Fertilizer I Result Preview I 3QCY24 I FATIMA

REP # 048

Date: 25th Oct'24

Adarsh Kumar
Email: adarsh.kumar@adamsecurities.com.pk
Tel: +92-21-32440519 EXT: 117

3QCY24: earnings are exapted to post growth of 51 QoQ

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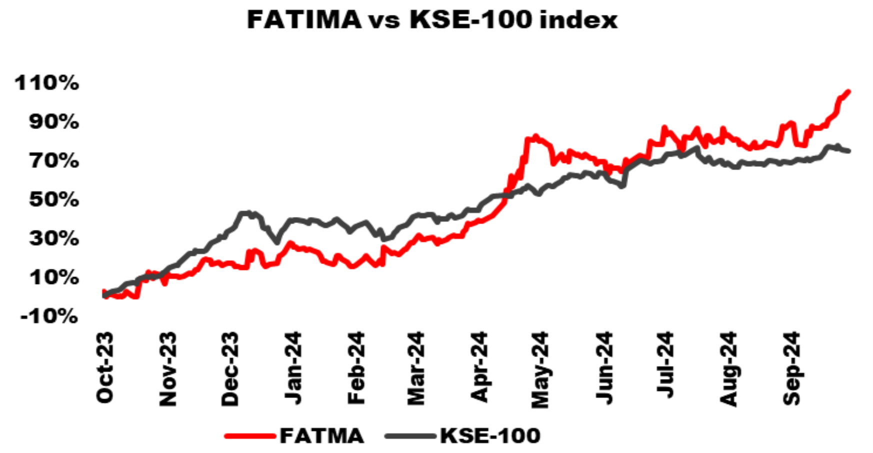
- ***Fatima Fertilizer (FATIMA) is schedule to announce financial result for 3QCY24 on Oct 29, 2024, where we expect company to post consolidated Profit After Tax (PAT) of Rs.7.9bn (EPS: Rs.3.74), compared to PAT of Rs.3.8bn (EPS: Rs.3.69) in SPLY, up by 1% YoY. Whereas, earnings are expected to post growth of 51% QoQ, mainly due to substantial increase in dispatches.***
- Topline is expected to clock in at Rs.64.9bn, compared to Rs.76.2bn down by 15% YoY, whereas, same is expected to post growth of 53% QoQ. During the reviewing period, company sold combined total of 0.6mn tons of nutrients, compared to 0.88mn tons in SPLY, down by 32% YoY, whereas, overall dispatches increased by 49% QoQ.
- Gross margin is expected to clock in at 37% in 3QCY24, compared to 30% in SPLY, owing to better product prices and discounted Mari gas price continuity. With this, we expect company to book net profit of 12% in 3QCY24, compared to 10% in SPLY.
- For 9MCY24, earnings are expected to clock in at Rs,10.21/sh, compared to Rs.6.19/sh in SPLY, depicting a jump of 65%, owing to 1) improved gross margin from 32% to 39%, 2) reduced finance cost by 36%, 3) massive jump of 1.4x in other income.
- However, we do not expect the company to announce interim cash dividend for 3QCY24.

FCCL	3QCY24E	YoY	QoQ	9MCY24E	YoY
Sale	64,903	-15%	53%	173,281	7%
Cost of sale	41,021	-23%	57%	105,793	-4%
Gross profit	23,882	6%	48%	67,487	30%
Profit before taxation	15,101	1%	48%	41,613	35%
Profit after taxation	7,852	1%	51%	21,436	65%
EPS (Rs)	**3.74**	.	.	**10.21**	.
DPS (Rs)	.	.	.	**2.50**	**43%**
Gross margin	37%			39%	
Net margin	12%			12%	

Source: Financials, ASL Research



Source: PSX, ASL Research

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Room# 806-814, 8th Floor, Main Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
info@adamsecurities.com.pk adamsecurities145@yahoo.com sm.adamsecurities@gmail.com
+9221 32444315-16, 32420909, 32413580, 32437380

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/sm.adamsecurities Adam Securities Limited /adamsecurities
Room# 806-814, 8th Floor, Main Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
info@adamsecurities.com.pk adamsecurities145@yahoo.com sm.adamsecurities@gmail.com
+9221 32444315-16, 32420909, 32413580, 32437380

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Main Pakistan Stock Exchange Building,
Stock Exchange Road, Karachi.

info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com

+9221 32444315-16, 32420909,
32413580, 32437380