AGL - 9MCY25 Analyst Briefing takeaways

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AgriTech Ltd (AGL) held its analyst briefing earlier today to discuss 9MCY25 financial results and future outlook. Key takeaways are as follows:

- To recall, company reported profitability of PkR2.2bn (EPS: PkR3.7) compared to a loss of PkR2.1bn (LPS: PkR3.5) in SPLY, primarily due to a one-off gain of PkR4.0bn on the conversion of preference shares and reversal of written-down liabilities.
- In 9MCY25, company recorded sales of PkR23.6bn, up 24%YoY compared to PkR19.0bn in SPLY, driven by higher urea and phosphate offtakes.
- Urea offtakes increased by 33%YoY to 259k tons in 9MCY25, compared to an industry decline of 8%YoY. Consequently, AGL's market share rose to 6% from 5% in SPLY.
- Phosphate offtakes increased by 43%YoY to 10k tons, lifting company's market share to 2% from 1% in SPLY.
- Gross margins contracted to 16.7% in 9MCY25 from 17.8% in SPLY, mainly due to discount offerings on urea.
- As per management, company is offering discounts of PkR50–70 per urea bag.
- Current gas allocation to AGL stands at 29mmcfd. Management apprised that discussions for long-term allocation from Mari are ongoing. Pricing of aforementioned long-term contract would be based on PP-12 rates along with SNGP tolling charges.
- Management guided that gas supply decision to RLNG-based plant would be taken by govt. after Dec'25 review of gas and urea supply situation.
- Company is allocating CAPEX to improve energy efficiency of its urea plant, targeting a gas requirement reduction of 1–1.5mmbtu per ton of urea. Additionally, company plans to expand its SSP capacity.
- Management expects CY25 urea offtakes to remain around 6.3mn tons, with sales expected to improve further next year due to better farm economics.
- Management does not expect urea exports to materialize.
- Company is also settling with short-term lenders to improve its debt profile.
- The scrip is not under our formal coverage.

Price (PkR/sh)	72.8
Shares (mn)	599.1
Market Capitalization (PkRmn)	43,601.3
Market Capitalization (USDmn)	155.4
3M Avg Turnover (mn)	0.90
3M Avg DT Value(PkRmn)	68.2

Price Performance

	HIGH		LOW
1 Month	75.2	-3.2%	66.0
52 Week	84.3	82.0%	36.6

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

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