

Corporate Briefing

Year ended Dec 31, 2022

Presented by CFO

February 7, 2023






**Historical
Overview**

**Business
Highlights**

**Key
Challenges**

**Q & A
session**

Historical Overview; 1979 - 2022

1  3

Number of Plants

569  2,048

Design Capacity
(Thousand Tonnes)

567  2,404

Sona Urea Production
(Thousand Tonnes)

19%  45%

Urea Market Share

2,133  109,364

Revenue - all products (Rs Mn)

Incorporated as a JV between Fauji Foundation and Haldor Topose A/S Denmark in 1978 (US\$330 Mn), the Company has demonstrated phenomenal growth over the past four decades, with increase in urea production by 4.4 times over the period



Highest-ever Annual:

- Revenue - Rs 109 Bn
- Investment Income – Rs 10 Bn
- pre-tax profit - Rs 34 Bn



Import Substitution - US\$ 1.65 Bn



Benefit to farmers - Difference in Int vs local urea prices - US\$ 1.5Bn



Contribution to National Exchequer - Taxes & Levies - Rs 30 Bn



Awards and Recognition

Awards & Recognition

01

SAFA Best Presented Annual Report Awards 2021

- Gold – Manufacturing Sector
- Gold – Integrated Reporting
- Silver – Overall Excellence in Corporate Reporting
- Bronze – Corporate Governance

02

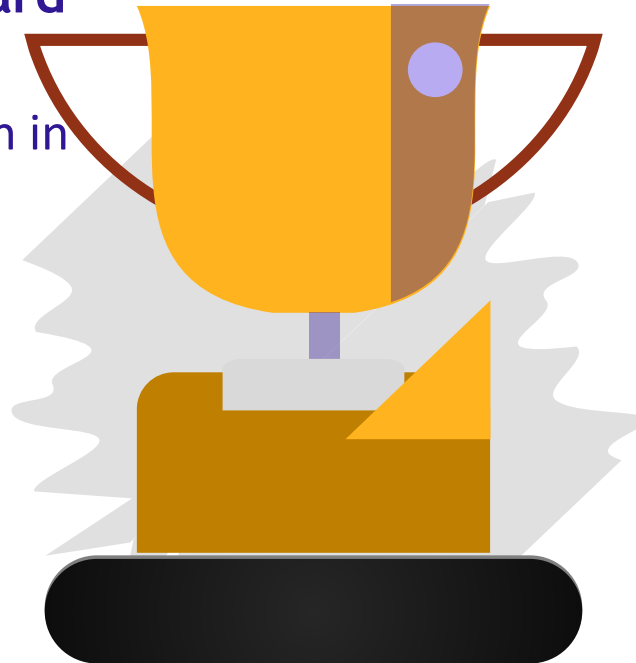
Best Corporate Report Award 2021 by ICAP /ICMAP

overall 1st position 1st position in manufacturing sector

03

Best Sustainability Report Award 2021 by ICAP/ICMAP

overall 1st position



04

Largest National Taxpayer Awards by RCCI/FBR

Largest National Taxpayer from Manufacturing Sector

05

PSX Top 25 Companies Award 2021

overall 1st position
(12th Consecutive Year)

KPI Dashboard – Production & Sales



Urea production (K tons)

| | |
|------|-------|
| 2022 | 2,404 |
| 2021 | 2,507 |

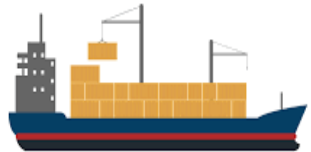
4%



Urea Sales (K tons)

| | |
|------|-------|
| 2022 | 2,423 |
| 2021 | 2,477 |

2%



DAP Imports (K tons)

| | |
|------|-----|
| 2022 | 147 |
| 2021 | 205 |

28%

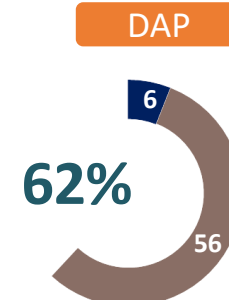
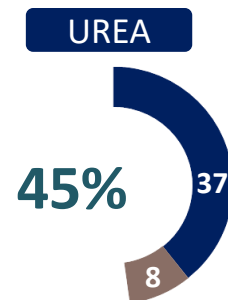


DAP Sales (K tons)

| | |
|------|-----|
| 2022 | 70 |
| 2021 | 205 |

66%

Market Share (FFC & FFBL Combined)



■ FFC
■ FFBL

KPI Dashboard – Financial indicators



Revenue - PKR Mn

▲ 1%

| | |
|-------------|----------------|
| 2022 | 109,364 |
| 2021 | <u>108,651</u> |



Gross Profit - PKR Mn

▲ 3%

| | |
|-------------|---------------|
| 2022 | 40,047 |
| 2021 | <u>38,879</u> |



Operating Profit- PKR Mn

▼ 2%

| | |
|-------------|---------------|
| 2022 | 29,939 |
| 2021 | <u>30,470</u> |



Net Profit - PKR Mn

▼ 8%

| | |
|-------------|---------------|
| 2022 | 20,050 |
| 2021 | <u>21,896</u> |



Net Profit - USD Mn

▼ 27%

| | |
|-------------|------------|
| 2022 | 97 |
| 2021 | <u>134</u> |



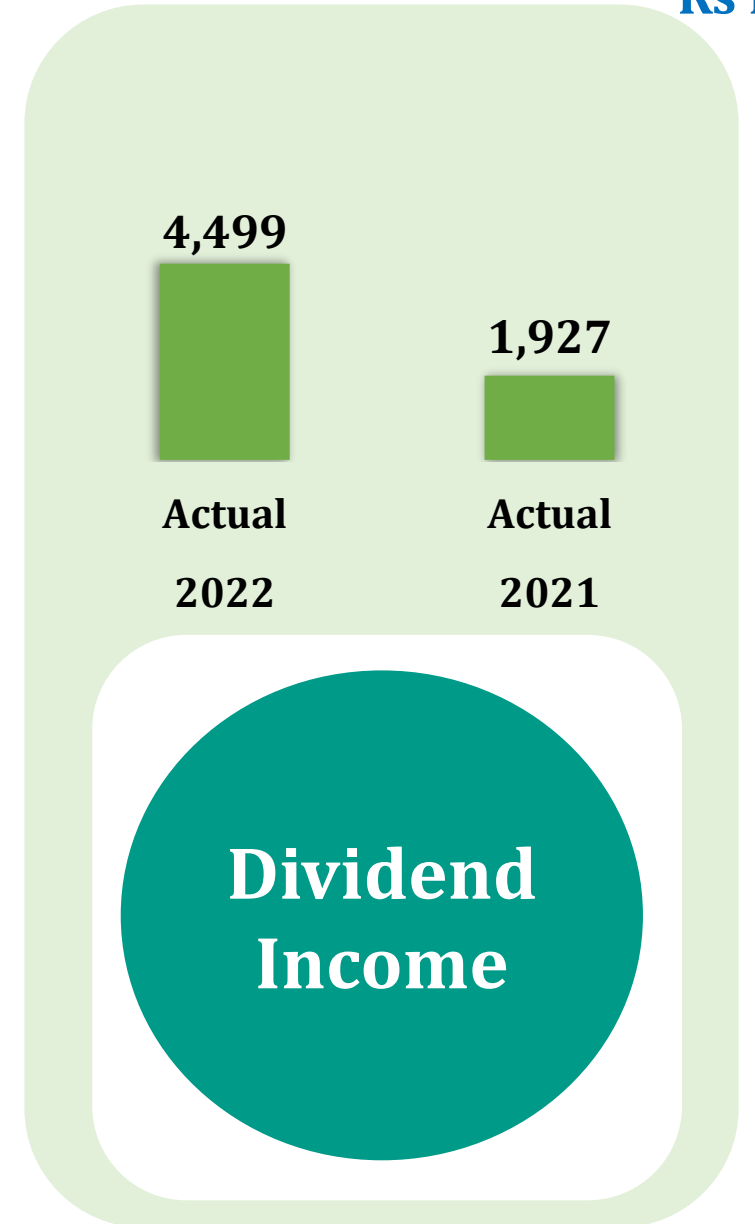
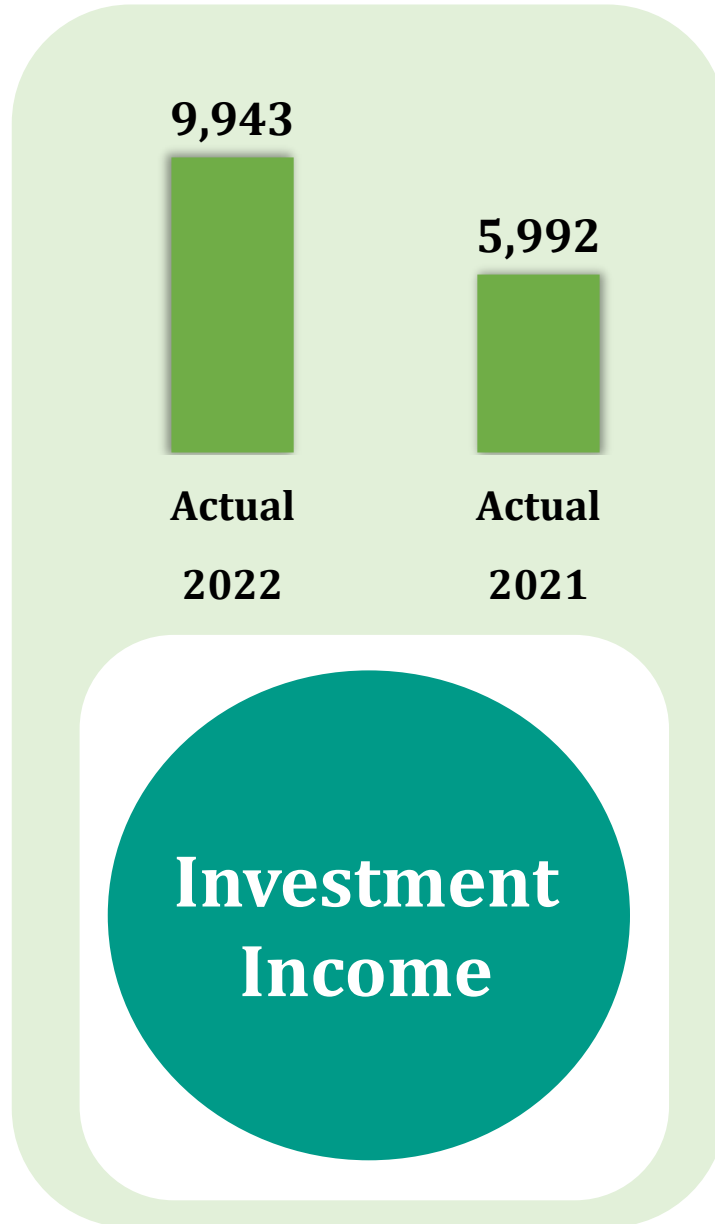
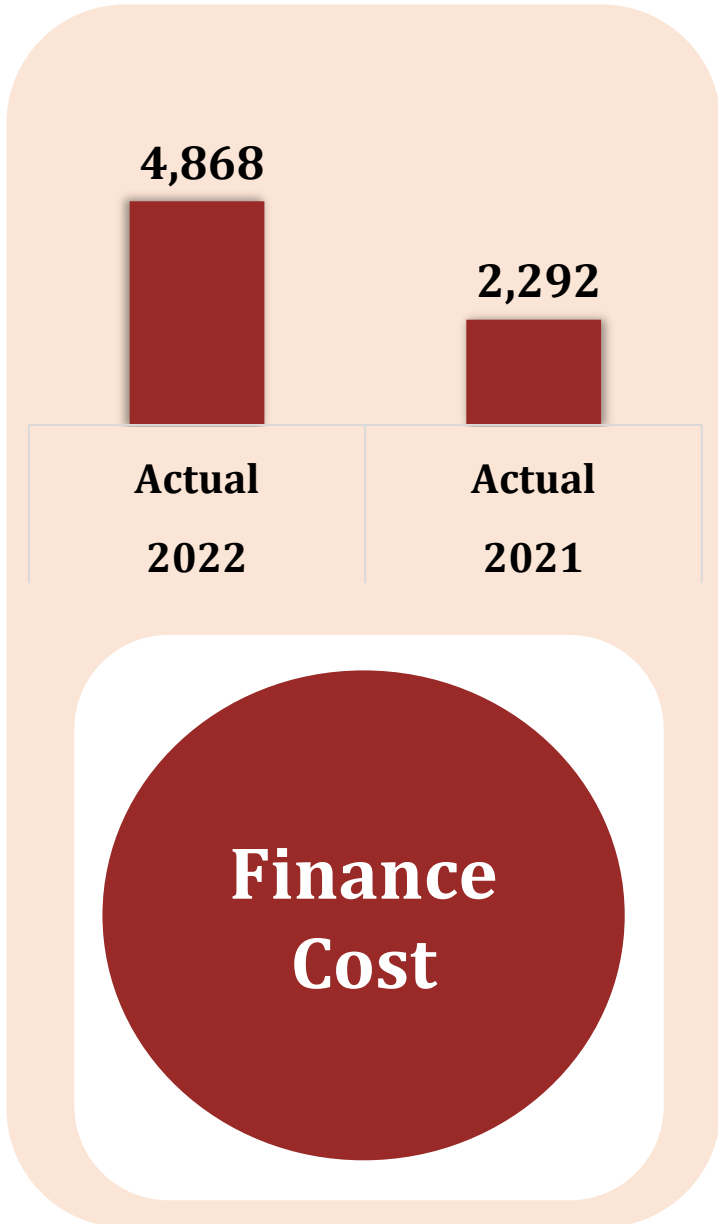
Earnings per share - PKR

▼ 8%

| | |
|-------------|--------------|
| 2022 | 15.76 |
| 2021 | <u>17.21</u> |

Finance Cost and Other Income

Rs Mn



Sona Urea Production

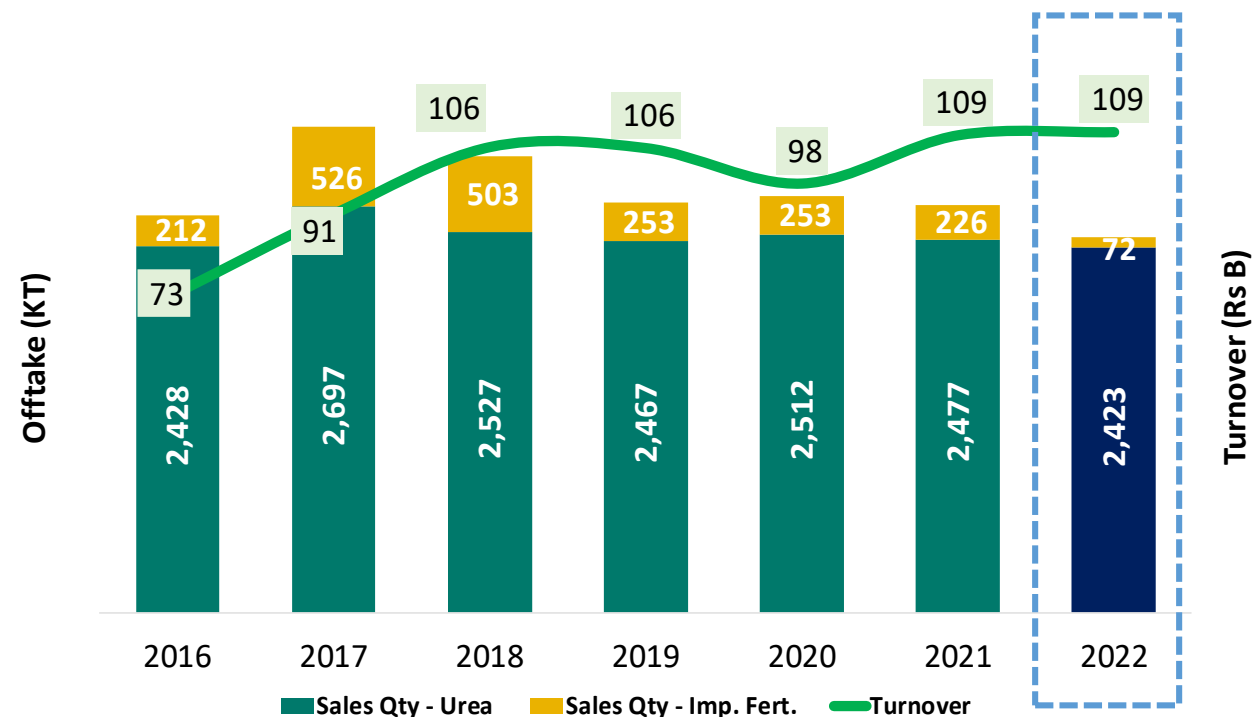
Lower by 4% vs LY
due to 2 X T/As

000' MT



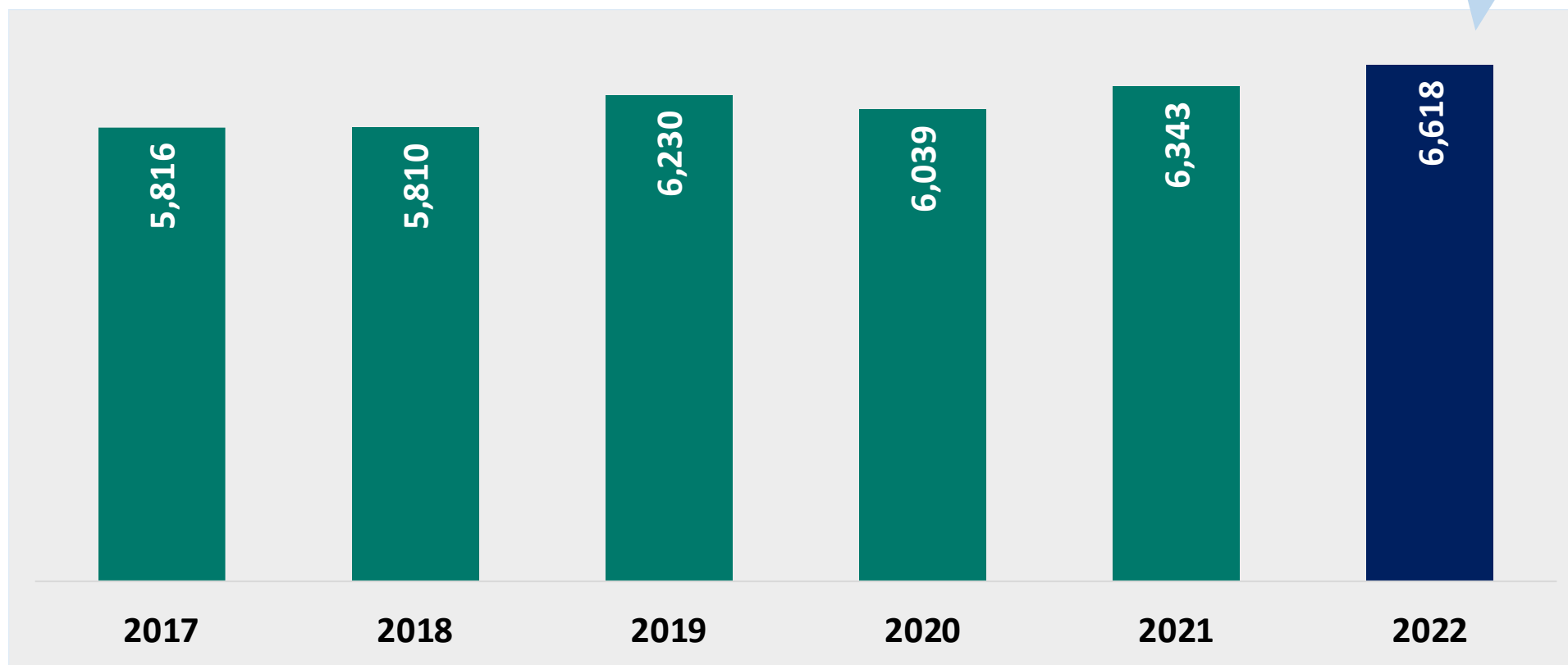
Fertilizer Sales & Aggregate Turnover

Highest
ever
Turnover



Industry Urea sales – 6 year’s at a glance

000’ MT



4% growth in industry sales vs LY

- Average sales for the past 6 years is 6,142KT

Associated Businesses

Combined Net Profit: **Rs 8.8 bn**

FFCEL

89.5GWh of electricity supplied
(2021: 108.92 GWh)

Record net profit
Rs 2.5 Bn, 17% ↑

Sold 518K verified Carbon Credits against Rs 244K
(shared equally with CPPA)

Repaid last installment of Project loan

FWEL I & II

FWEL-I

106.3 GWh of electricity supplied
(2021: 109.8GWh)

Net Profit: **Rs 3.16 Bn**
198% ↑

FWEL-II

114.5 GWh of electricity supplied
(2021: 124.7GWh)

Net profit: **Rs 3.14 Bn**
194% ↑

FFF

Revenue **82%** ↑
Gross profit **125%** ↑
Operating loss **60%** ↓
Net loss **19%** ↑

New 3 Ton/hour FF line commenced production in June

Business with McDonald & KFC growing steadily

TEL

Investment **Rs 2.17 Bn**
(Total Rs 5.67 bn)

Achieved **COD in Oct 2022**

Key Challenges



- **Governmental Pricing Intervention**
 - Restricts Company pass-through ability

- **Forex non-availability**
 - For import of essential Machinery and spares & Other items

- **Offloading DAP inventory**
 - Slowdown in downstream demand (78 KT inventory in hand)



- **Galloping Cost Push**
 - Inflation, high interest rates environment and PKR devaluation

- **Declining profitability in US\$ term**
 - US\$ 97 Mn (2021: US\$ 134 Mn)

- **Imposition of Super Tax**
 - Super Tax, Rs 5.0 Bn in 2022

- **Continuity of Operations**
 - In case of sovereign default

ANY QUESTIONS



THANK YOU