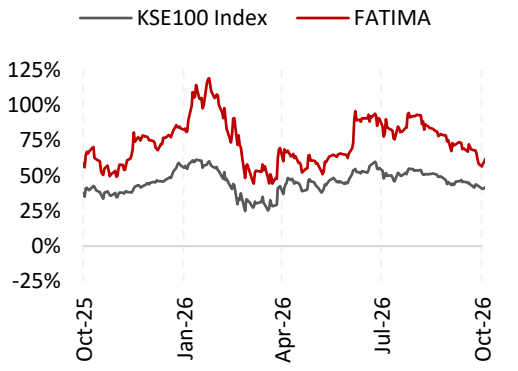
Fatima Fertilizer Company Limited (FATIMA)

3QCY26 EPS at PKR 4.53/sh, down by 21% YoY

Thursday, October 29, 2026

- Fatima Fertilizer Company Limited (FATIMA) reported consolidated earnings of PKR 9.5bn (EPS: PKR 4.53) in 3QCY26, down 21% YoY from PKR 11.98bn (EPS: PKR 5.70) in 3QCY25. On a cumulative basis, the company posted an EPS of PKR 14.27 in 9MCY26, reflecting a 4% YoY increase over the corresponding period last year.
- The company's gross margin expanded by 780bps YoY to 43% in 3QCY26, primarily driven by lower utilization of higher-cost gas plants and the absence of discounts offered in the corresponding period last year. On a cumulative basis, gross margin improved by 420bps YoY to approximately 40% in 9MCY26, reflecting sustained improvement in the company's cost structure.
- Net sales grew by 2% YoY during the quarter, supported by higher offtake of Urea and Calcium Ammonium Nitrate (CAN), which offset a sharp decline in NP sales. Urea offtake increased by 15% YoY to 369k tons from 321k tons in 3QCY25, while CAN sales rose to 212k tons from 180k tons. Conversely, NP sales declined by 50% YoY to 79k tons from 157k tons, while imported DAP sales remained subdued at 2.7k tons compared to 6k tons in the corresponding period last year.
- Distribution expenses increased by 9% YoY to PKR 4.9bn, primarily reflecting higher fertilizer offtake and elevated fuel costs during the quarter.
- On the non-operating front, other income came under pressure, with the company recording a loss of PKR 59mn, attributable to unrealized losses on its equity investment portfolio. Furthermore, the effective tax rate (ETR) increased to 40% in 3QCY26, exerting additional pressure on the bottom line and contributing to the decline in quarterly earnings despite the notable improvement in gross margins.
- Alongside the results, the company announced no dividend for the quarter, in line with expectations and its prevailing dividend policy.

KSE100 Index vs. FATIMA Performance Chart



Source: PSX, BMA Research

Fatima Fertilizer Company Limited - (PSX: FATIMA) Earnings Snapshot

PkR mn	Sep-26	Sep-25	YoY	Jun-26	QoQ	9MCY26	9MCY25	YoY
Sales	63,934	62,899	2%	83,758	-24%	194,545	178,800	9%
COGS	36,297	40,660	-11%	51,773	-30%	116,391	114,623	2%
Gross Profit	27,637	22,239	24%	31,985	-14%	78,154	64,178	22%
Gross Margin	***43.2%***	***35.4%***	**22%**	***38.2%***	**13%**	***40.2%***	***35.9%***	**12%**
S&D	4,913	4,525	9%	5,316	-8%	14,192	12,729	11%
Admin.	3,407	2,573	32%	3,290	4%	9,984	7,759	29%
Fin. Cost	1,519	1,999	-24%	1,786	-15%	5,056	5,906	-14%
Other Inc.	(59)	6,967	-101%	7,267	-101%	7,787	12,695	-39%
PBT	15,894	18,494	-14%	26,962	-41%	48,903	46,066	6%
Tax	6,375	6,518	-2%	9,760	-35%	18,945	17,155	10%
PAT	9,519	11,976	-21%	17,202	-45%	29,958	28,911	4%
EPS (PkR)	**4.53**	**5.70**		**8.19**		**14.27**	**13.77**	
DPS (PkR)	**0.00**	**0.00**		**0.00**		**0.00**	**3.50**	

Source: Company Accounts, BMA Research

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Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)