

## Fertilizer Offtake

Urea offtake jumped by 29% YoY; DAP sales fall by 79% YoY in Apr'21

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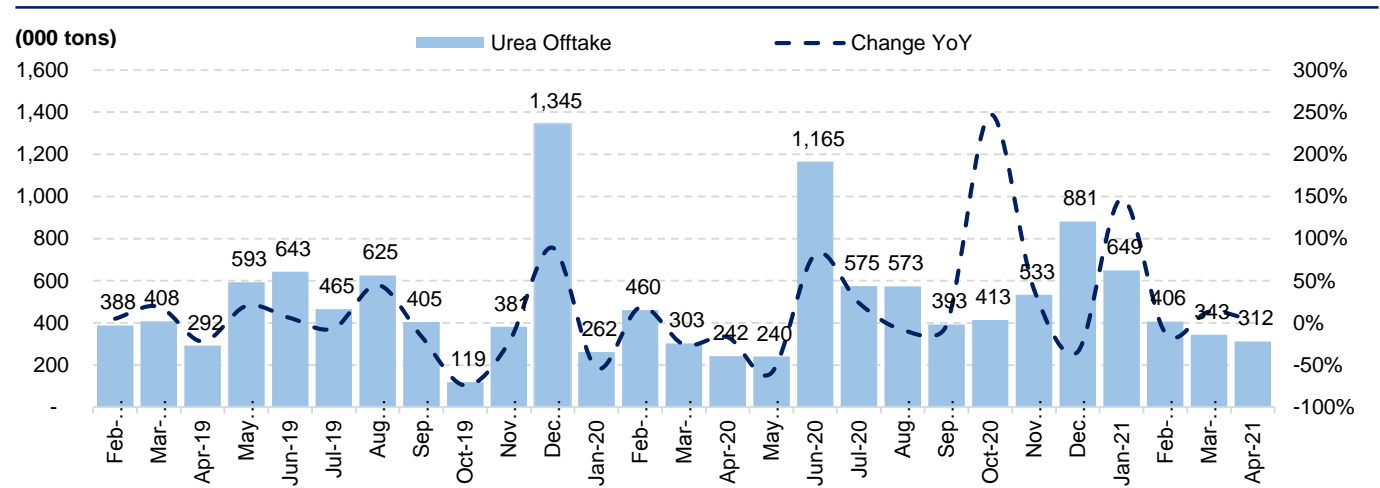
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# Fertilizer Offtake

## Apr'21: Urea sales jumped by 29% YoY; DAP sales fall by 79% YoY

During the month of Apr'21, data for provisional fertilizer offtake depicts that urea sales underwent a jump of 29% YoY to 312k tons compared to 242k tons in SPLY given lockdown imposed last year to counter COVID-19, which restricted movement across the country. In particular, FFC and FFBL offtake jumped by 19% YoY while EFERT and FATIMA posted 36% and 17% YoY growth respectively. On a MoM basis, urea offtake displayed a dip of 9%, owed to reduction in urea sales volume of FATIMA and FFC and FFBL cumulative by 7% and 26%, respectively. Meanwhile, EFERT's urea offtake in Apr'21 climbed up by 20% MoM. On a cumulative basis, urea offtake posted a growth of 35% YoY during 4MCY21, arriving at 1,709k tons. The company-wise urea sales data suggests that EFERT portrayed a stellar growth of 2x YoY, arriving at 715k tons, while FFC and FFBL volumes witnessed an uptick of 1% YoY. Meanwhile, FATIMA's urea offtake plummeted by 14% YoY during the period of 4MCY21.

### Exhibit: Urea offtake arrived at 312k tons in Apr'21



Source (s): NFDC, AHL Research

### Exhibit: Industry offtake

000 tons	Apr-21	Apr-20	YoY	Mar-21	MoM	4MCY21	4MCY20	YoY
Urea	312	242	29%	343	-9%	1,709	1,267	35%
DAP	32	151	-79%	144	-78%	346	362	-5%
CAN	70	60	17%	56	26%	317	205	55%
NP	97	80	21%	12	706%	274	192	43%

### Company-wise offtake

#### Urea

FFC and FFBL	163	136	19%	220	-26%	807	798	1%
EFERT	113	83	36%	94	20%	715	256	179%
FATIMA Group	26	22	17%	27	-7%	171	199	-14%

#### DAP

FFC and FFBL	28	75	-63%	90	-69%	173	198	-13%
EFERT	3	35	-92%	22	-88%	57	64	-11%

Source (s): NFDC, AHL Research

# Fertilizer Offtake

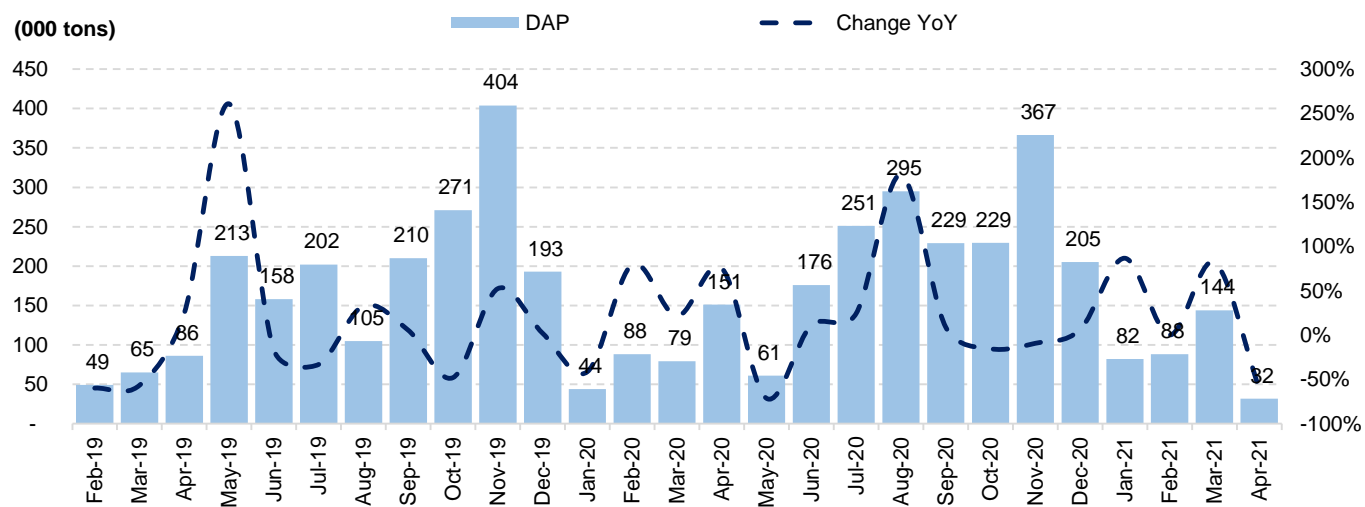
## DAP offtake plummets by 79% YoY/ 78% MoM in Apr'21

DAP sales depicted a 79% YoY fall to 32k tons while this figure is also down by 78% MoM during Apr'21. Likewise, during 4MCY21, DAP sales showed a downturn of 5% YoY to clock-in at 346k tons. On a company specific basis, DAP offtake of FFC and FFBL arrived at 28k tons in Apr'21, translating into a YoY and MoM drop of 63% and 69%, respectively. During 4MCY21, FFC and FFBL's DAP offtake declined by 13% YoY to 173k tons. On the other hand, EFERT's DAP sales registered a massive decline of 92% YoY and 88% MoM in Apr'21 to 3k tons. Meanwhile, during 4MCY19 EFERT posted a drop of 11% YoY to 57k tons.

### Inventory position

By the end of Apr'21, closing inventory of urea with local producers is set at 529k tons as compared to 298k tons in Mar'21. Furthermore, inventory position for DAP stands at 9k tons towards end of Apr'21.

### Exhibit: DAP offtake drops to 32k tons in Apr'21



Source (s): NFDC, AHL Research

### Exhibit: Inventory Position

Fertilizer Inventory (000 tons)	Apr-21	Mar-21
Urea	529	298
DAP	101	55
CAN	59	52
NP	251	240
Company Inventory (000 tons)	Apr-21	Mar-21
<b>Urea</b>		
FFC and FFBL	167	66
EFERT	199	150
FATIMA	125	67
NFML	-	-
AGL	38	13
<b>DAP</b>		
FFC and FFBL	92	5
EFERT	0	3
FATIMA	9	9
Private Import	11	39

Source (s): NFDC, AHL Research

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## Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discounted Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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- Interest Rate Risk
- Exchange Rate (Currency) Risk

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