

# Urea Offtake Decreased by 27.2% YoY in Jan-25

Friday, 14 February, 2025



## UREA Price Per Bag (Rs.)

Jan/25	Dec/24	Change	% Change
4,527	4,552	▼ -25	▼ -0.5%

## DAP Price Per Bag (Rs.)

Jan/25	Dec/24	Change	% Change
12,022	11,936	▲ 86	▲ 1%

## NP Price Per Bag (Rs.)

Jan/25	Dec/24	Change	% Change
7,614	7,621	▼ -7	▼ -0.1%

## CAN Price Per Bag (Rs.)

Jan/25	Dec/24	Change	% Change
4,186	4,192	▼ -6	▼ -0%

Urea offtake experienced a decrease of 27.2% YoY in Dec-24 and clocked at 446K tons compared to 613K tons in SPLY. Cumulatively Urea offtake recorded a decrease of 4.1% YoY. Furthermore, DAP offtake in Jan 2025 saw a decline of 8.0% YoY, reaching 61k tons. Meanwhile, cumulative DAP offtake has increase of 1.1% in 7MFY25.

Company-wise, FFC, FFBL, and EFERT witnessed a decrease of 22.0% , 63.6% & 49.3% respectively in Urea offtake in Dec-24 as compared to SPLY, whereas FATIMA Group observed a rise of 13.1% YoY respectively. Cumulatively, FFBL showed a significant growth of 64.1% while FFC, EFERT & FATIMA witnessed a decline of 2.6%, 15.0% and 4.7%, respectively, in Urea offtake in 7MFY25. Furthermore, cumulative DAP offtake for FFC saw an increase of 93.2%, while FFBL and EFERT saw a decline of 10.3% and 17.5%, in 7MFY25.

Going forward, we expect urea off-take to rebound, driven by the government's focus on food security and improved pricing of key staple and cash crops such as wheat, maize, rice, and sugarcane, which is likely to stimulate demand. However, DAP demand remains uncertain due to ongoing gas supply disruptions and reliance on imports. Additionally, we anticipate that the fertilizer sector will gradually pass on the impact of rising gas prices and inflationary pressures, ensuring profitability remains resilient.

Industry (000' Tons)	Jan/25	Jan/24	YoY	Dec/24	MoM	7MFY25	7MFY24	YoY
Urea	446	613	27.2% ▼	991	55.0% ▼	3,985	4,154	4.1% ▼
DAP	61	67	8.0% ▼	137	55.2% ▼	1,136	1,124	1.1% ▲
NP	37	55	33.4% ▼	99	62.8% ▼	520	679	23.4% ▼
CAN	74	76	1.9% ▼	101	25.9% ▼	388	503	22.9% ▼
<b>Urea (000' Tons)</b>								
FFC	183	234	22.0% ▼	317	42.4% ▼	1,453	1,492	2.6% ▼
FFBL	12	32	63.6% ▼	59	80.3% ▼	309	188	64.1% ▲
EFERT	107	210	49.3% ▼	412	74.1% ▼	1,278	1,503	15.0% ▼
FATIMA Group	56	49	13.1% ▲	56	0.1% ▲	343	359	4.7% ▼
<b>DAP (000' Tons)</b>								
FFC	13.4	0	N/A	4.16	221.9% ▲	108	56	93.2% ▲
FFBL	23	28	16.6% ▼	86	72.9% ▼	538	599	10.3% ▼
EFERT	13	37	65.7% ▼	13	2.5% ▼	194	235	17.5% ▼

Source: NFDC

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### DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

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### VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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