



FFBL

Fauji Fertilizer Bin Qasim Limited

Ref. No. 33.1/Secc/C

25 July 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 Period Ended 30 June 2024**

Dear Sir,

1. It is informed that the Board of Directors of our Company, in their meeting held at Fauji Foundation Head Office, Rawalpindi on 25 July 2024, recommended the following:

a. Cash Dividend	:	Nil
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 period ended 30 June 2024, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) are attached.

3. **FINANCIAL RESULTS – OVERVIEW**

- a. Economic stability resulting in a steady foreign exchange rate, higher international DAP margins and improved gas availability were the key drivers of FFBL's performance during the period under review. Higher sales volume of DAP 351 KT (including 24KT of imported DAP) (2023: 274 KT) and Urea 216 KT (2023: 180 KT) during the six months period and improvement in plant efficiency in the second quarter also contributed to the Company's financial performance. Resultantly, the company has achieved highest-ever half yearly profit after tax (PAT) of Rs. 10.6 Bn as compared to loss after tax of Rs. 4.9 Bn in the same period last year (SPLY) and Rs. 6.2 Bn in second quarter of the year as compared to Rs. 0.4 Bn PAT in same quarter last year (SQLY).
- b. With the support of GoP, Management successfully managed to improve the gas supply to the FFBL. During the six months period under review gas supply improved significantly to 74% of the allocated volume as compared to 53% in SPLY, which resulted in higher production of Urea and DAP.
- c. Proactive working capital management resulted in a substantial reduction in finance costs to Rs. 2.1 Bn during the six months period (2023: Rs. 5.3 Bn) and Rs. 1.1 Bn in Q2 (2023: Rs. 2.8 Bn). Bank deposit income increased by Rs. 3.9 Bn during the six months period from SPLY and Rs. 1.7 Bn in Q2 from SQLY. Other income also includes dividend of Rs. 1.6 Bn in Q2 from PMP and





FFBL

Fauji Fertilizer Bin Qasim Limited

Rs. 0.8 Bn in Q1 from Askari Bank Limited. The Company did not incur significant exchange loss during the period, which had negatively impacted the results of SPLY by Rs. 4.7 Bn.

- d. On a consolidated basis, the Group is reporting a profit after tax of Rs. 15.9 Bn, marking a significant improvement from a loss after tax of Rs. 3.2 Bn. in SPLY. This upswing is primarily attributed to the Parent Company's (FFBL) improved profitability. The improved financial performance of our joint venture (PMP) and associate (AKBL) has also contributed a profit of Rs. 2.5 (2023: loss of Rs. 0.8 Bn) and Rs 2.3 Bn (2023: profit of Rs. 1.7 Bn) in the consolidated results during the six months period respectively.
- e. The Company commends the Government of Pakistan's strategy to continue the exemption of sales tax on Urea and the lower sales tax rate on DAP in Finance Act 2024. This approach will enhance farm economics and promote the balanced use of fertilizers.
- f. The sustainability of the fertilizer sector is heavily dependent on a consistent supply of gas. To ensure this, the allocation of indigenous gas should be optimized to capitalize the natural resource. This strategy not only mitigates the risk to food security but also saves substantial foreign exchange by reducing the need for imports.
- g. The half year report of the Company for the period ended 30 June 2024 will be transmitted through PUCARS separately, within the specified time and shall also be made available on our website <https://www.ffbl.com>.

Regards

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



FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

Annex-A

	Three month period ended		Six month period ended	
	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)	June 30, 2024 (Rupees in thousand)	June 30, 2023 (Rupees in thousand)
Sales - net	50,331,837	35,234,803	96,855,575	66,757,504
Cost of sales	(38,999,786)	(30,762,671)	(76,747,663)	(60,142,658)
Gross profit	11,332,051	4,472,132	20,107,912	6,614,846
Selling and distribution expenses	(2,212,266)	(1,566,980)	(4,604,997)	(2,253,522)
Administrative expenses	(374,890)	(249,355)	(773,773)	(421,368)
Operating profit	8,744,895	2,655,797	14,729,142	3,939,956
Finance cost	(1,102,334)	(2,837,063)	(2,122,033)	(5,325,051)
Exchange loss - net	(184,762)	(65,122)	(191,207)	(4,684,956)
Other expenses	(821,696)	(90,916)	(1,549,189)	(92,232)
Other income	4,658,522	2,540,587	8,683,518	3,438,862
Unwinding cost of GIDC payable	(32,091)	(136,909)	(91,429)	(299,541)
Provision on subsidy receivable from GoP	-	(56,000)	-	(56,000)
	(32,091)	(192,909)	(91,429)	(355,541)
Profit / (loss) before levies and taxation	11,262,534	2,010,374	19,458,802	(3,078,962)
Final taxes - levies	(787,433)	(401,162)	(1,374,115)	(443,986)
Profit / (loss) before taxation	10,475,101	1,609,212	18,084,687	(3,522,948)
Taxation	(4,221,220)	(1,130,172)	(7,524,532)	(1,427,225)
Profit / (loss) after taxation	6,253,881	479,040	10,560,155	(4,950,173)
Earnings / (loss) per share - basic and diluted (Rupees)	4.84	0.37	8.18	(3.83)



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

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

Annex-B

	Three month period ended		Six month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	57,683,756	41,302,829	111,403,705	80,928,474
Cost of sales	(43,663,198)	(33,407,013)	(84,887,493)	(67,927,642)
Gross profit	14,020,558	7,895,816	26,516,212	13,000,832
Selling and distribution expenses	(2,599,541)	(2,003,479)	(5,419,315)	(3,138,449)
Administrative expenses	(630,777)	(504,153)	(1,255,198)	(963,765)
Finance costs	10,790,240	5,388,184	19,841,699	8,898,618
Exchange loss - net	(1,837,480)	(3,735,061)	(3,691,664)	(7,116,849)
Other operating expenses	(1,140,233)	(185,115)	(2,355,430)	(251,393)
Other losses				
Unwinding of GIDC payable	(32,091)	(136,909)	(91,429)	(299,541)
Provision on subsidy receivable from GoP	-	(56,000)	-	(56,000)
	(32,091)	(192,909)	(91,429)	(355,541)
	7,582,474	1,182,818	13,500,833	(3,777,083)
<i>Other income</i>				
Share of profit of associate and joint venture - net	1,401,007	732,537	4,820,477	871,171
Others	5,168,749	1,382,871	8,509,831	2,276,177
	6,569,756	2,115,408	13,330,308	3,147,348
Profit / (loss) before levies and taxation	14,152,230	3,298,226	26,831,141	(629,735)
Final taxes - levies	(787,433)	(401,162)	(1,374,115)	(443,986)
Profit / (loss) before taxation	13,364,797	2,897,064	25,457,026	(1,073,721)
Taxation	(5,087,429)	(1,464,631)	(9,556,131)	(2,059,951)
Profit / (loss) after taxation from continuing operations	8,277,368	1,432,433	15,900,895	(3,133,672)
Loss from discontinued operations - FML	-	(41,715)	-	(109,770)
Profit / (loss) for the period	8,277,368	1,390,718	15,900,895	(3,243,442)
Profit / (loss) attributable to:				
- Owners of the Holding Company	7,522,405	1,023,817	14,680,811	(3,831,064)
- Non-controlling interest	754,963	366,901	1,220,084	587,622
	8,277,368	1,390,718	15,900,895	(3,243,442)
Earnings / (loss) per share - basic and diluted (Rupees)	5.83	0.79	11.37	(2.97)

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