

Agenda

	1	EFERT Highlights
	2	Industry & EFERT Business Performance
	3	Contributions & Challenges
	4	Way Forward
	5	Q&A Session



1. EFERT Highlights





Financial Highlights

YTD Financial Highlights



Revenue

↑ PKR **223** bn
42% vs SPLY



Profitability

↑ PKR **26** Bn
63% vs SPLY



EPS

↑ PKR **19.61**
vs. 11.98 SPLY

Quarterly Financial Highlights



Revenue

↑ PKR **75** bn
63% vs SPLY



Profitability

↑ PKR **11** Bn
74% vs SPLY



EPS

↑ PKR **8.3**
vs. 4.80 SPLY

EFERT has announced a final dividend of **PKR 8.0/share** for **Q4 2023**.
Cumulative **PKR 20.50/share** for **FY 2023** v/s **PKR 13.50/share** for **FY 2022**.



Key Indicators vs Last Year



9.6%

Higher Phosphates
Volumes



47%

Specialty Fertilizer
Volume Growth



(27%)

Lower Finance Cost



(6%)

Lower Fixed Cost



Plant Performance

2.3 Mn Tons
Highest Ever Annual Urea Production



1

Increased focus on HSE

2

Increased Plant availability days

3

Improved plant efficiency on the back of successful LTR

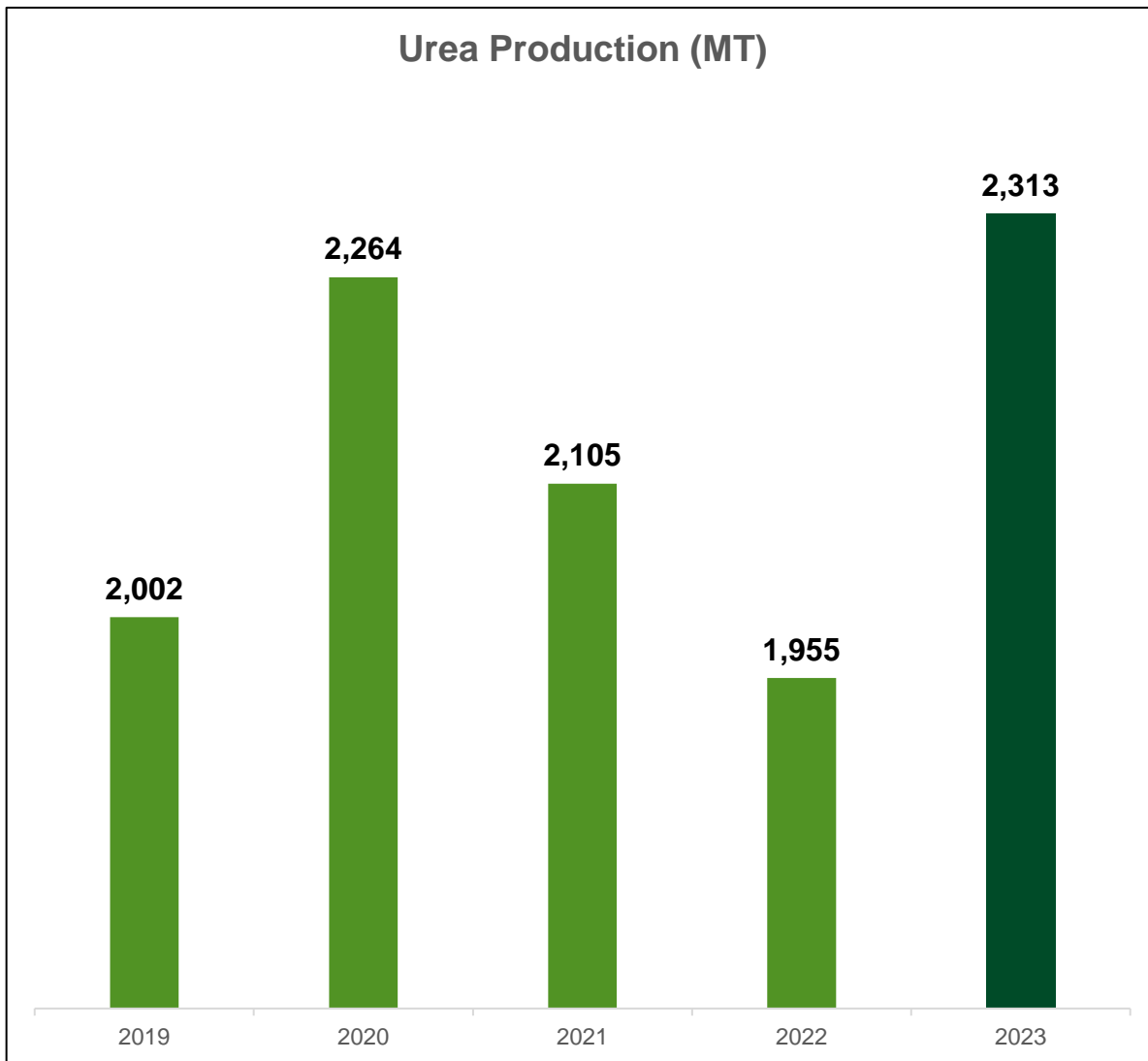
4

Robust maintenance and monitoring regime

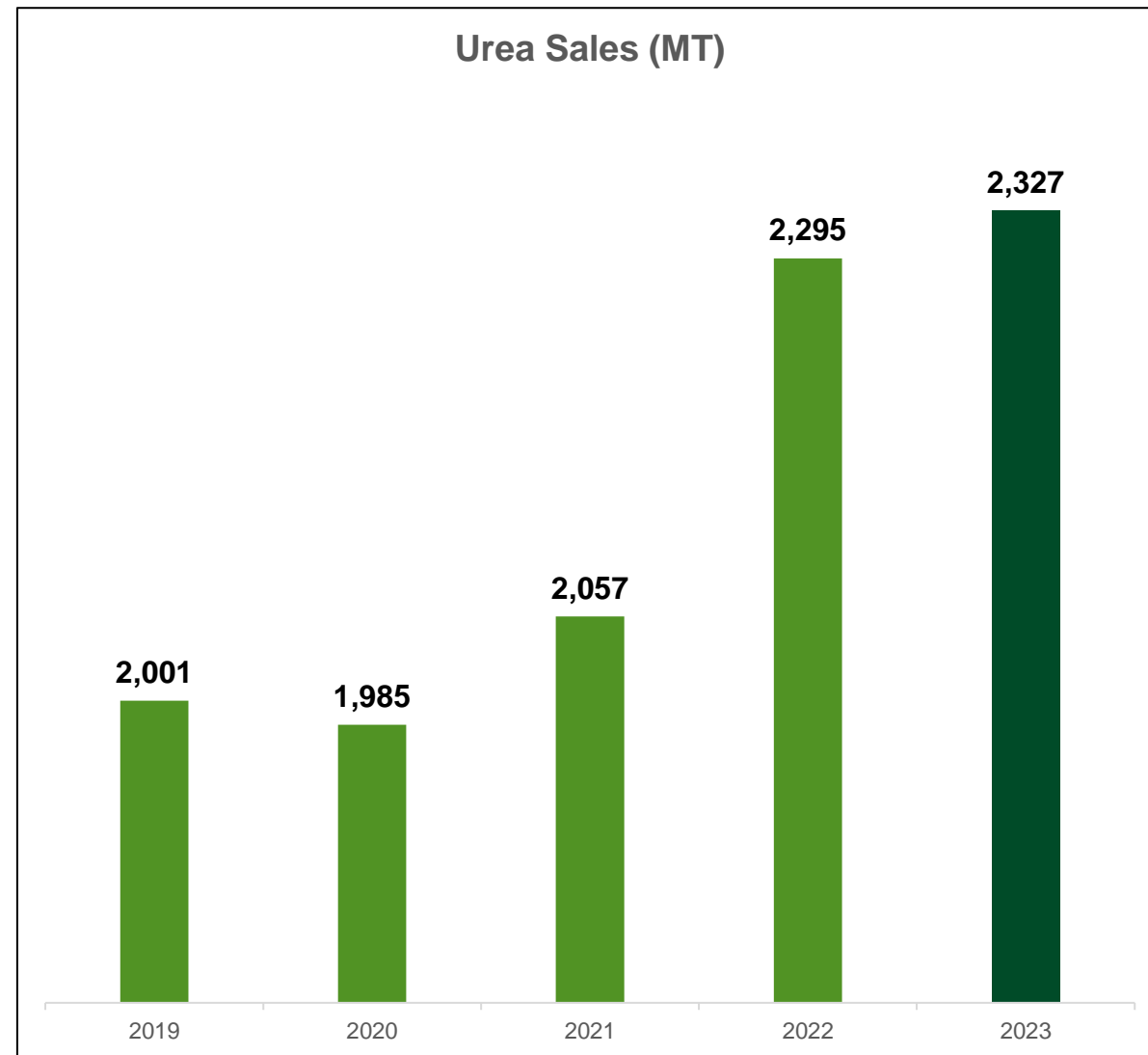


Urea Production & Sales FY 2023

Urea Production (MT)



Urea Sales (MT)

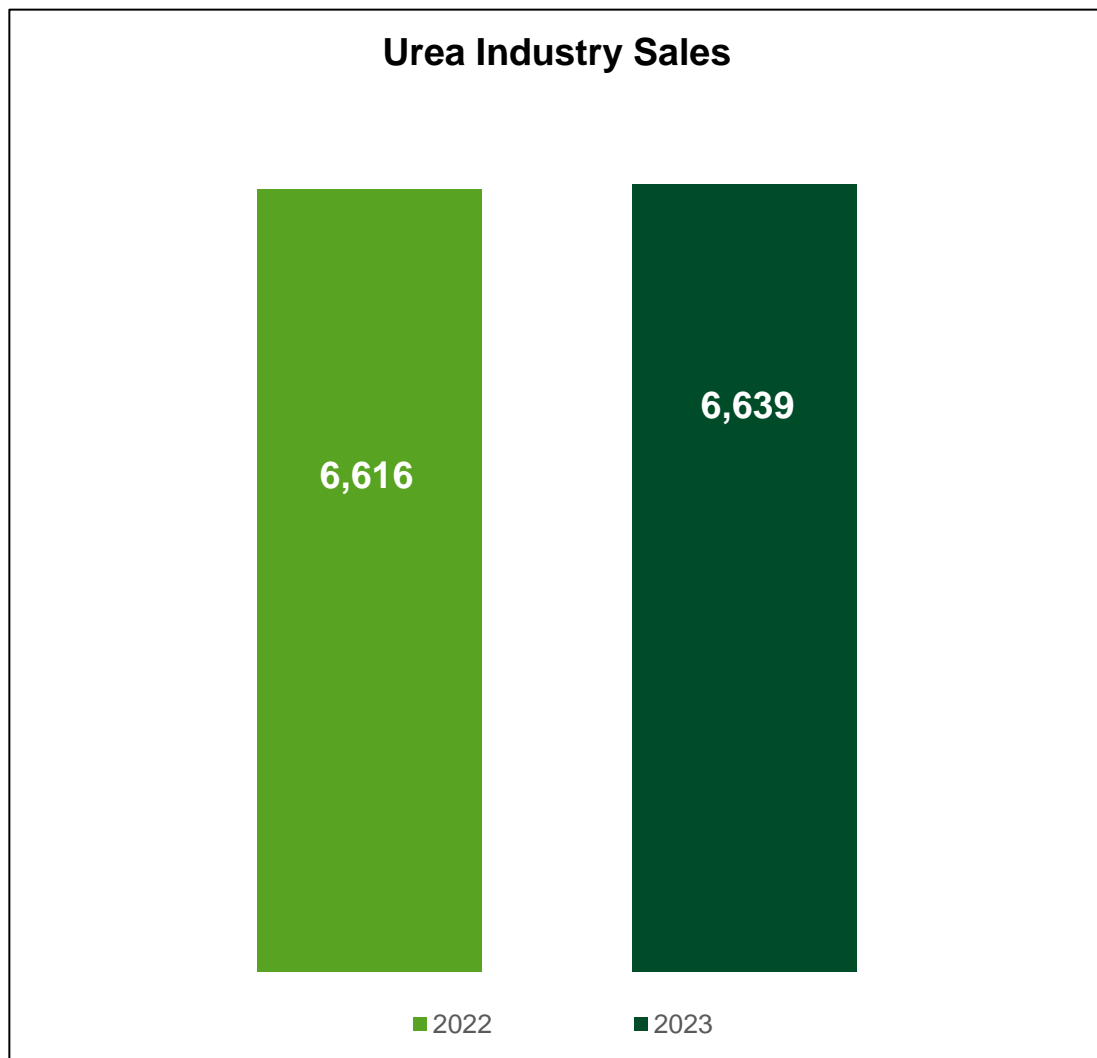


2. Industry & EFERT Business Performance

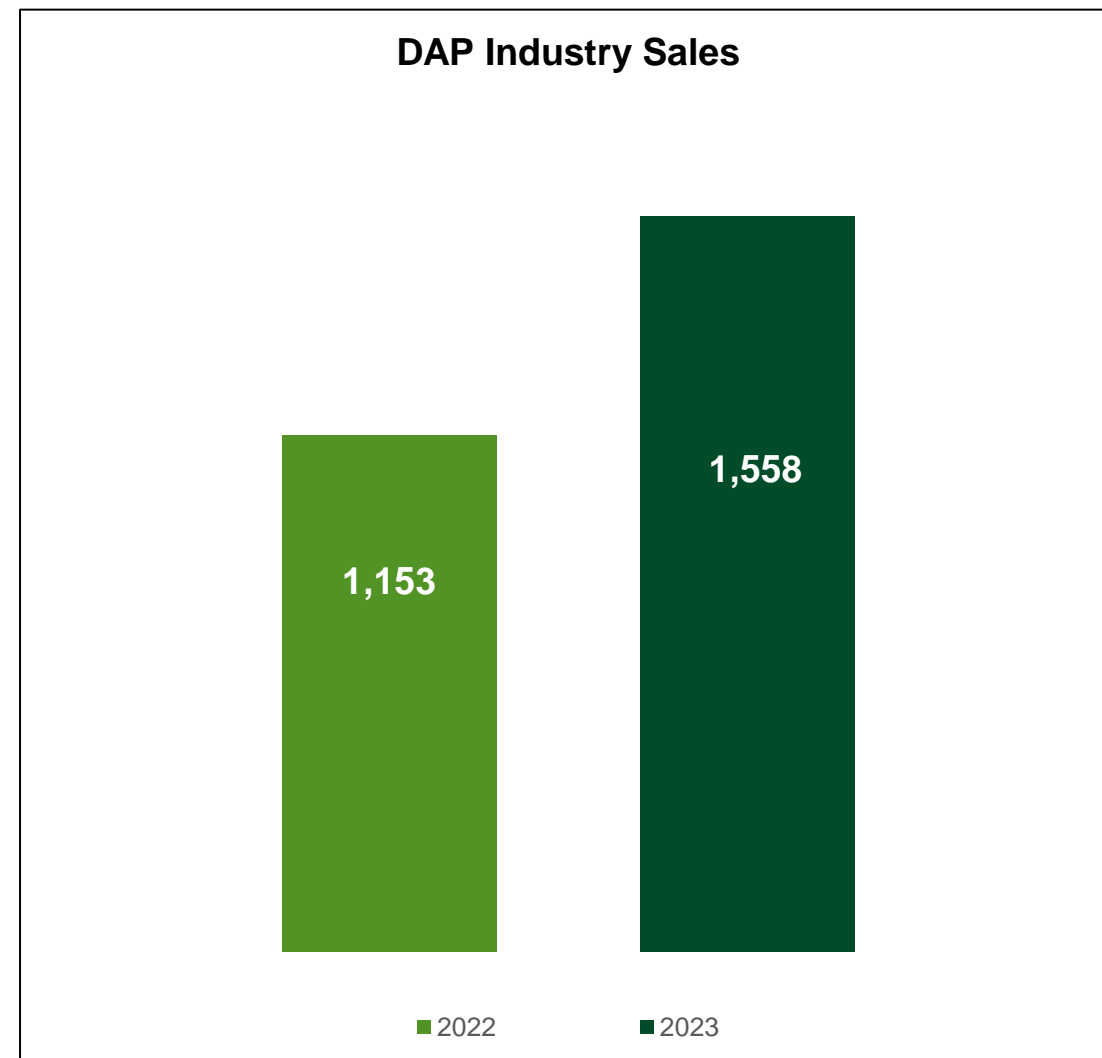




Urea & DAP Industry FY 2023



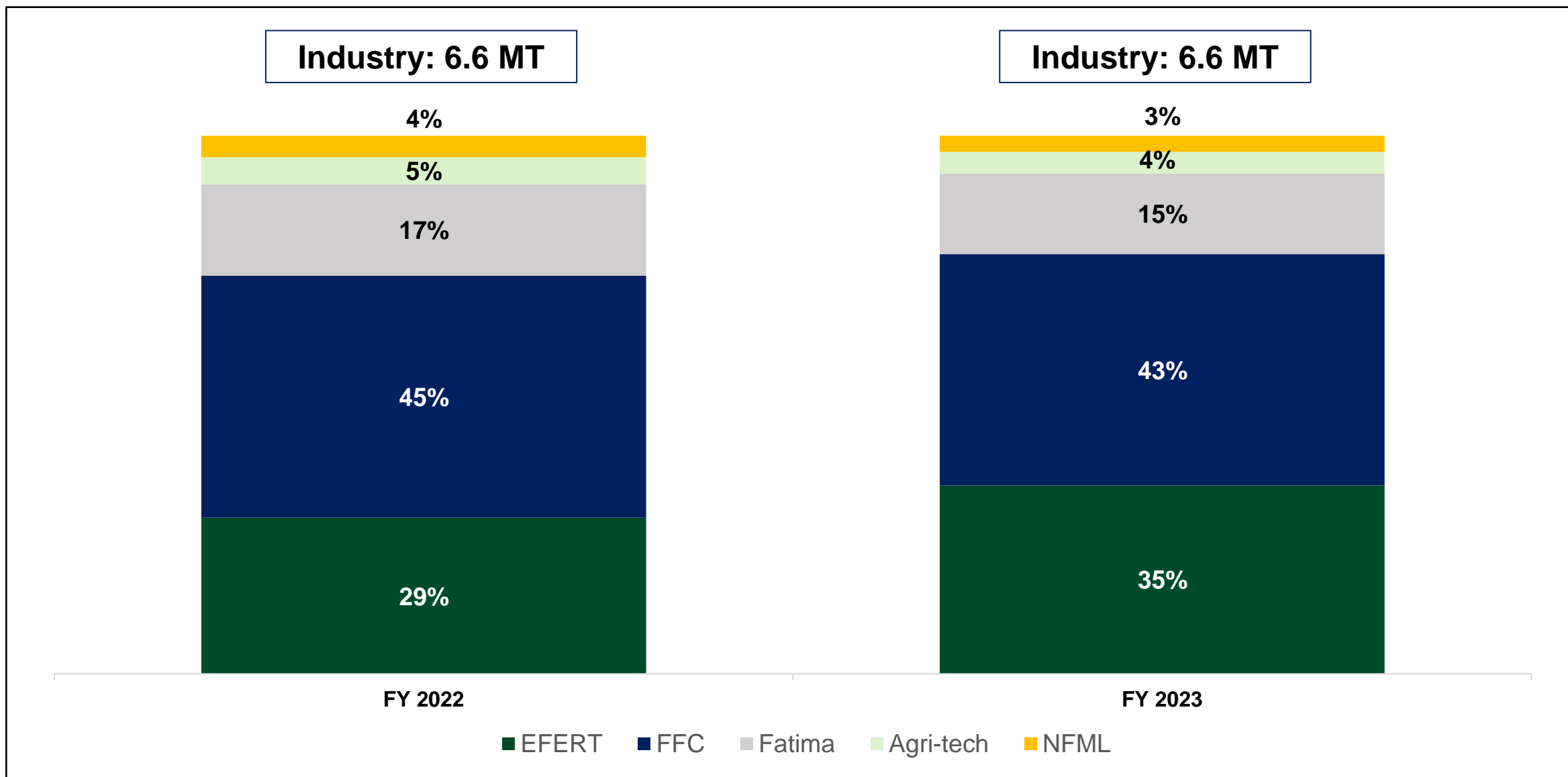
Urea industry has grown by 0.3%



Phosphates industry has grown by 34%

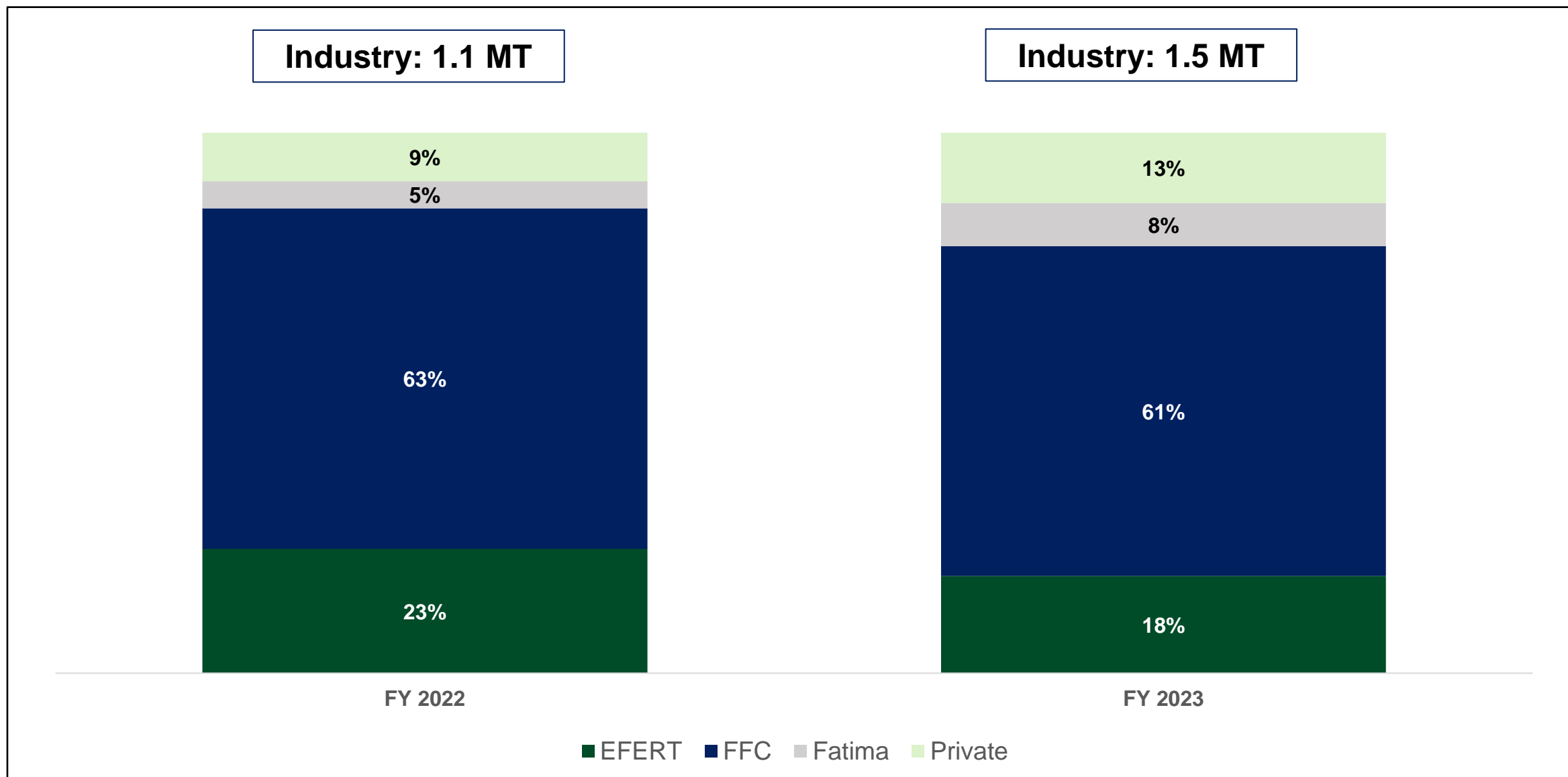


Urea Market Share FY 2023





DAP Market Share FY 2023



3. Contributions & Challenges





Contributing to the Nation

1. Imported Urea purchase from the Government

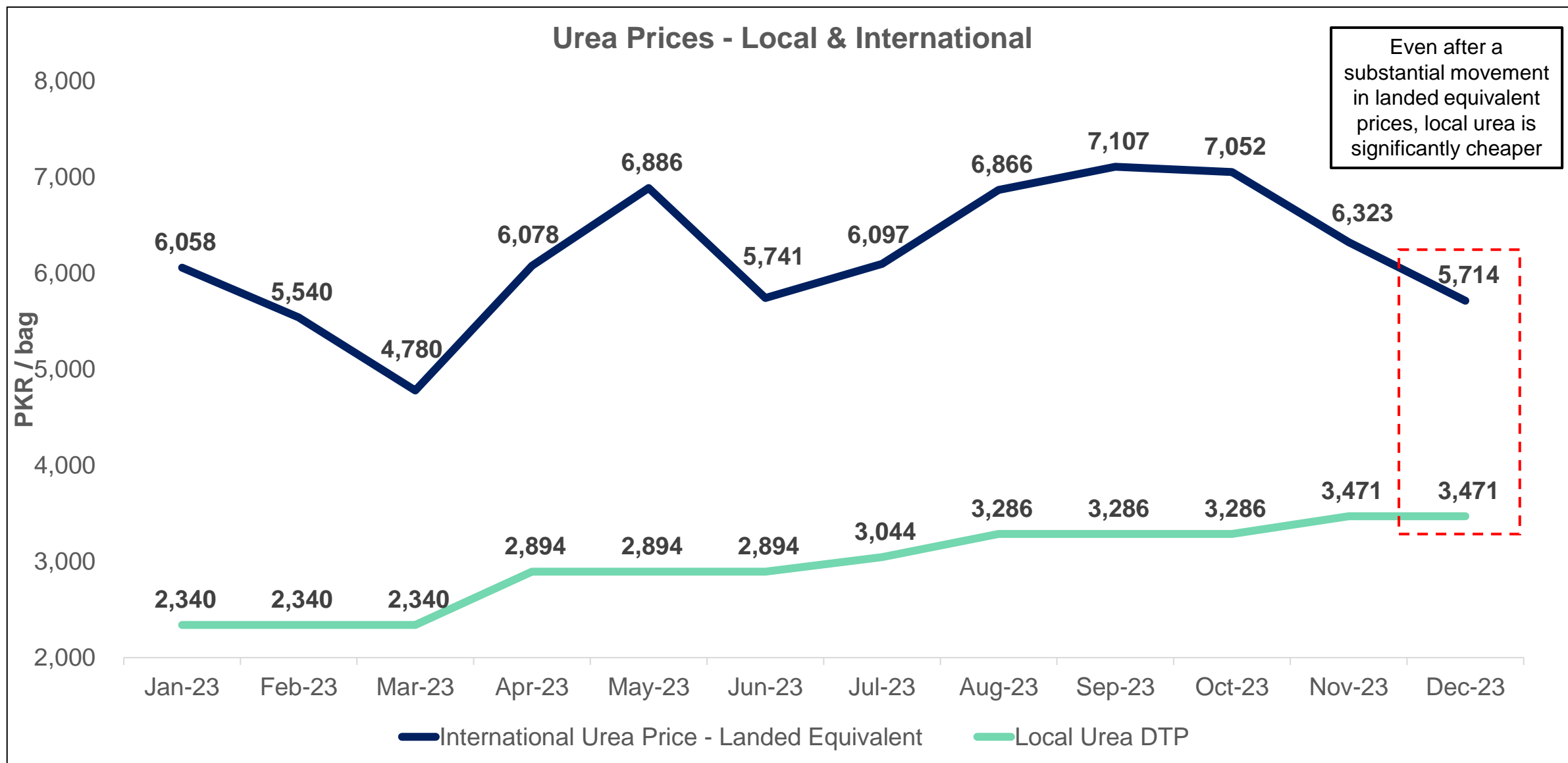
- Urea shortage forced the Government to import ~220 KT.
- Since the country is in a financial crunch, the Government was unable to subsidize this.
- EFERT along with other Fertilizer players, stepped up and supported the GOP by uplifting ~75KT of this Urea at imported price.

2. Contribution to the National Exchequer

- The Company contributed ~ PKR 34.7Bn towards the National Exchequer by way of Government taxes, duties, and levies, compared to PKR 11.6Bn in 2022.
- Our contribution to the national exchequer translated into an effective tax rate of 47%.



Fertilizer Sector - shielding farmers from higher costs of International Urea





Gas Pricing Update

In a recent development the Government has increased the gas price of some Fertilizer players from PKR 580/MMBtu to PKR 1,597/MMBtu.

Increase is only for 60% of the sector. Remaining 40% remain at PKR 580/MMBtu.

40% represents major players, i.e. FFC and Fatima.

Could result in potential Urea price discrepancy, with Engro Urea being more expensive than FFC and Fatima.

Even though we welcome this change as a step in the right direction. We recommend that gas prices should be unified for the entire industry.



Economic Challenges



PKR DEVALUATION

Increasing trade imbalances and debt burden resulted in record devaluation from PKR 226/USD to 282/USD (-24%).



INFLATION

IMF-backed hikes in energy costs caused CPI to peak at 38% (May'23). December inflation (YoY) stood at 29.7%



INTEREST RATES

During the year, SBP raised interest rates from 16% to 22%.



IMPORT CHALLENGES

Depleted FX reserves resulted in import restrictions and increased margin requirements for LC's.



COMMODITY PRICES

PP based gas was pushed upwards in H1 2023 which was then relaxed after stability in oil prices at the ~ \$80/bbl range.



TAXATION

- Super Tax enhanced from 4% to 10%.
- 5% (FED) levied on all Fertilizers. 8% Sales Tax (over and above FED) imposed on DAP.

4. Way Forward





Way Forward

