Access to entire  
range under one  
roof

Available  
throughout the  
year



Sargodha

Sahiwal

Muridke

Bahawalpur



It has been 6 months since our launch of pioneering UgAi platform, and it is performing up to expectations.



# Pressure Enhancement Facility

- **Approximately 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** : Completed.
  - **Scope 2** : In Progress, Expected completion by Q2 2025.
- **Phase 2**: Procurement of compressors is in progress.







Thank you