



# Fertilizer | Result Preview | 3QCY24 | EFERT



Date: 11<sup>th</sup> Oct'24

REP # 048



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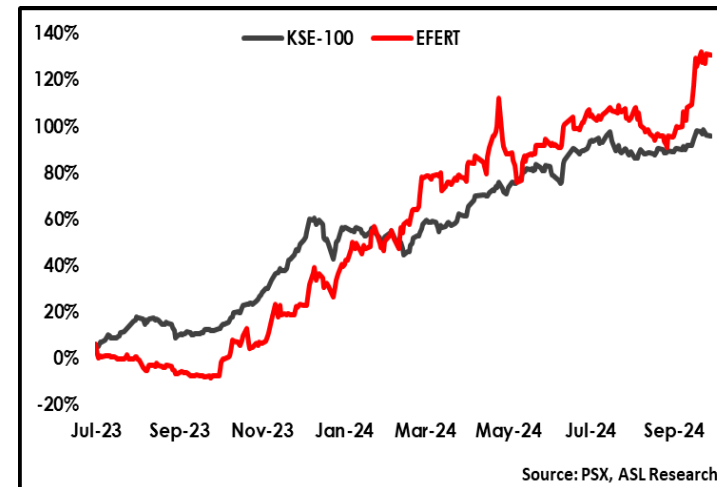
## Earnings are expected to decline due to sluggish demand

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- Engro Fertilizer Limited (EFERT) to announce its financial result for 3QCY24 on 14<sup>th</sup> Oct'24, We expect that company to post unconsolidated profit after tax (PAT) of Rs.6.2bn (EPS: Rs.4.65) compared to Rs.8.3bn (EPS: Rs.6.17) in same period of last year, a 25% YoY basis decline, where as earnings are expected to grow 2% QoQ basis. Drop in earning is mainly due to 33% YoY decline of urea dispatches in the said period compared to last year.
- Topline is expected to decline by 11% YoY, whereas, expected to show growth of 49% QoQ basis, massive increase in sales is mainly due to resumption of operation of EnVen plant, after maintenance during 2QCY24. With this, We expect company to post gross profit of 33%, compared to 36% in same period of last year and financial cost is expected to increase by 53% YoY, mainly due to increase in borrowing compared to last year.
- On cumulative bass earning are expected to post PAT of Rs.18.7bn (EPS: Rs.13.53) in 9MCY24, a 11% YoY increase. With this, company to post gross margin of 26% compared to 32% in same period of last year. Whereas net margin is expected to remain stable at level of 14% mainly due to increase in other income during the period.
- With this we anticipate that, company to announce interim cash dividend of Rs.5.5/sh. for 3QCY24. This is addition to the interim cash dividend of Rs.11/sh. already paid.

	3QCY24E	YoY	QoQ	9MCY24E	YoY
Gross Profit	14,487	-19%	160%	32,974	-10%
Operating Profit	10,303	-27%	311%	20,765	-23%
Other income	2,389	91%	-60%	10,086	56%
Financial cost	733	53%	-35%	2,018	28%
EBT	10,892	-20%	61%	26,513	-7%
Profit after tax	6,209	-25%	2%	18,070	11%
<b>EPS</b>	<b>4.65</b>	<b>-25%</b>	<b>2%</b>	<b>13.53</b>	<b>11%</b>
<b>DPS</b>	<b>5.50</b>	<b>-8%</b>	<b>83%</b>	<b>11.00</b>	<b>-12%</b>

Source: Financials, ASL Research





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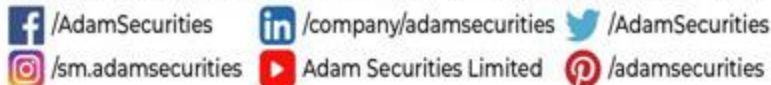
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