



FFBL
Fauji Fertilizer Bin Qasim Limited

Ref. No. 11.8/Sectt/C

25 January 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi - 74000, Pakistan

Director/HOD (Enforcement Department)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Islamabad - 44000, Pakistan

Subject: **Financial Results for the Year Ended 31 December 2023**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their meeting, held at Fauji Towers, 68 - Tipu Road, Rawalpindi on 25 January 2024, recommended the following:-

- | | | | |
|----|------------------------------------------|---|----------------------------------------------------------------------------------------|
| a. | Cash Dividend | : | A final cash dividend for the year ended December 31, 2023 at Rs. 1 per share i.e. 10% |
| b. | Bonus Issue | : | Nil |
| c. | Right Shares | : | Nil |
| d. | Any other Entitlement / Corporate Action | : | Nil |
| e. | Any other price sensitive Information | : | Nil |

2. The Financial Results of the Company for the year ended 31 December 2023, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) are attached.

3. FINANCIAL RESULTS – OVERVIEW

- 3.1. The availability of gas at the Government allocated level remained the main challenge for the Company during the year. This not only impacted the Company's production but also added to the challenges of farming community in the form of product shortage and price manipulation by middlemen throughout the year. As a result, the Government was also forced to import 220 KT Urea from the international market.
- 3.2. The Company's Urea plant operated at only 52% of its 650 KT capacity, primarily due to gas curtailment. The Company received 13,714 MMSCF gas supply during the year representing 42% short gas supply as compared to the Government allocated level of 23,800 MMSCF and 28% short supplies in comparison to previous year level of 19,119 MMSCF. Consequently, Urea production declined by 36% to 336 KT (2022: 524 KT).
- 3.3. The Company faced economic challenges including adverse fluctuation of Pak Rupee against USD, escalating borrowing rates and levels, Unequitable GST laws and volatility in the international market prices of phosphatic fertilizer. The Company achieved a profit after tax of PKR 4.4 Billion (2022: PKR 2.3 Billion) representing an 89% increase. The





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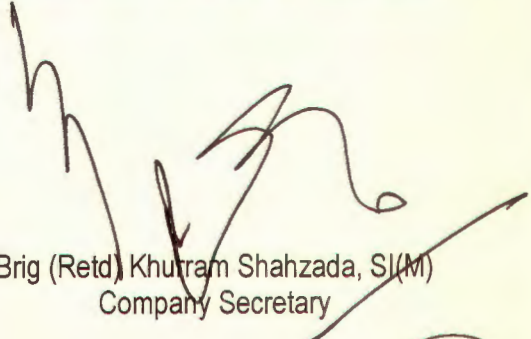
turnaround in the second half was achieved through focused Management efforts by improving the supply chain economics, tight controls on cost, higher efficiencies at the plant and financial discipline.

- 3.4 The Company booked revenue of PKR 193 billion (2022: PKR 159 Billion), representing 21% growth whereas gross profit grew by 29% at PKR 33 Billion (2022: PKR 25 Billion). The Company incurred finance cost of PKR 9 Billion (2022: PKR 5 Billion), exchanges loss of PKR 4.5 Billion (2022: PKR 6.8 Billion) and tax expense of PKR 9.7 Billion (2022: PKR 6.1 Billion) as the Government retrospectively increased rate of super tax from 4% to 10% on profit of previous year apart from 10% super tax applicable to profit of current year.
- 3.5 On a Consolidated basis, the Company reported net revenue of PKR 222 billion (2022: PKR 183 billion), gross profit of PKR 44 billion (2022: PKR 35 billion) and operating profit of PKR 31 billion (2022: PKR 24 billion). However, the profit after tax declined to PKR 4.1 Billion from PKR 8 billion reported in 2022 primarily on account of loss in PMP, which is affected by international commodity price trend i.e high decrease in phosphoric acid price as compared to its raw material prices. Financial results of Fauji Foods Limited (FFL) showed a significant improvement to the tune of PKR 2.8 billion as they have reported a profit after tax of PKR 605 million for 2023 as against loss after tax of PKR 2.2 billion in 2022.

4. Outlook

- 4.1. Looking ahead, securing gas supply at the allocated levels will continue to be a challenge for consistent fertilizer production. We strongly urge the Government to ensure consistent gas supplies to the fertilizer sector, benefitting the farming community through the availability of fertilizer at affordable prices and eliminating the need for fertilizer imports, ultimately contributing to the growth of agriculture sector and the economy of the country. The domestic and international DAP market forecast remains stable, contingent upon the geopolitical landscape.
5. The Annual General Meeting of the Company will be held on March 25, 2024 at 10:00 Hrs. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on 18 March 2024. The Share Transfer Books of the Company will be closed from 19 to 25 March 2024 (both days inclusive). Transfers received at the Corplink Pvt Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on 18 March 2024 will be treated in time for the purpose of above entitlement to the transferees.
6. The Annual Report of the Company for the year ended 31 December 2023 will be transmitted through PUCARS separately, within the specified time.

Regards


Brig (Retd) Khuram Shahzada, SI(M)
Company Secretary



FAUJI FERTILIZER BIN QASIM LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 (Rupees '000)	2022
Sales - net	26	193,063,909	159,225,963
Cost of sales	27	(159,954,316)	(133,640,933)
GROSS PROFIT		33,109,593	25,585,030
Selling and distribution expenses	28	(10,072,674)	(7,120,753)
Administrative expenses	29	(1,135,654)	(1,068,556)
		(11,208,328)	(8,189,309)
		21,901,265	17,395,721
Finance cost	30	(8,827,521)	(5,143,968)
Other expenses	31	(7,865,130)	(7,776,274)
Other income	32	9,434,881	6,341,920
		14,643,495	10,817,399
Unwinding cost on GIDC payable	8	(498,183)	(891,198)
Allowance for expected credit losses	33	-	(241,940)
Impairment of equity investment	15	-	(1,179,000)
PROFIT BEFORE TAXATION		14,145,312	8,505,261
Taxation	34	(9,742,375)	(6,177,327)
PROFIT FOR THE YEAR		4,402,937	2,327,934
Earnings per share - basic and diluted (Rupees)	35	3.41	1.80

The annexed notes, from 1 to 40, form an integral part of these financial statements.

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CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



Brig (Retd) Khurram Shahzada, SI(M)
 Company Secretary

FAUJI FERTILIZER BIN QASIM LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	(Rupees '000)	
Note		Re-presented
Sales - net	221,613,687	183,071,016
Cost of sales	<u>(177,325,390)</u>	<u>(147,751,569)</u>
GROSS PROFIT	44,288,297	35,319,447
Selling and distribution expenses	(11,401,302)	(8,741,503)
Administrative expenses	<u>(1,927,178)</u>	<u>(2,114,038)</u>
	13,328,480	10,855,541
	<u>30,959,817</u>	<u>24,463,906</u>
Finance costs	(12,636,210)	(8,367,484)
Other expenses	<u>(8,896,482)</u>	<u>(8,604,547)</u>
Allowance for expected credit losses	(101,670)	(57,909)
Other income	<u>7,636,720</u>	<u>3,266,657</u>
Share of profit of joint venture and associate - net	2,290,815	6,980,449
	<u>19,252,990</u>	<u>17,681,072</u>
Unwinding cost on GIDC payable	(498,183)	(891,198)
PROFIT BEFORE TAXATION	18,754,807	16,789,874
Taxation - net	(12,986,622)	(7,958,491)
Profit after tax from continuing operations	5,768,185	8,831,383
Loss from discontinued operations - net of tax	(1,611,637)	(803,871)
PROFIT FOR THE YEAR	4,156,548	8,027,512
Attributable to:		
- Equity holders of the Holding Company	3,037,531	7,649,305
- Non controlling interest	<u>1,119,017</u>	<u>378,207</u>
	4,156,548	8,027,512
Earnings per share - basic and diluted (Rupees)	2.35	5.92
Earnings per share from continuing operations - basic and diluted (Rupees)	<u>3.60</u>	<u>6.55</u>

The annexed notes, from 1 to 45 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE

DIRECTOR

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Brig (Retd) Khurram Shahzada, SI(M)
 Company Secretary