



(HEAD OFFICE)
Secretariat (Corporate Affairs)

UNDER SEALED COVER

Ref No. 6.12-KSE/S/FFC

January 30, 2023

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 Year Ended December 31, 2022**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their Meeting held on 30/01/2023 at 1400 hours at FFC Head Office, Rawalpindi recommended the following:-

- a. Cash Dividend. A final Cash Dividend for the year ended December 31, 2022 at Rs. 3.15 per share i.e. 31.50%. This is in addition to Interim Dividends already paid at Rs. 8.98 per share i.e. 89.80%.
- b. Bonus Shares. NIL
- c. Right Shares. NIL
- d. Any other Entitlement / Corporate Action. NIL
- e. Any other price sensitive information. NIL

2. **Financial Performance**. The year 2022 was full of challenges ranging from socioeconomic, geopolitical, governmental and environmental factors. The year witnessed galloping inflation, double digit interest rates and sharp devaluation of Pak Rupee besides heavy floods during second half of the year, negatively impacting costs of the Company. The profitability was further impacted by the levy of super-tax resulting in an effective tax rate of over 40%, besides the exemption of output GST.

3. Efficient treasury management and increased dividend payout by associated companies resulted in highest-ever other income of Rs 14.4 billion compared to Rs 7.9 billion last year. This enabled the Company to achieve a profitability of Rs 20 billion (despite a supertax levy of Rs 5 billion) with an EPS of Rs 15.76 compared to Rs 17.21 last year. The dollarized profitability of the Company however declined by 29% to USD 97 million compared to USD 137 million last year.



4. As we step into 2023, the acute shortage of foreign currency reserves in the Country pose severe challenges towards import of essential materials, spares, chemicals and other inputs required for maintaining urea production levels.
5. In view of declining gas pressures, the Company along with other fertilizer manufacturers and the gas supplier has undertaken gas Pressure Enhancement Facility (PEF) project which involves significant capital outlay and is essential for sustained fertilizer production. Therefore, availability of foreign exchange is critical for timely implementation of the sustainability project and continued plant operations. The Financial Results of the Company are attached as Annexure 'A'.
6. The Annual General Meeting of the Company will be held on 28/03/2023 at 1000 hours.
7. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on 25/03/2023. The Share Transfer Books of the Company will be closed from 26/03/2023 to 28/03/2023 (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 25/03/2023 will be treated in time for the purpose of above entitlement to the transferees.
8. The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Company Secretary

Brig Asrat Mahmood (Retd)

cc: M-IS, FFC

FAUJI FERTILIZER COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

Annexure A

	<u>2022</u>	<u>2021</u>
	(Rupees '000)	
Turnover - net	109,363,817	108,650,890
Cost of sales	<u>(69,317,471)</u>	<u>(69,771,813)</u>
GROSS PROFIT	40,046,346	38,879,077
Distribution cost	<u>(10,107,758)</u>	<u>(8,409,132)</u>
	29,938,588	30,469,945
Finance cost	(4,868,390)	(2,292,115)
Other losses		
- Unwinding of GIDC liability	(2,118,513)	(2,441,489)
- Loss allowance on subsidy receivable from GoP	(670,000)	(370,000)
	(2,788,513)	(2,811,489)
Other expenses	(3,037,024)	(2,946,366)
Other income	<u>14,441,849</u>	<u>7,919,166</u>
PROFIT BEFORE TAXATION	33,686,510	30,339,141
Provision for taxation	<u>(13,637,000)</u>	<u>(8,443,000)</u>
PROFIT FOR THE YEAR	<u>20,049,510</u>	<u>21,896,141</u>
Earnings per share - basic and diluted (Rupees)	<u><u>15.76</u></u>	<u><u>17.21</u></u>

FAUJI FERTILIZER COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

Annexure B

	2022	(Restated) 2021
	(Rupees '000)	
Turnover - net	125,678,385	114,345,150
Cost of sales	<u>(75,989,405)</u>	<u>(72,992,111)</u>
GROSS PROFIT	49,688,980	41,353,039
Administrative and distribution expenses	<u>(11,232,215)</u>	<u>(9,099,209)</u>
	38,456,765	32,253,830
Finance cost	<u>(5,926,201)</u>	<u>(2,736,351)</u>
Other (losses)/ gains		
- Bargain purchase gain	-	9,708,558
- Unwinding of GIDC liability	<u>(2,118,513)</u>	<u>(2,441,489)</u>
- Loss allowance on subsidy receivable from GoP	<u>(670,000)</u>	<u>(370,000)</u>
	(2,788,513)	6,897,069
Other expenses	<u>(3,046,517)</u>	<u>(2,962,135)</u>
Other income	11,498,166	6,302,125
Share of profit of associates and joint venture	<u>12,440,254</u>	<u>10,154,761</u>
PROFIT BEFORE TAXATION	50,633,954	49,909,299
Provision for taxation	<u>(16,263,067)</u>	<u>(10,044,662)</u>
PROFIT FOR THE YEAR	34,370,887	39,864,637
ATTRIBUTABLE TO:		
Equity Holders of Fauji Fertilizer Company Limited	33,745,413	39,869,242
Non - Controlling Interest	<u>625,474</u>	<u>(4,605)</u>
	34,370,887	39,864,637
Earnings per share - basic and diluted (Rupees)	27.02	31.33