

FFL/HO/CS/ 3408
April 25, 2024



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

Financial Results for the Quarter ended March 31, 2024

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **April 25, 2024 at 10:00 a.m.** 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 for the period ended March 31, 2024, comprising of Statement of Profit or Loss (Unconsolidated as Annex-A and Consolidated as Annex-B) and brief commentary are attached.

1st Quarterly Financial Report of the Company for the period ended March 31, 2024 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Brig Naveed Azam Cheema".
Brig Naveed Azam Cheema (Retd)
Company Secretary

Encl: As above

Fauji Foods Limited
 Condensed Interim Statement of Profit or Loss (Un-Audited)
 For the three months period ended 31 March 2024

	<i>Note</i>	31 March 2024 Rupees	31 March 2023 Rupees
Revenue from contracts with customers - net		5,574,454,513	5,169,068,273
Cost of revenue	12	(4,484,324,147)	(4,508,395,953)
Gross profit		<u>1,090,130,366</u>	<u>660,672,320</u>
Marketing and distribution expenses		(430,474,060)	(346,722,001)
Administrative expenses		(196,013,645)	(186,738,039)
Profit / (Loss) from operations		<u>463,642,661</u>	<u>127,212,280</u>
Other income		92,246,336	69,820,244
Other expenses		(339,849,340)	(467,792)
Finance cost		(3,586,538)	(299,778,236)
Profit / (Loss) before taxation		<u>212,453,119</u>	<u>(103,213,504)</u>
Taxation		(100,286,250)	(66,369,511)
Profit / (Loss) after taxation		<u>112,166,869</u>	<u>(169,583,015)</u>
Earnings / (Loss) per share - basic and diluted		<u>0.04</u>	<u>(0.07)</u>



Fauji Foods Limited

Condensed Interim Consolidated Statement of Profit or Loss (Un-Audited)

For the three months period ended 31 March 2024

	<i>Note</i>	31 March 2024 Rupees	31 March 2023 Rupees
Revenue from contracts with customers - net		5,574,454,513	5,169,068,273
Cost of revenue	11	(4,486,454,147)	(4,508,395,953)
Gross profit		1,088,000,366	660,672,320
Marketing and distribution expenses		(430,474,060)	(346,722,001)
Administrative expenses		(198,201,645)	(186,738,039)
Profit / (Loss) from operations		459,324,661	127,212,280
Other income		92,250,336	69,820,244
Other expenses		(339,849,340)	(467,792)
Finance cost		(8,083,538)	(299,778,236)
Profit / (Loss) before taxation		203,642,119	(103,213,504)
Taxation		(100,286,250)	(66,369,511)
Profit / (Loss) after taxation		103,355,869	(169,583,015)
Earnings / (Loss) per share - basic and diluted		0.04	(0.07)



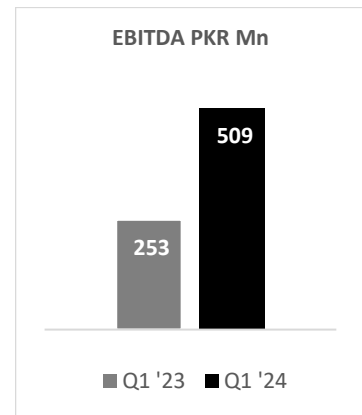
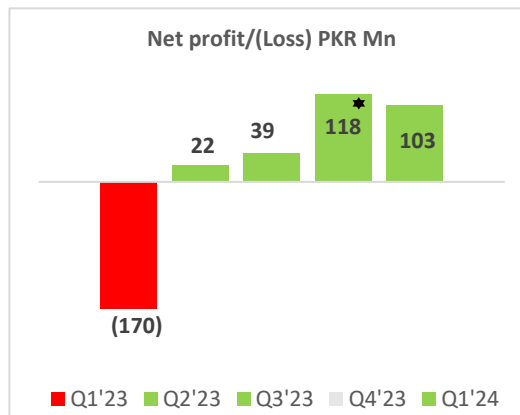
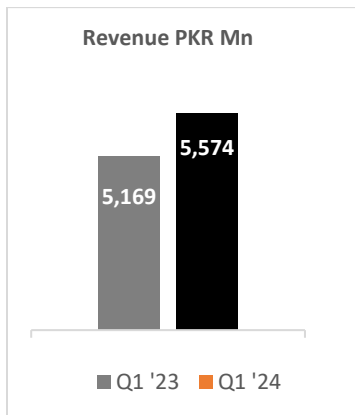
Brief Commentary FFL Q1, 2024 Results

FFL recorded its 4th consecutive PAT positive quarter, reporting PKR 103 Mn in Q1 2024. The YTD revenue of Rs 5.6 bn **(+7.8% vs SPLY)** reflects the sustained growth momentum for the business.

Nurpur UHT milk continues to drive growth and remains the fastest growing Milk brand in Pakistan. The successful marketing campaign and Route to Market remain the main drivers. Led by our margin accretive growth strategy, the focus remained on driving value added portfolio in dairy and desserts segment.

In line with the strategy of Margin Accretive Growth, acquisition of Fauji Cereals (FC) business and Fauji Infraavest Foods Limited (FIFL) was completed on Feb 19 and Feb 20, 2024, respectively and their results are consolidated into FFL's results of Q1 2024.

The commercial sustainability is reflected through the improved structure of the P&L as **Gross Margins increased from 12.8% Q1 2023 to 19.5% in Q1 2024**. This was driven by continued focus on cost efficiencies backed by continuous improvement in the Supply Chain. As a result, FFL achieved Q1 2024 operating profit of PKR 459 mn vs PKR 127 mn in SPLY, **an increase of 261%**. With the commercial strategy delivering results, the EBITDA, which has been on a growth path, closed at PKR 509 mn in Q1 2024 from an EBITDA of Pkr 253 mn, **an increase of 101.5%** over SPLY.



*Q4'23 results exclude deferred tax income of PKR 596 Mn

Looking ahead, the investment in brands and distribution infrastructure as well as high margin Cereals portfolio should continue to fuel the growth and delivery of improved financial performance. Pasta launch later in the year will further strengthen the culinary credentials of the portfolio extending it beyond the breakfast table. 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.