

AGRITECH LIMITED



CORPORATE BRIEFING SESSION – 11 Nov 2022

SSP PLANT, HARIPUR



UREA PLANT



UREA PLANT, MIANWALI



PRESENTATION FLOW



INDUSTRY OVERVIEW



AGRITECH BUSINESS PERFORMANCE



WAY FORWARD

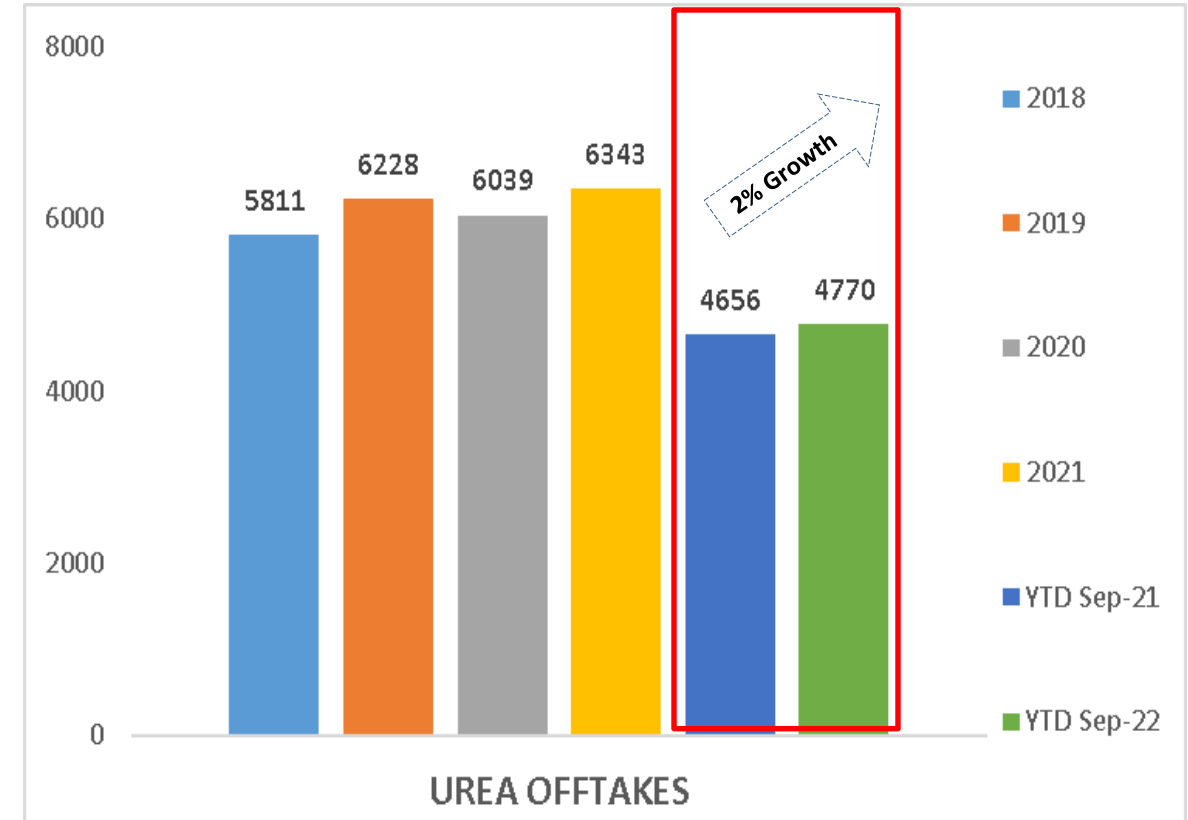
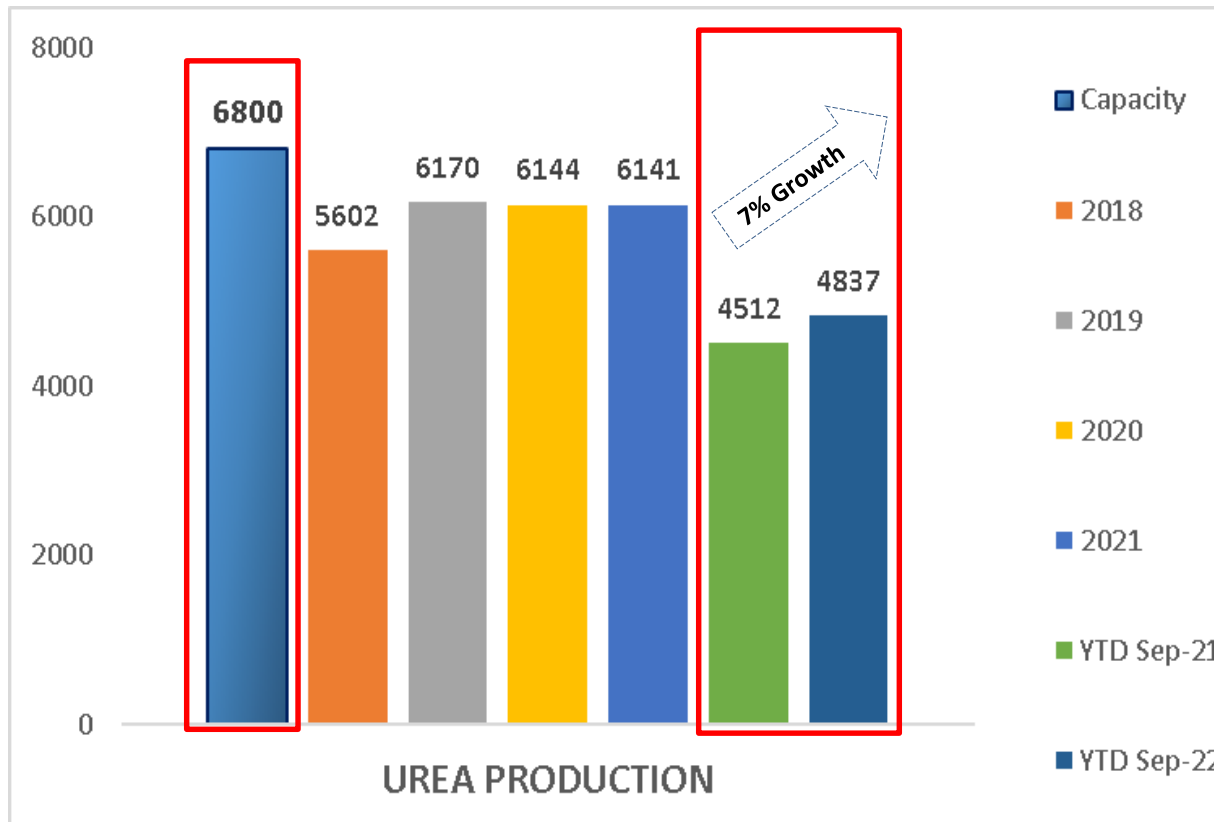
QUESTIONS

INTERACTIVE SESSION

PRESENTATION FLOW

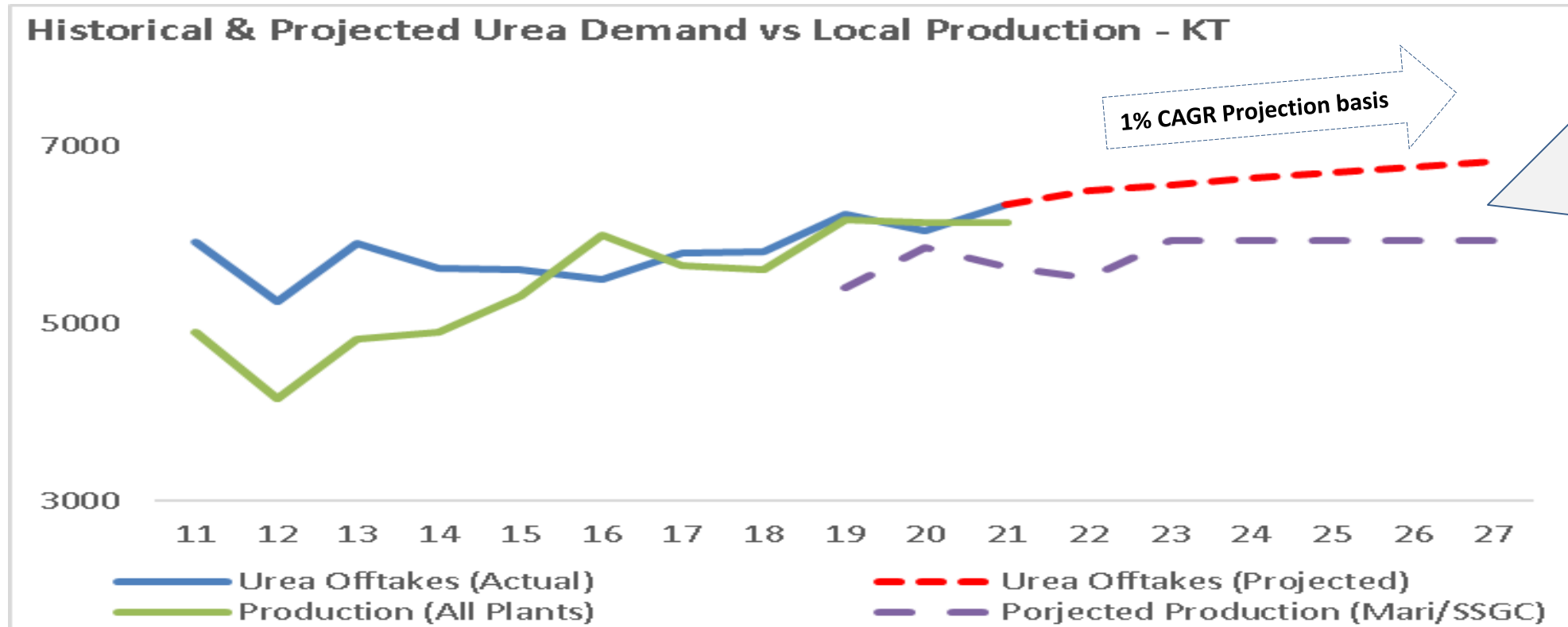


INDUSTRY OVERVIEW



- Improved Supply of Gas to the Sector, particularly Plants on SNGPL Network
- SNGPL Network plants having 14% of Capacity ~ 900K tons per annum

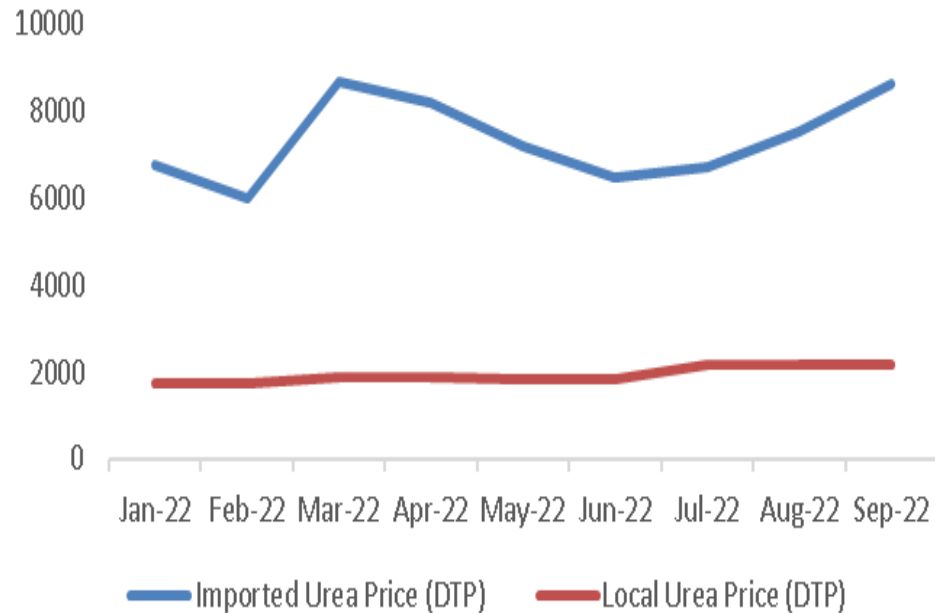
- Urea Offtakes growing at CAGR of 2% for the past 5 years - likely ~6.5 million tons in 2022
- Improved Farm Economics of major crops (barring Cotton) and Hybrid Seeds in Rice/Maize added to higher offtakes
- Indigenous capacity Self Sufficient to meet growing Demand



Gap of
600K tons to 900K tons per annum –
equivalent to SNGPL based Plants Capacity

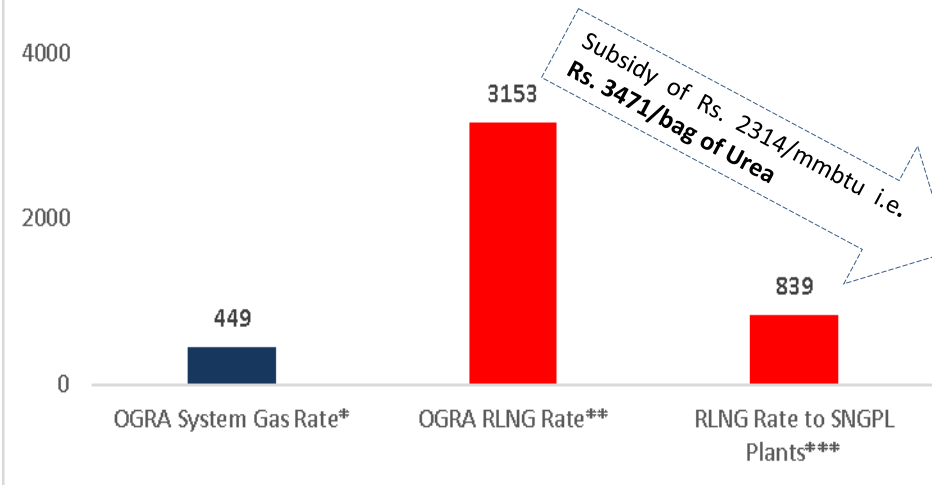
- Future Urea demand to remain Robust with ~ 1% growth rate assumption basis
- Plants operating on Mari and SSSGC Networks not to meet the growing Urea demand
- SNGPL based plants role from Swing Producers to Strategic Producers to meet Gap

Local vs Imported Urea Price Comparison



- Local Urea price 3X lower than Imported Urea
- SNGPL plants contribute production at Lower Subsidy bill even on Capped RLNG price
- Food Security framework require consistent Key Input Urea availability to Farmers
- Local production lower burden on Exchequer

Comparison of System Gas & RLNG Rates - PKR per mmbtu



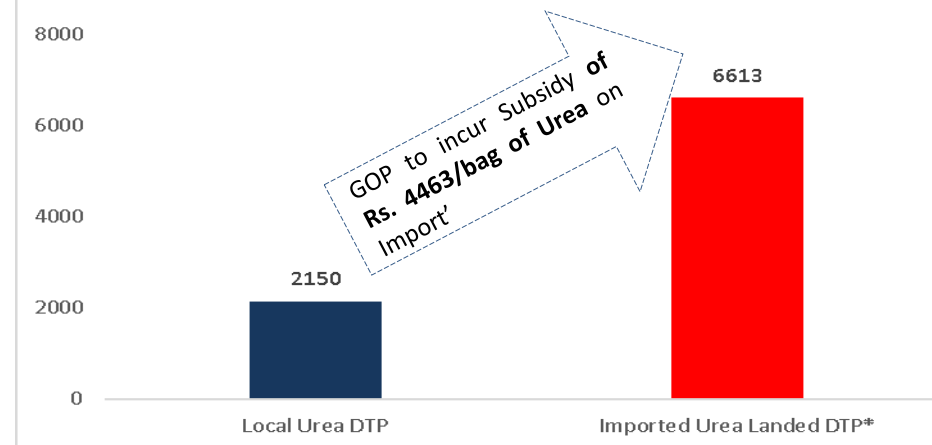
Source: OGRA

*Wt Avg of Feed Gas (Rs. 305/mmbtu) & Fuel Gas (Rs. 1027/mmbtu)

**Oct 2022 OGRA Transmission rate of US\$13.708/mmbtu

***based on ECC & Cabinet decision

Comparison of Imported vs Local Urea Price - PKR per bag



*based on US\$ 520/ton CFR KHI (Recent TCP Purchase) & inland cost as per NFML/NFDC

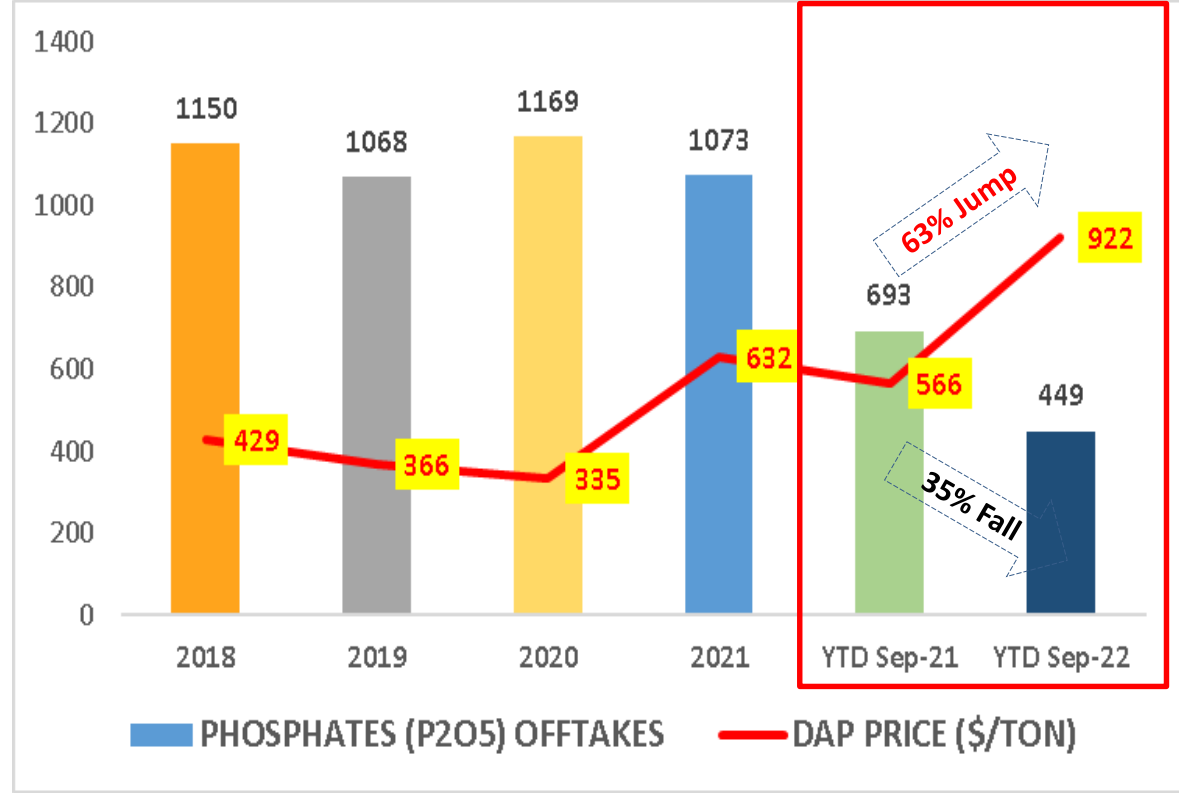
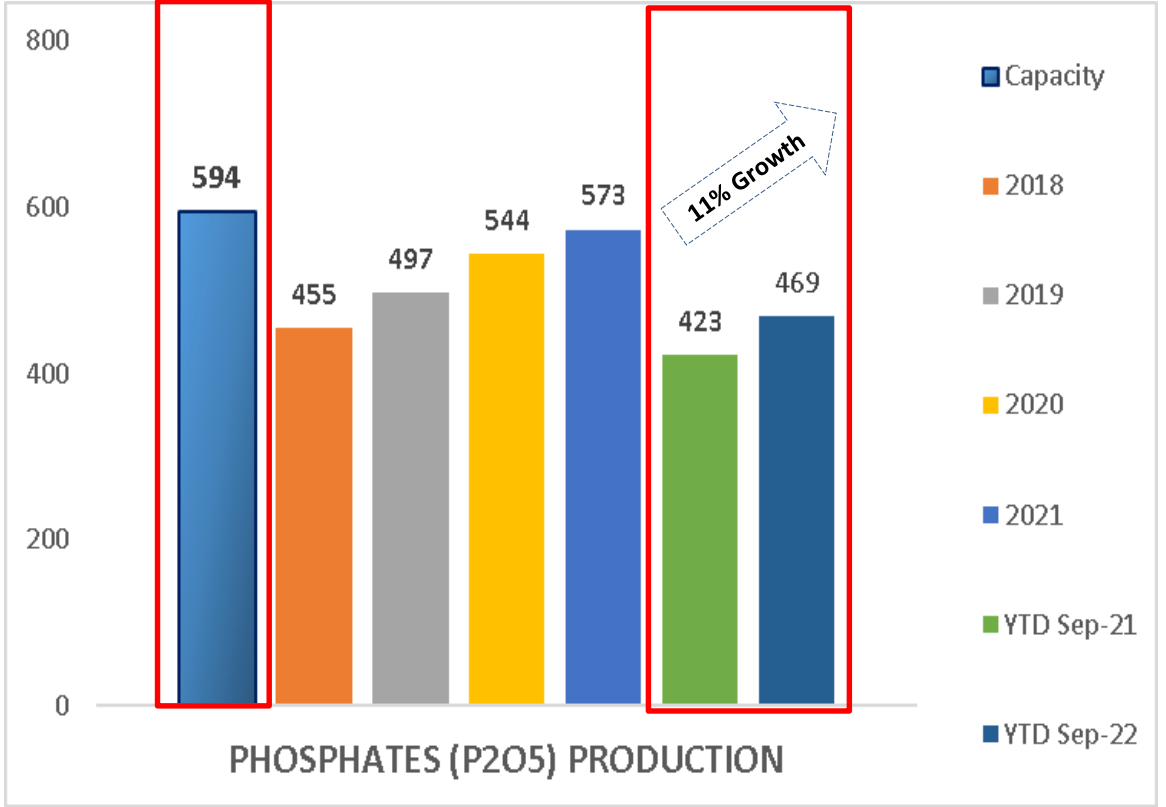
**both prices are Dealer Transfer Prices (DTP)

SNGPL based Urea Plants contribute to:

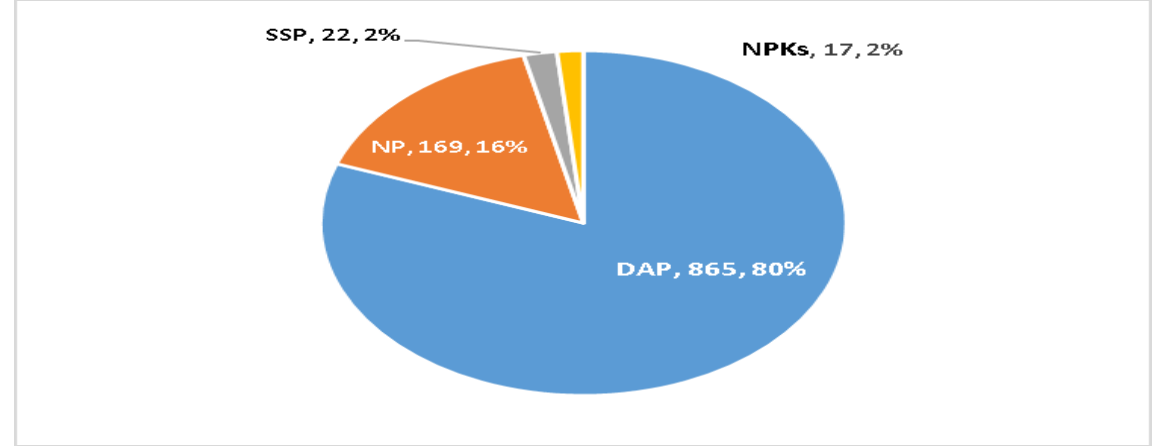
- Meet Urea shortages & market price manipulation
- Save Foreign Exchange (US\$ 470 Million on 0.9Mn ton import)
- Lower Subsidy cost to GOP vs. Imported Urea

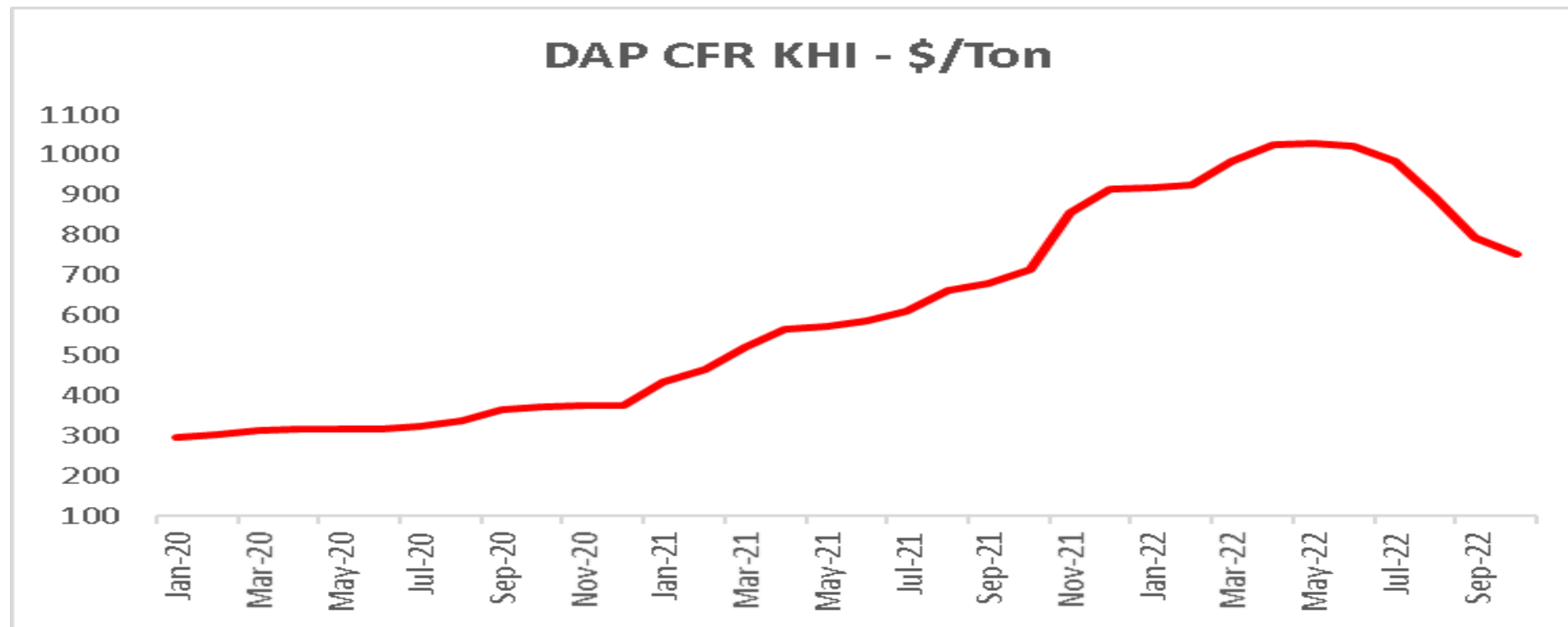
Uniform Gas Pricing to Sector to address Different Gas Prices among the Industry

PHOSPHATES INDUSTRY UPDATE



- Phosphate Category Demand exhibited strong price elasticity in 2022 as Prices rose to record level with DAP price peaked to US\$ 1050-1100 per ton - Offtakes of all variants of Phosphates saw demand reduction
- International Price corrections in Rabi 2022/23 season to change equation (already ~ Rs. 2500 per bag DAP price reduced from peak of Rs. 14000 per bag to Rs. 11500 per bag)





- DAP Prices saw massive increase from low of US\$ 300-350 per ton to Peak of US\$ 1050-1100 per ton during the last 3 years of Commodity Super Cycle
- Prices cooling off as farmers' affordability affected in key consumption market

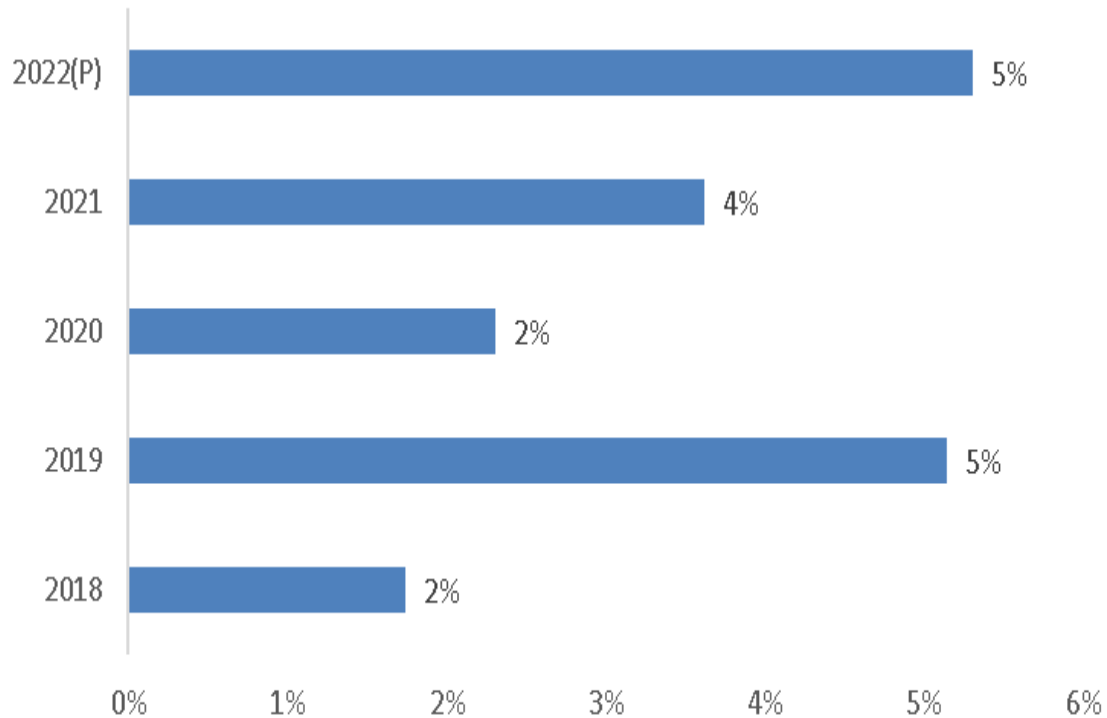
PRESENTATION FLOW



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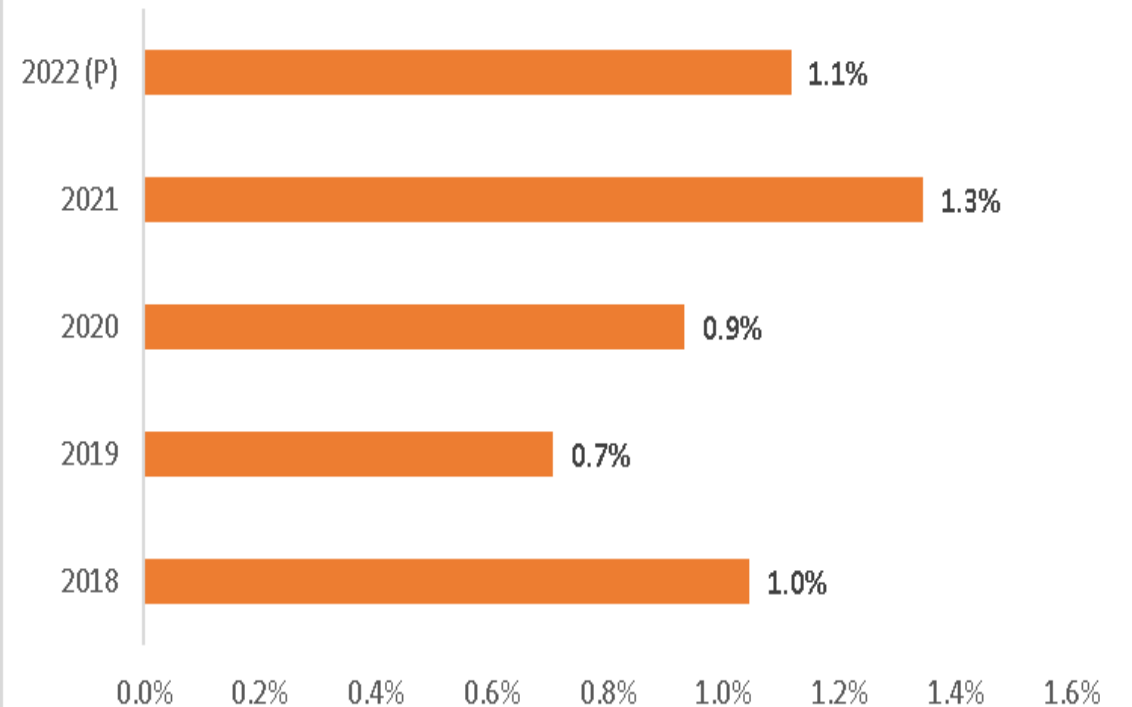
AGRITECH BUSINESS
PERFORMANCE

Market Share - Urea



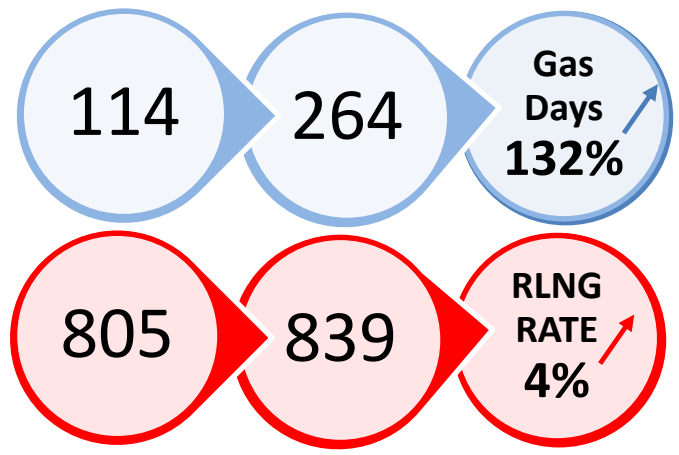
- Urea market share dependent on Supply of Gas
- 6% share in the Overall Capacity of 6.8 Million tons

Market Share - Phosphates (P2O5)

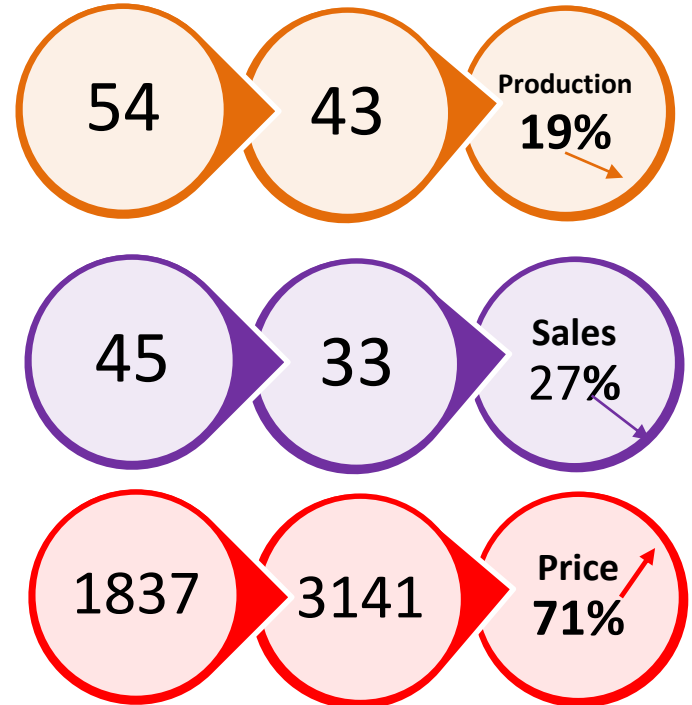


- Market Leader with more than 70% share in the SSP Category of Phosphate
- Potential for both SSP Sales and DAP trading exists to enhance overall P2O5 shares

AGRITECH BUSINESS PERFORMCE (YTD SEP 2021 vs 2022)



Revenue (Rs Bn)	Gross Profit (Rs Bn)	Operating Profit (Rs Bn)	Finance Cost (Rs Bn)	Loss after Tax (Rs Bn)	EBIDTA (Rs Bn)
5.3	(0.4)	(0.9)	2.6	(3.3)	0.3
12	1.3	0.6	3.9	(3.2)	1.8
126%	431%	160%	54%	-3%	598%



Scheme of Arrangement Key Milestones Achieved

- AGL Scheme of Arrangement sanctioned by Lahore High Court in Aug 2022
- Necessary disclosures to & PSX & SECP were made to effectuate the Completion Date
- Memorandum of Articles and Association of the Company amended. Authorized Share Capital enhanced to Rs. 35 Billion from Rs. 15 Billion.
- Changes of Options by the lenders undertaken and First Tranche of Cash Flow (CFAD) amounting ~Rs. 400 Million paid
- Process for the determination of Preference Shares and Zero Coupon TFCs have been initiated

PRESENTATION FLOW



WAY FORWARD

Robust Urea Demand and likely Urea shortages in the country to ensure Continuity of Gas Supply to the Company's Urea Plant

Gas Pricing Reform by GOP likely to settle the Uniform Gas Pricing Negotiation with Industry bringing all plants at Uniform Gas Rates

Phosphate Fertilizers (lead by DAP) prices' downward adjustments and likely demand recovery of all phosphates fertilizer variants including SSP.

Implementation of Scheme of Arrangement with additional disbursements of CFAD to lenders and completion of all requirements to issue Preference Shares and TFCs.

Production Enhancement Initiatives for both Urea and SSP to be undertaken

PRESENTATION FLOW



QUESTIONS

INTERACTIVE
SESSION

PRESENTATION FLOW



THANK
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خدا حافظ