

FFL/HO/CS/

July 21, 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi.



fauji foods

Half Yearly Financial Results for the Period ended June 30, 2023

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on July 21, 2023 at 12:00 p.m. at Lahore recommended the following:

- | | | |
|-------|---|------|
| (i) | CASH DIVIDEND: | Nil. |
| (ii) | BONUS SHARES: | Nil. |
| (iii) | RIGHT SHARES: | Nil. |
| (iv) | ANY OTHER ENTITLEMENT/CORPORATE ACTION: | Nil. |
| (v) | ANY OTHER PRICE-SENSITIVE INFORMATION: | Nil. |

The financial results of the Company and brief commentary are attached.

Half Yearly Financial Report of the Company for the period ended June 30, 2023 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

Brig Hamid Mahmood Dar (Retd)
Company Secretary

Encl: As above.

FAUJI FOODS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

| | Note | Half Year Ended 30 June | | Quarter Ended 30 June | |
|--|------|----------------------------|------------------------|--------------------------|----------------------|
| | | 2023 (Rupees) | 2022 (Rupees) | 2023 (Rupees) | 2022 (Rupees) |
| Revenue from contracts with customers - Net | 14 | 9,837,736,143 | 4,796,600,579 | 4,668,667,870 | 2,393,602,964 |
| Cost of revenue | 15 | (8,607,136,063) | (4,617,830,795) | (4,098,740,110) | (2,384,060,336) |
| Gross profit | | 1,230,600,080 | 178,769,784 | 569,927,760 | 9,542,628 |
| Marketing and distribution expenses | | (695,961,895) | (677,842,757) | (349,239,894) | (341,636,315) |
| Administrative expenses | | (344,165,484) | (209,373,196) | (157,427,445) | (98,378,453) |
| Profit / (Loss) from operations | | 190,472,701 | (708,446,169) | 63,260,421 | (430,472,140) |
| Other income | | 126,686,626 | 81,663,532 | 56,866,382 | 39,554,409 |
| Other operating expense | | (2,162,240) | - | (1,694,448) | - |
| Finance costs | 16 | (335,369,729) | (565,363,055) | (35,591,493) | (332,738,094) |
| Profit / (Loss) before taxation | | (20,372,642) | (1,192,145,692) | 82,840,862 | (723,655,825) |
| Income tax expense | 17 | (126,939,187) | (61,327,393) | (60,569,676) | (30,635,295) |
| Profit / (Loss) after taxation for the period | | (147,311,829) | (1,253,473,085) | 22,271,186 | (754,291,120) |
| (Loss) / Earnings per share - basic and diluted | 18 | (0.07) | (0.79) | 0.01 | (0.48) |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer

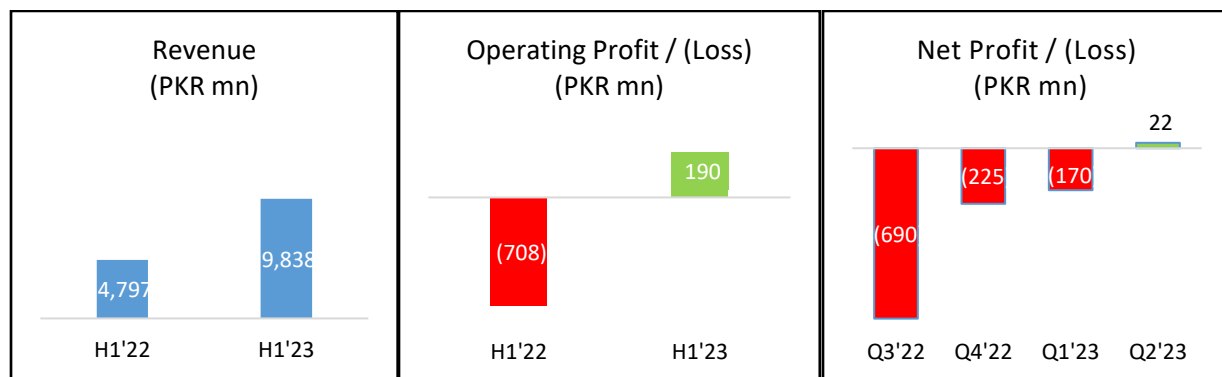


Brief Commentary FFL Q2 & H1 2023 Results

FFL achieved its first ever PAT positive (PKR 22 mn) quarter in Q2 2023. In fact, it was 4th consecutive month in Green by the company. With the first half revenue of PKR 9.8 bn (+ 105% over SPLY) the business is all set to achieve the turnaround.

Nurpur continues to drive growth (+51% SPLY). The revamped Route to Market has fueled the increase in distribution (+ 14,000 outlets vs SPLY). The strengthening of brand has enabled Nurpur to navigate inflation through pricing. The institutional business forms the other key pillar of growth strategy and it grew by 202% over SPLY.

The commercial sustainability is reflected through improved structure of the P&L as Gross Margins increased from 3.7% H1 2022 to 12.5% in H1 2023. This was driven by continued focus on cost efficiencies backed by twin sustainability projects of 1 MW solar and bio mass which went into production in Q1 and are expected to positively impact energy cost in 2023. These initiatives along with price increases & other planned cost optimizations yielded an additional 8.8% Gross Margin. As a result, FFL achieved operating profit of PKR 190 mn vs PKR (708) mn loss in SPLY, an increase of PKR 898 mn. With a solid turnaround strategy delivering results, the EBIDTA which has been on a growth path since Q4`22 surged to PKR 448.4 Mn in H1`23, a 197% growth over SPLY.



Looking ahead, the investment in brands and distribution infrastructure should continue to fuel the growth. With the legacy debt burden now removed from the books, the growth in Margins and EBIDTA will help grow the business even faster whilst introducing new products. The strategy of pivoting to value added portfolio will enable the business to cover the expected inflation through pricing & margin management. We are confident that FFL driven by its vision of “Unleashing Pakistan’s promise in everything we touch” will not only build a successful business but leave a mark on the broader national landscape for times to come.