

Thursday, 21st April- 2016

FFBL: Result Review for 1QCY16

The board of directors published the 1QCY16 financial results of FFBL Today where the company posted a net loss of PKR 514mn (EPS: PKR -0.55).

- Topline of the company was down 24%YoY for 1QCY16 compared to 1QCY15 while on sequential basis a decrease of 84%QoQ was seen.
- Volumetric sales of FFBL were down in 1QCY16 owing to which the Topline of the firm decreased while the abnormal DAP buying in 4QCY15 is another major reason for the decline in sales resulting in decreased topline.
- Gross Margin of FFBL were negative for the quarter due to low realized sales price as subsidy on DAP is accounted in the other income head.
- Selling and distribution expenses were up 38%YoY in 1QCY16. We believe the rise in selling and distribution cost is due to the inventory pile up inflating warehousing expenses.
- Other income increased by a significant 120%YoY in 1QCY16 owing to dividends received while subsidy on DAP played a major role in inflating other income.

PKR MN	1QCY16	1QCY15	YoY	4QCY15	QoQ
Sales-net	4,414	5,799	-24%	27,131	-84%
Gross Profit	(697)	710	N/M	2,726	N/M
Selling and Distribution expense	677	492	38%	1,467	-54%
Administrative expense	348	275	27%	511	-32%
Other income	1,253	570	120%	4,563	-73%
PAT	(514)	98	N/M	3,122	N/M
EPS	(0.55)	0.11	N/M	3.34	N/M

Source: Company's Account, Darson Research



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