



Analyst Briefing

May 2024

DISCLOSURE

All forward – looking statements are management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward – looking statements.

Forward – looking statements should not be relied upon for making investment or other decisions as the statements speak only as of the date they were made

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Economic Highlights & Fertilizer Industry



Economic Highlights



20.7%

Inflation (Mar YoY)

Registered a dip from 35.4%
in SPLY.



3.8%

Rupee Devaluation (YoY)

Stable exchange rate leading
to minimal exchange loss .

Current parity PKR 278.55 /
USD.



40%

Gas curtailment

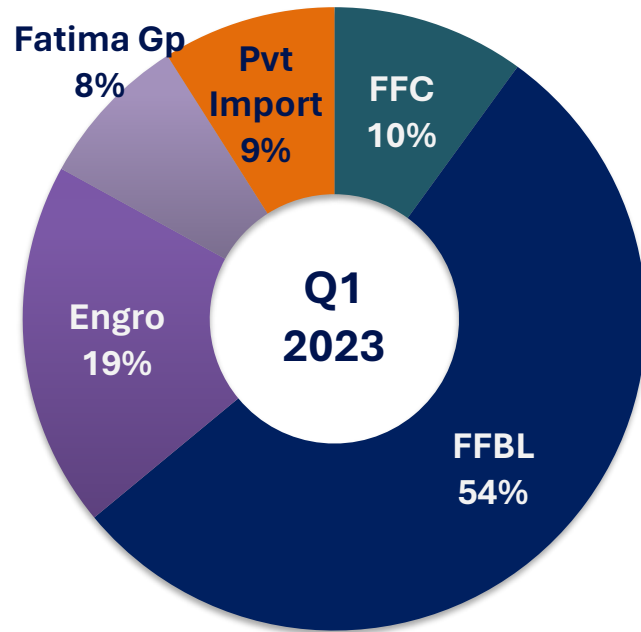
Received 3,116 MMSCF of
natural gas.

40% lower than allocation of
5,168 MMSCF

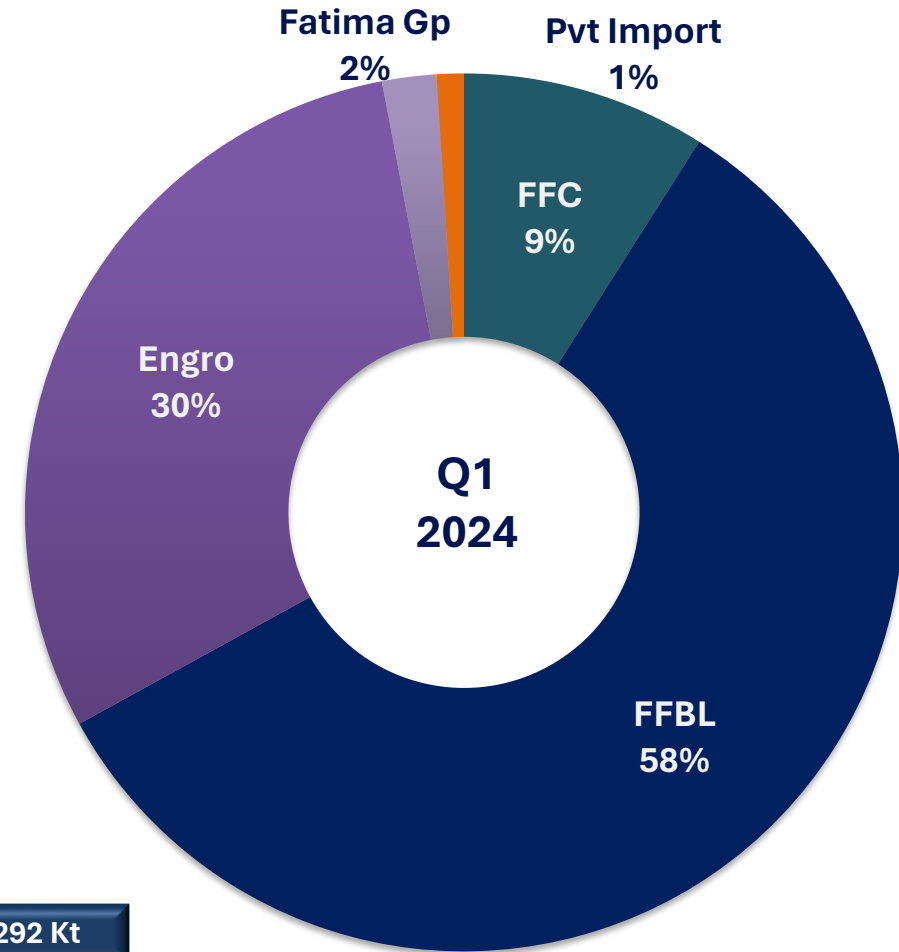
DAP Market

DAP Market registered a 23% increase with total offtake 292 KT (SPLY 238 KT).

With an increased market share of 58% (SPLY 54%), FFBL remains the largest DAP player in the market.



238 Kt

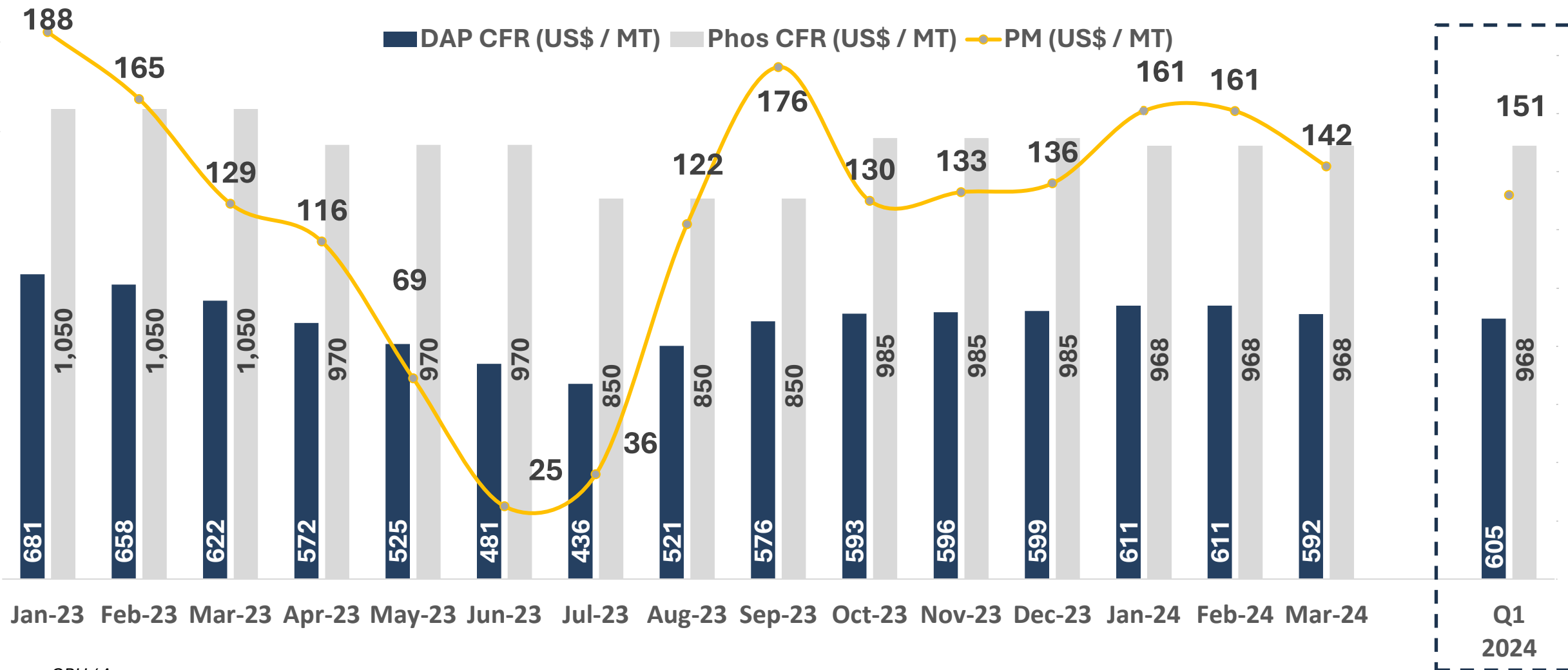


292 Kt



DAP Primary Margin International Trend

Healthy primary margins witnessed in Q1 2024



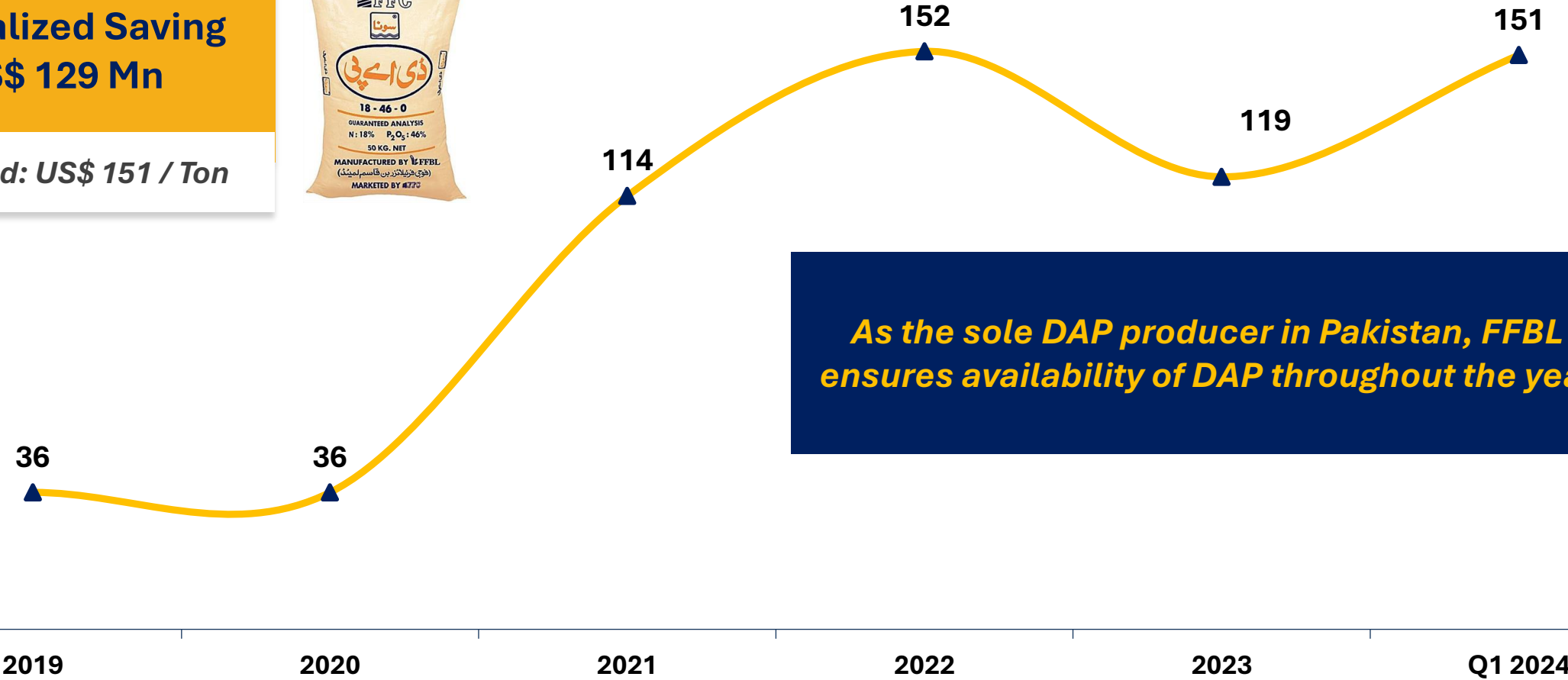
Advantages – Local Manufacturing

FX saving per ton of DAP - US\$



**Annualized Saving
US\$ 129 Mn**

FX Saved: US\$ 151 / Ton

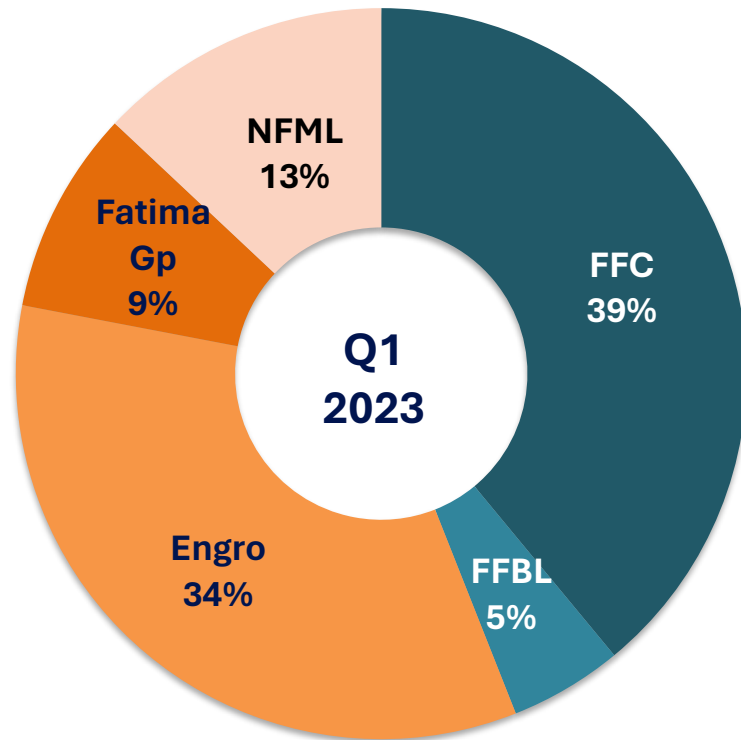


As the sole DAP producer in Pakistan, FFBL ensures availability of DAP throughout the year

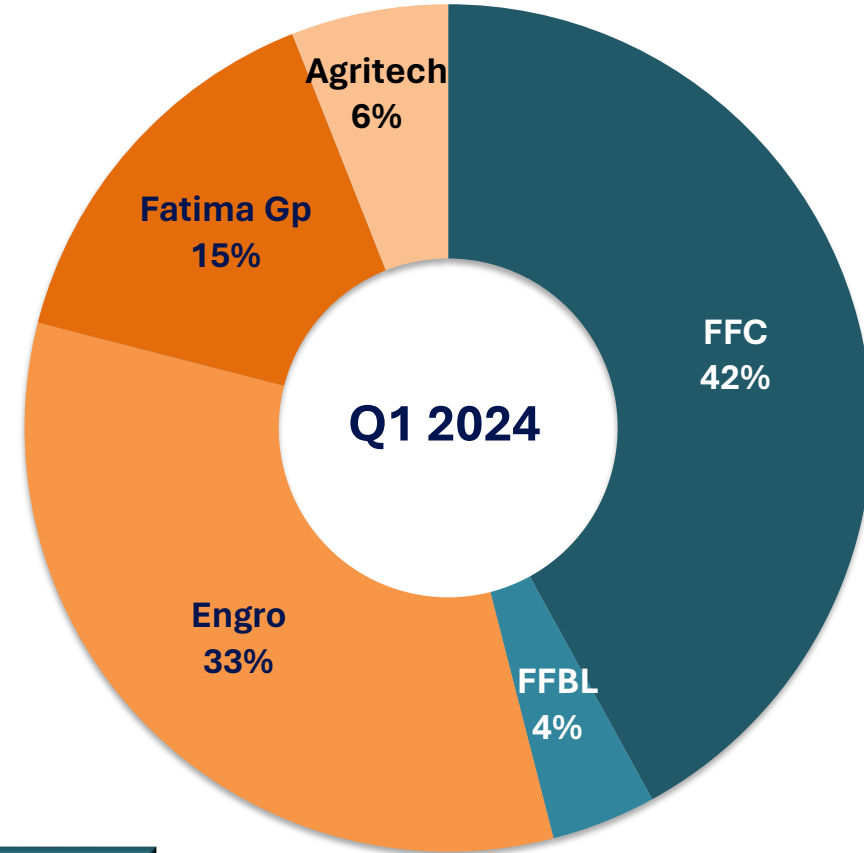
Urea Market

Urea Market increased by 11% with total offtake of 1,798 KT (*SPLY* 1,623 KT).

FFBL liquidated its entire inventory with 64 KT offtake.

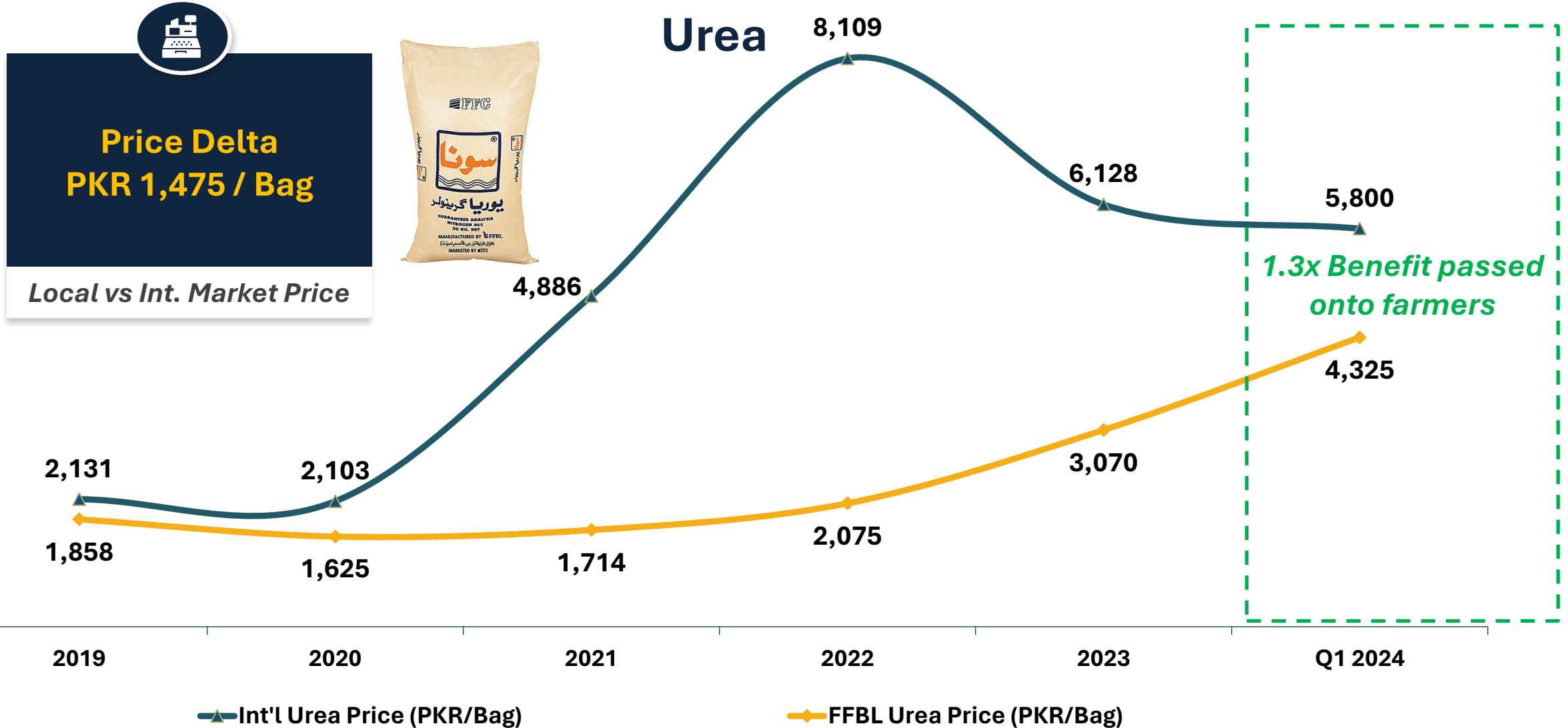


1,623 Kt



1,798 Kt

Advantages – Local Manufacturing



Int'l Price: Ex-Arab FoB with transport and taxes

FFBL Price: Dealer Transfer Price

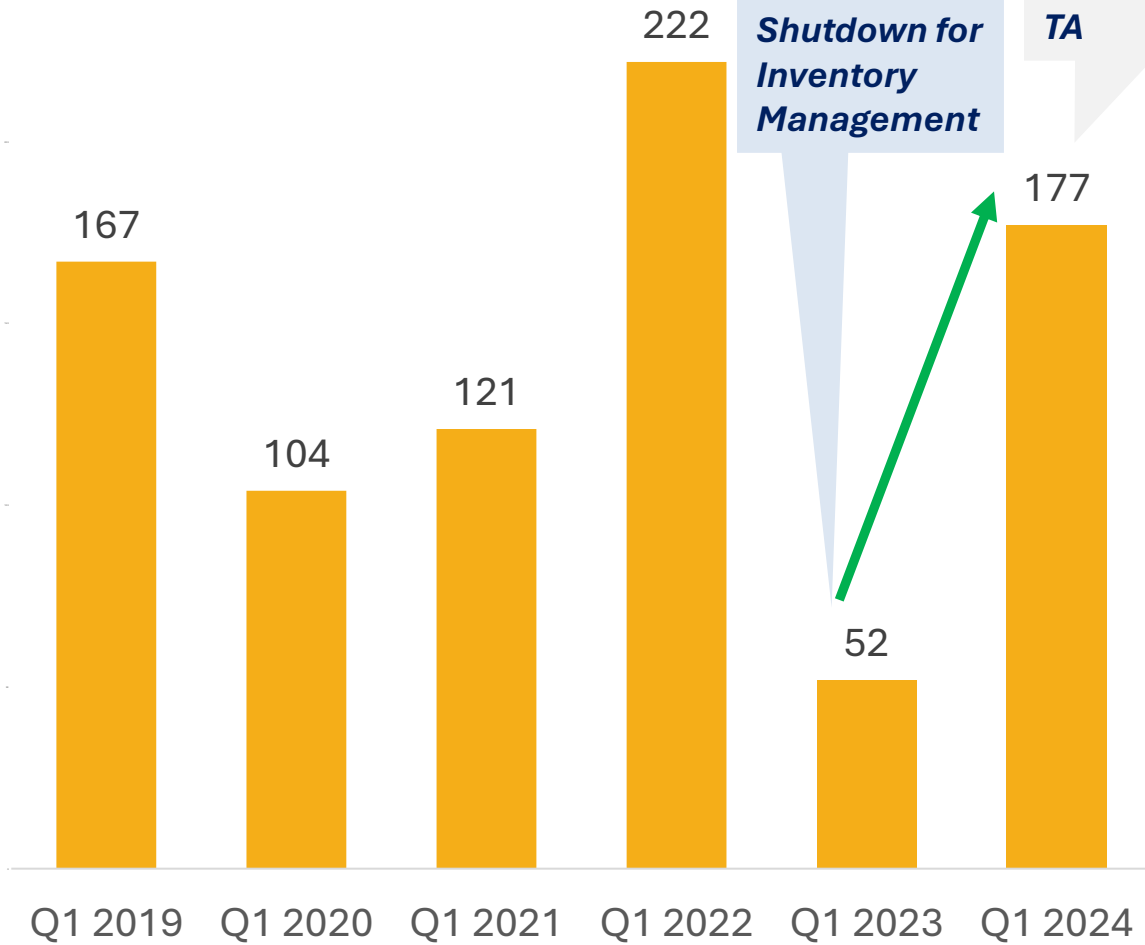


Operational Metrics

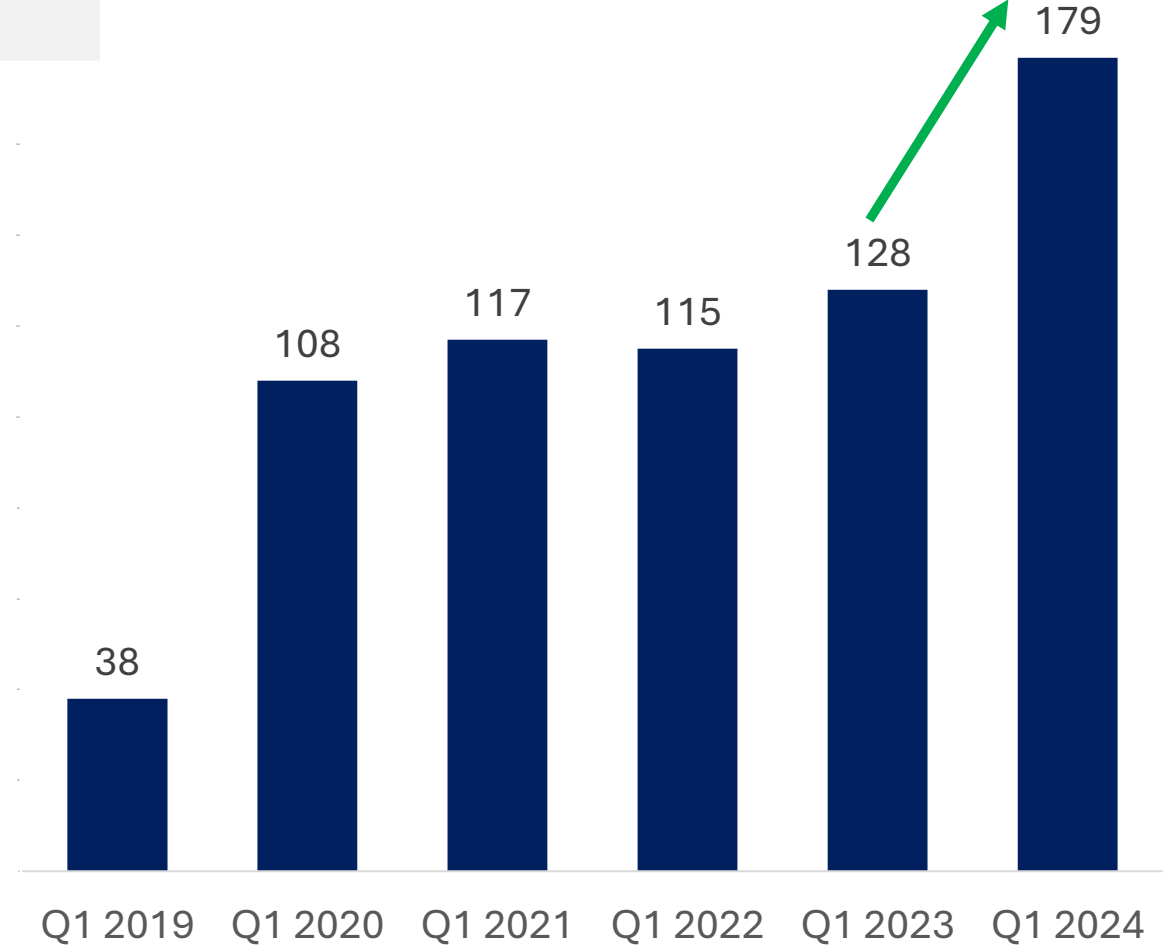


Operational Metrics – DAP

Production (KT)



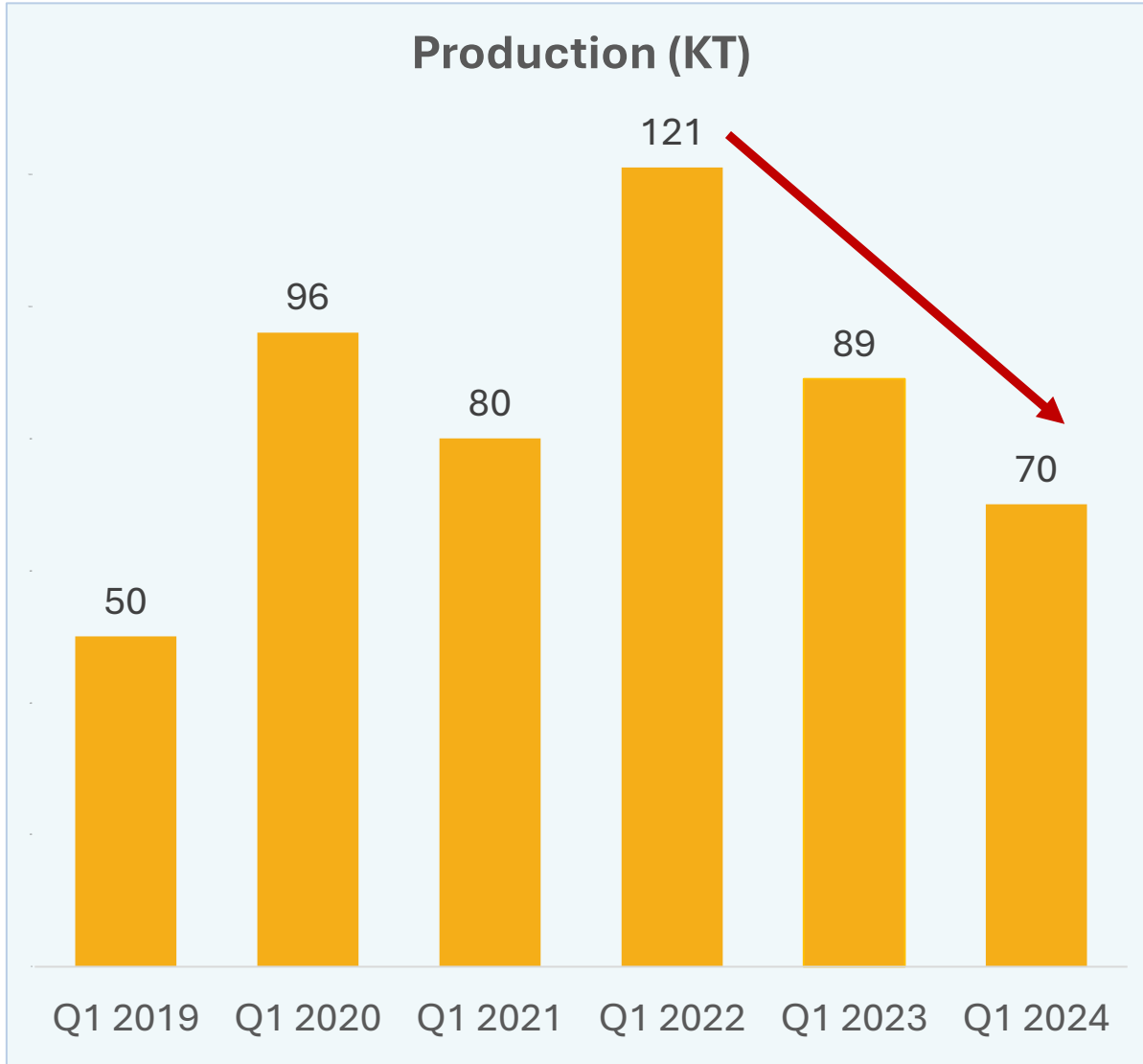
Sales (KT)



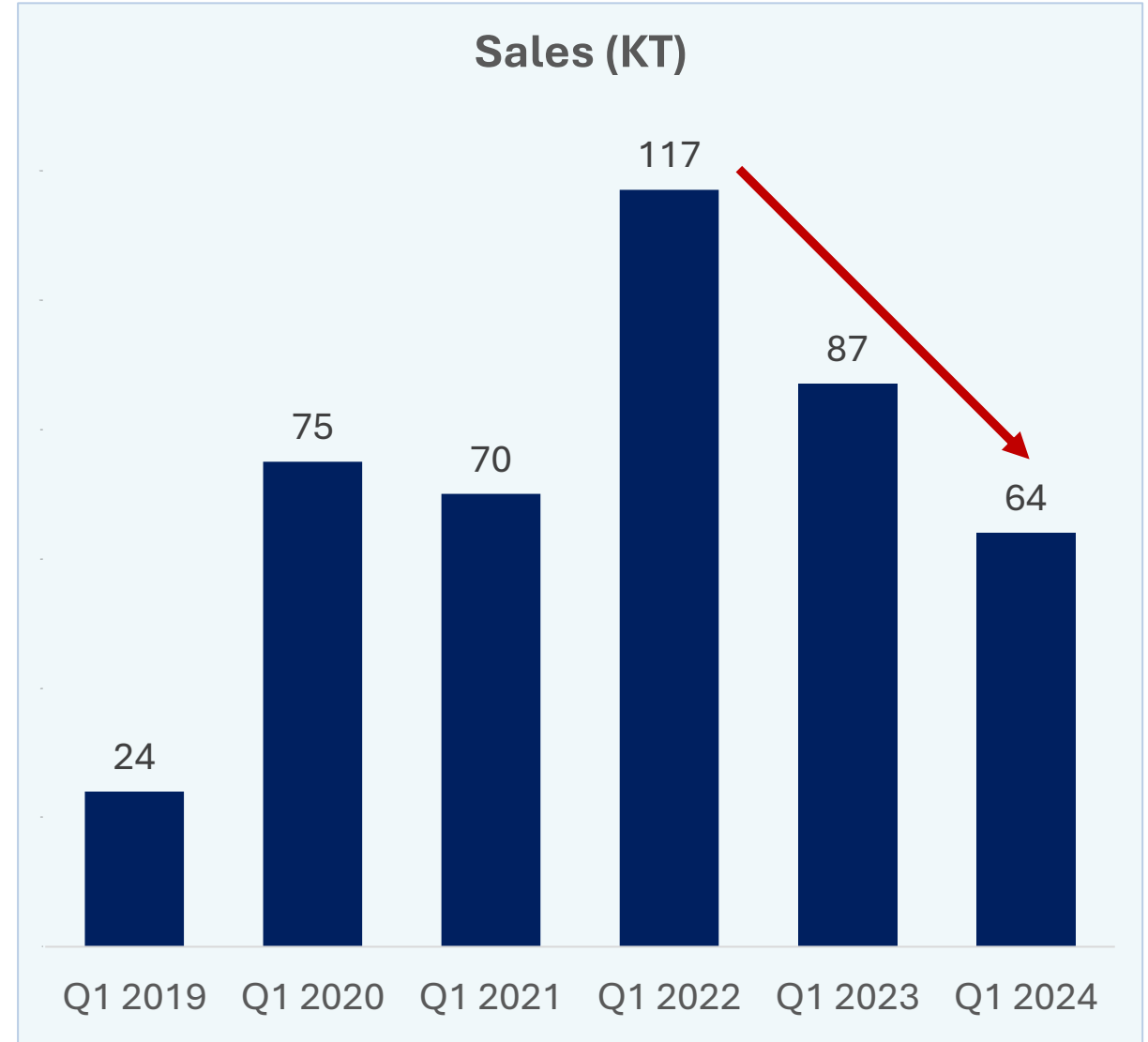
FFBL DAP sales increased by 41% to 179 KT (SPLY 128 KT)

Operational Metrics - Urea

Production (KT)



Sales (KT)



Despite no Annual Turnaround in 2024, Urea production decreased due to Gas curtailment.



Financial Performance



Business Highlights - FFBL



PKR 46.5 Bn

Revenue

Highest ever Q1 Revenue

48% increase over Q1 23 (PKR 31.5 Bn)



58%

DAP Mkt. Share

169 KT Offtake.

4% increase in Market share over SPLY (54%)



PKR 4.3 Bn

Profit After Tax

180+ degree shift from SPLY

179% increase over LAT of Q1 23 (PKR -5.4 Bn)



PKR 2.8 Bn

Net Other Income

Advance DAP Sales and proactive working capital management led to lower finance cost, higher treasury income incl. dividend



10 KT

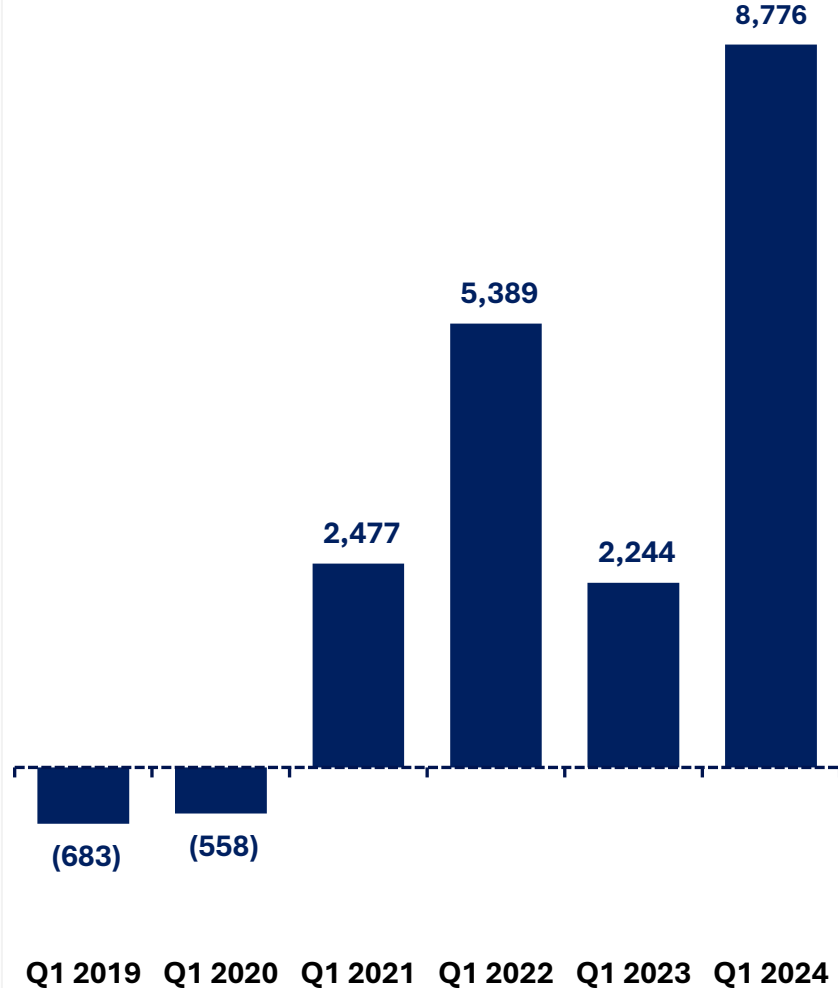
DAP Import by FFBL

1st ever DAP import by FFBL.

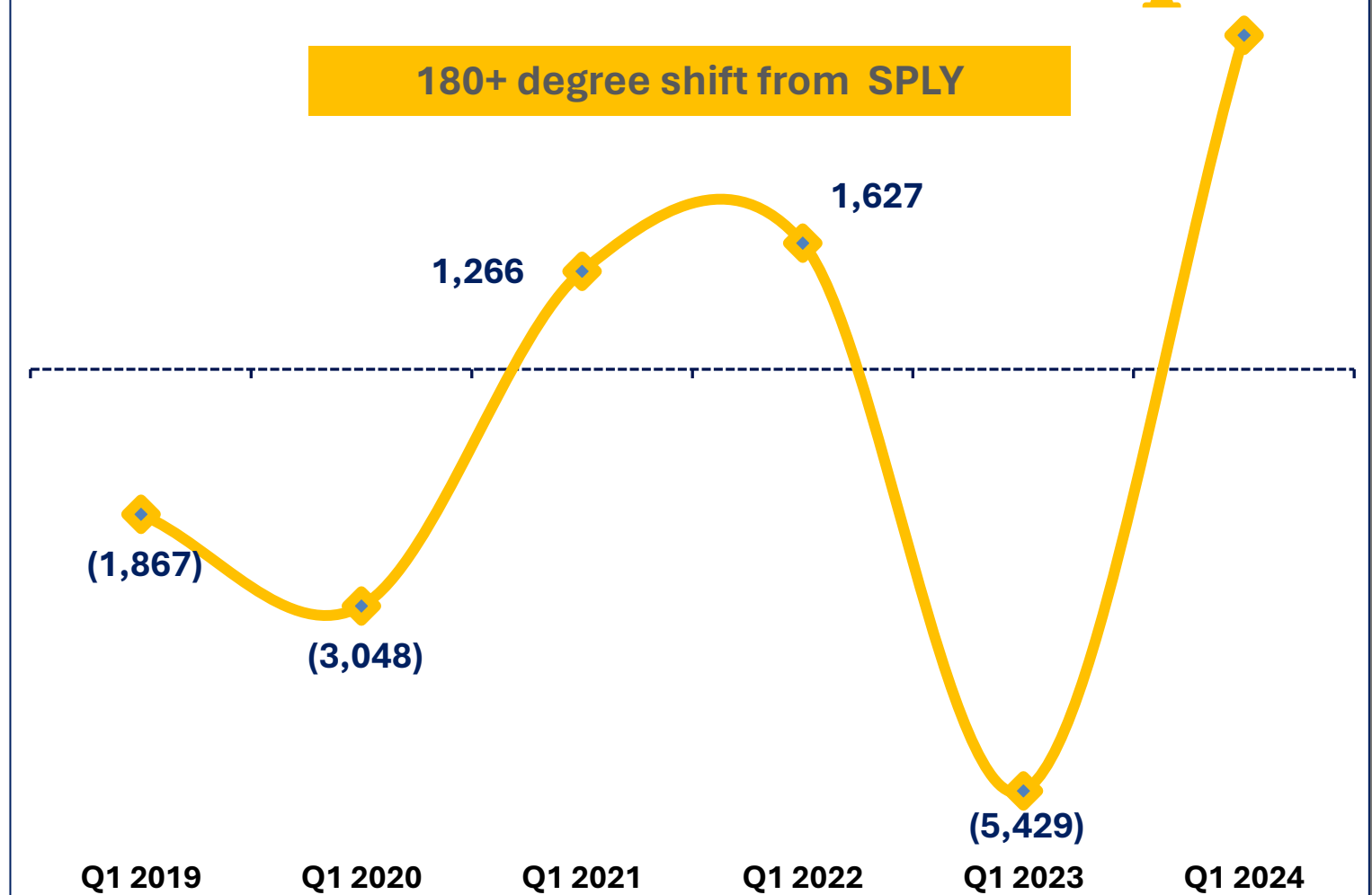
Profitability Trend – Standalone

Highest ever Revenue, Gross and Operating Profit, EBITDA and Profit before and after tax

Gross Profit / (Loss)
PKR Mn



Profit (Loss) after tax
PKR Mn



Profitability Trend – FFBL Group

Consolidated Profit / (Loss)

PKR Mn

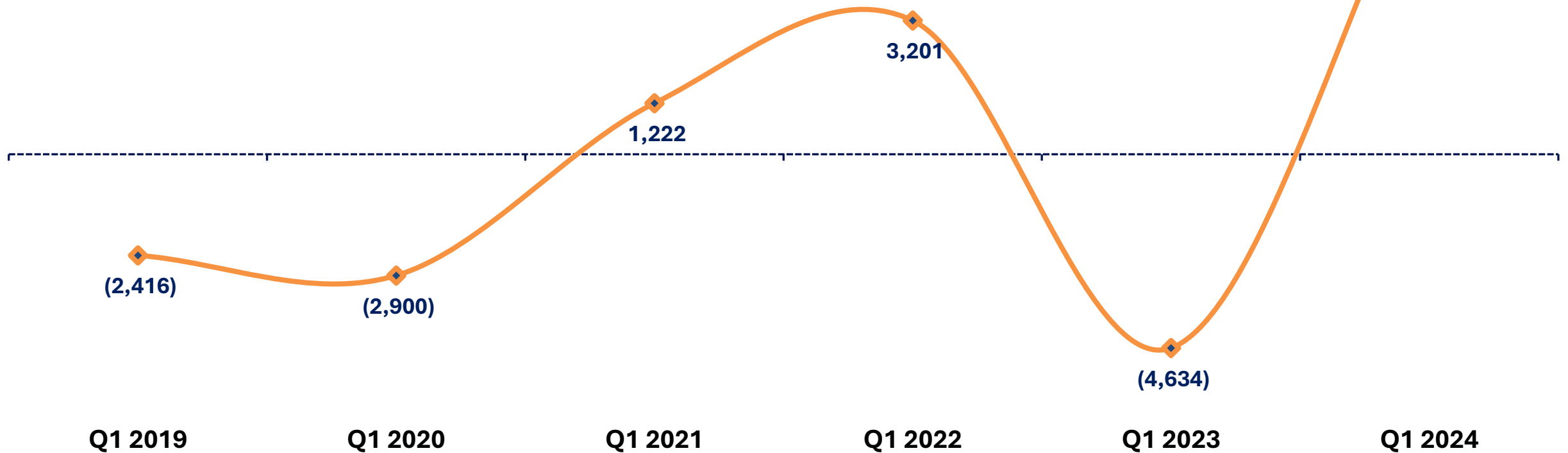
Critical factors

- FFBL's profitability
- PMP financial recovery

Highest ever Profit after tax.



7,624



Investment Updates



38%

Net Profit increase over SPLY

*Safe, reliable and consistent
operations*

*Reduction in energy cost by
optimizing the coal blend with
locally sourced Thar coal.*



265%

Net Profit increase over SPLY

*4th consecutive positive PAT quarter
(PKR 103 Mn).*

*Acquisition of Cereals and Pasta
business completed.*

*NURPUR continues to be the fastest
growing milk brand in Pakistan.*



PKR 0.8 Bn

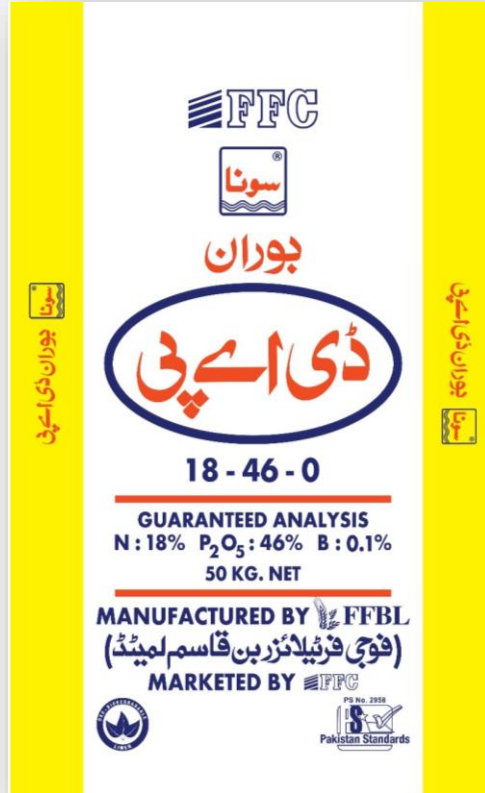
Dividend

*AKBL reported profit of PKR 3.7
Bn in Q1 2024*

*FFBL received dividend of PKR
0.8 Bn pertaining to last year's
earnings.*

Boron Fortified DAP

Sona DAP Boron launched on 23 April 2024



Boron Fortified DAP

*Available all over
Pakistan.*



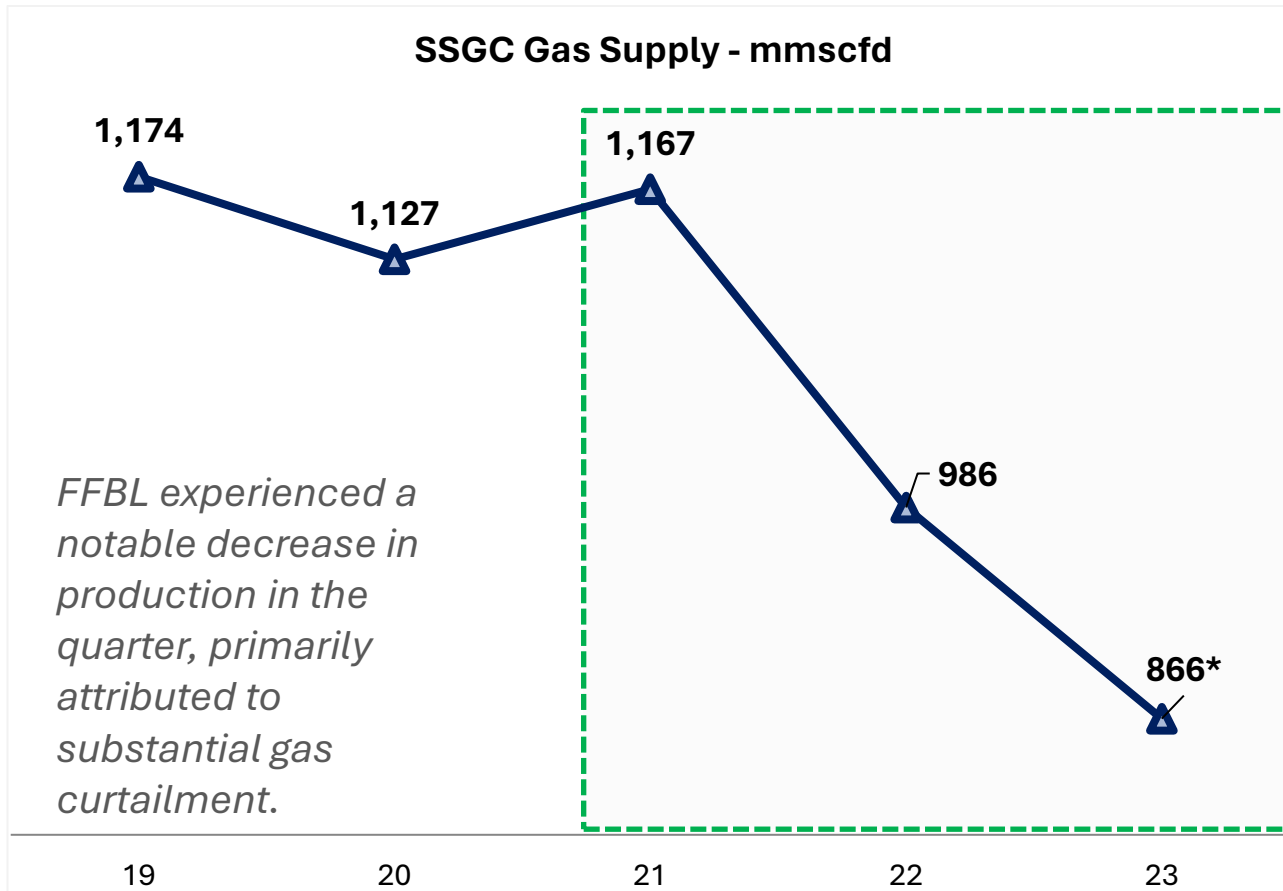
- ***With 60% of Pakistani soil deficient in Boron, it is the 2nd most deficient micronutrient in Pakistan soils.***
- ***Application of Boron results in 10-23% Crop yield increase.***



Outlook



FFBL is the only fertilizer plant on SSGC network



Management Efforts



GoP Engagement

Active engagement with GoP for sustainable gas supplies. As a result, FFBL received an average of 55 mmscfd in April 2024



Continuous operations





Plant turnaround not conducted in 2024 to ensure consistent supply of fertilizer by utilizing available gas

**Projected – OGRA Report 2022*

Going forward, FFBL's primary objective is to secure consistent gas supplies for its plant

Outlook

Given the return of economic stability and focus of the Government for transformation of agriculture sector, FFBL remains well positioned to capitalize on opportunities.

Operations	Economic Conditions	Financial	Subsidiaries
			
<ul style="list-style-type: none"> • Safe and reliable manufacturing operations. • No turnaround planned for 2024 • Sona Boron DAP product launch 	<ul style="list-style-type: none"> • DAP Intl' prices are anticipated to soften • Macro economic indicators expected to improve 	<ul style="list-style-type: none"> • Dollar parity expected to remain stable • Company expected to remain cash positive, minimizing finance cost 	<ul style="list-style-type: none"> • Looking ahead, FFBL investments are expected to perform well and remain profitable in 2024.



Q & A





Thank You

