



(HEAD OFFICE)
Secretariat (Corporate Affairs)

UNDER SEALED COVER

Ref No. 6.12-KSE/S/FFC
October 26, 2022

To: The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
KARACHI - Fax No. 021-111-573-329 E-mail: info@psx.com.pk

Director / HOD (Offsite-II Department)
Supervision Division
Securities and Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area,
Islamabad - Fax No. 051-9100454 E-mail: info@secp.gov.pk

Subject: Financial Results for the Quarter Ended September 30, 2022

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their Meeting held on October 26, 2022 at 1100 hours at Fauji Foundation Head Office, Rawalpindi recommended the following: -

- a. **Cash Dividend**
An Interim Cash Dividend for the quarter ended September 30, 2022 at Rs. 3.18 per share i.e. 31.80%. This is in addition to Interim Dividends already paid at Rs. 5.80 per share i.e. 58%.
- b. **Bonus Shares**. NIL
- c. **Right Shares**. NIL
- d. **Any other Price-Sensitive Information**. Nil.

2. The Financial Results of the Company are attached as **Annexure 'A'** and **'B'**. Financial Result's overview is given below:

- a. Unprecedented floods led to the damage of large sown area in the Country. The Company stands with the flood affectees and is providing all possible support to the fellow countrymen in these difficult times.
- b. Sona urea production of 1,808 thousand tonnes was 3% lower than last year mainly due to maintenance shutdown of two plants during the period vs one last year. Higher import prices of DAP resulted in the agriculture sector switching to urea. Urea demand in the Country thus increased as compared to last year. The increase in demand was met through higher production by RLNG based plants besides imports by the Government, which increased the competition in the industry. However, concerted marketing efforts enabled Sona urea sale by the Company of 1,795 thousand tonnes which was only 1% lower than last year.



- c. The Company achieved sale revenue of Rs 79.18 billion compared to Rs 73.59 billion last year.
 - d. Galloping inflation, hike in fuel prices, sharp devaluation of Pak Rupee and higher repair and maintenance cost of extended plant shut down caused significant increase in operating cost of the Company.
 - e. The imposition of super tax of around Rs. 4.69 billion over and above the normal tax liability (effective tax rate of 43%), combined with higher finance cost due to higher interest rates further impacted negatively on Company's profitability. Improved income on deposits and increased payout by the group companies led to other income of Rs. 10.28 billion compared to Rs. 5.92 billion last year. The Company was thus able to arrest the decline in profitability to Rs. 14.84 billion with an EPS of 11.67, which was only 7% lower than last year. The profitability in terms of US\$ was registered at USD 75 million compared to USD 101 million last year.
 - f. The profit after tax for the 3rd Quarter was registered at Rs 5.24 billion compared to Rs 6.45 billion same period last year, mainly due to lower sales volume, which declined due to lower product availability as major portion of Sona urea production and imported DAP were marketed during the first half of 2022. Higher finance cost and imposition of super tax are also attributable to the decline in profitability.
 - g. The Consolidated revenue for the nine months stood at Rs 92.75 billion, 19% higher than last year, whereas the gross profitability registered a growth of 33% and was recorded at Rs 39.51 billion. However, profitability was negatively impacted by increase in interest rates and the levy of super tax. Total tax charge including super tax stood at Rs 14.15 billion compared to Rs 7.04 billion last period. Net profitability thus stood at Rs 25.48 billion compared to Rs 28.23 billion last year.
3. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on November 07, 2022. The Share Transfer Books of the Company will be closed from November 08, 2022 to November 10, 2022 (both days inclusive). Transfers received at the CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal, Karachi-74400 at the close of business on November 07, 2022 will be treated in time for the purpose of above entitlement to the transferees.
4. The quarterly report for the quarter ended September 30, 2022 will be transmitted through PUCARS separately, within specified time.

Company Secretary
Brig Asrat Mahmood (Retd)

cc: **M-IS, FFC**

FAUJI FERTILIZER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022

Annexure - A

	Three month period ended		Nine month period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees '000)		(Rupees '000)	
Turnover - net	24,474,094	29,573,855	79,179,807	73,591,988
Cost of sales	(15,034,126)	(18,408,108)	(48,839,767)	(46,215,852)
GROSS PROFIT	9,439,968	11,165,747	30,340,040	27,376,136
Distribution cost	(2,615,242)	(2,086,749)	(6,921,760)	(6,050,578)
	6,824,726	9,078,998	23,418,280	21,325,558
Finance cost	(1,210,419)	(647,247)	(3,227,567)	(1,451,916)
Other losses				
Unwinding of GIDC liability	(414,486)	(615,755)	(1,589,250)	(1,814,573)
Loss allowance on subsidy receivable from GoP	-	-	(350,000)	-
	(414,486)	(615,755)	(1,939,250)	(1,814,573)
Other expenses	(630,191)	(810,486)	(2,272,892)	(2,102,753)
	4,569,630	7,005,510	15,978,571	15,956,316
Other income	2,879,046	1,700,583	10,288,448	5,914,627
PROFIT BEFORE TAXATION	7,448,676	8,706,093	26,267,019	21,870,943
Provision for taxation	(2,205,000)	(2,254,000)	(11,424,000)	(5,983,000)
PROFIT FOR THE PERIOD	5,243,676	6,452,093	14,843,019	15,887,943
Earnings per share - basic and diluted (Rupees)	4.12	5.07	11.67	12.49

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive

Director

Chief Financial Officer

FAUJI FERTILIZER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022

Annexure - B

	Three month period ended		Nine month period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees '000)		(Rupees '000)	
Turnover - net	30,686,415	31,186,617	92,747,642	77,644,161
Cost of sales	(16,771,856)	(19,051,213)	(53,236,138)	(47,953,902)
GROSS PROFIT	13,914,559	12,135,404	39,511,504	29,690,259
Administrative and distribution expenses	(2,898,035)	(2,222,879)	(7,650,831)	(6,465,248)
	11,016,524	9,912,525	31,860,673	23,225,011
Finance cost	(1,500,840)	(717,764)	(3,977,068)	(1,677,405)
Other losses				
Unwinding of remeasurement gain on GIDC liability	(414,486)	(615,755)	(1,589,250)	(1,814,573)
Loss allowance on subsidy receivable from GoP	-	-	(350,000)	-
	(414,486)	(615,755)	(1,939,250)	(1,814,573)
Other expenses	(638,856)	(824,640)	(2,300,630)	(2,119,894)
	8,462,342	7,754,366	23,643,725	17,613,139
Other income	2,795,947	1,731,179	8,202,354	4,104,120
Bargain Purchase Gain	-	6,808,824	-	6,808,824
Share of profit of associates and joint venture	1,774,347	3,107,405	7,788,899	6,740,678
PROFIT BEFORE TAX	13,032,636	19,401,774	39,634,978	35,266,761
Provision for taxation	(2,934,111)	(2,737,371)	(14,156,727)	(7,040,431)
PROFIT FOR THE PERIOD	10,098,525	16,664,403	25,478,251	28,226,330
ATTRIBUTABLE TO:				
Equity Holders of Fauji Fertilizer Company Limited	9,774,809	16,664,403	24,860,071	28,226,330
Non - Controlling Interest	323,716	-	618,180	-
	10,098,525	16,664,403	25,478,251	28,226,330
Earnings per share - basic and diluted (Rupees)	7.68	13.10	19.54	22.19

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.

Chairman

Chief Executive

Director

Chief Financial Officer