

Fertiglobe		Materials	BUY	AED 3.36
1Q25 Review		14 May 2025		(upside 42%)

1Q25 core attributable profit up 313% (+73% QoQ) to USD73mn; within estimates

- Fertiglobe posted 1Q25 adjusted attributable profit of USD73mn, up 313%% YoY (+73% QoQ). The result was in line with our estimates where the higher-than-expected gross profits were offset by higher-than-expected non-controlling interest component.
- 1Q25 benefited from 11% higher YoY sales led by company’s decision to strategically defer 239kt sales from4Q24 to 1Q25.
- Fertiglobe also unveiled its Grow 2030 Strategy with management targeting an EBITDA of USD1bn by 2030 backed by four strategic pillars. We maintain Buy recommendation and will be revising our estimates soon following latest guidance.

1Q25 core attributable profit up 313% YoY (+73% QoQ, in line with estimates): The YoY surge was led by 11% higher volumes, 14% higher benchmark Urea prices and 2% higher Ammonia prices as well as 21% lower net financial charges. On QoQ basis, profits increased by 73%, led by higher volumes during the quarter as 13% higher Urea prices and management’s strategic decision to defer 239k tons of sales to 1Q25 from 4Q24 to fetch higher prices. The core profits remove the impact of one-off adjustments which mainly include USD79mn one of forex revaluation gain in Egypt in 1Q24 along with other non-recurring adjustments. On reported basis, 1Q25 profits came in at USD73mn, down 38% YoY from USD116mn in 1Q24 and up 83% versus 4Q24. The bottom line came in line with our estimates where the higher revenue and gross profits was offset by higher-than-expected contribution of non-controlling interest.

Revenue up 26% YoY to USD695mn (+49% QoQ, +8% vs estimate) owing to higher volumes which clocked in at 1.7mn tons in 1Q25 versus 1.5mn tons in 1Q24 and 1.2mn tons in 4Q24 as management deferred 239k tons of sales to 1Q2025 to maximize value as fertilizer prices have recovered since start of the year. Benchmark Urea and Ammonia prices clocked in at USD425 per ton and USD346 per ton in 1Q25, respectively.

Adjusted EBITDA clocked in at USD261mn, up +45% YoY due to factors described above. SG&A expenses increased by 23% YoY to USD38mn in 1Q25 but came in 12% lower QoQ.

Fertiglobe unveiled its ‘Grow 2030 Strategy’ which aims to transform the company into a USD1bn EBITDA champion via four strategic pillars, i) **operational excellence** expected to uplift EBITDA by USD165-175mn by 2030, ii) **customer proximity** which is expected to contribute USD30-45mn by 2030 to EBITDA growth, iii) **nitrogen product expansion** which is expected to increase EBITDA by USD75-100mn by 2030 and iv) **disciplined low-carbon ammonia growth** with EBITDA impact of USD70-100mn by 2030. The management also reaffirmed its capital allocation strategy with plans to distribute substantially all cash after providing for growth opportunities and maintaining investment grade credit rate. We maintain BUY recommendation on the stock with FV of AED3.36 per share.

Fertiglobe: 1Q25 result summary

USD mn	4Q24	1Q24	1Q25	QoQ	YoY	1Q Est.	Vs. Est	2024	2025e	YoY
Revenue	552	466	695	49%	26%	642	-5%	2,009	2,297	14%
Gross profit	178	120	222	85%	25%	182	1%	496	579	17%
SG&A	(31)	(44)	(38)	-12%	23%	(45)	17%	(150)	(168)	12%
Net finance cost	(39)	(26)	(31)	16%	-21%	(23)	-13%	(120)	(98)	-18%
Profit after tax	154	36	115	221%	-25%	92	-15%	214	257	20%
Non controlling interest	(9)	(4)	(43)	NA	NA	(18)	138%	(54)	(68)	26%
Shareholder’s profit	116	40	73	83%	-38%	74	34%	160	189	18%
Core profit*	18	42	73	73%	313%	74	41%	174	189	9%
Adjusted EPS (AED)*	0.008	0.019	0.032	73%	313%	0.033	41%	0.077	0.084	9%

Source: Company Data, IS Research. *Removes one-time adjustments

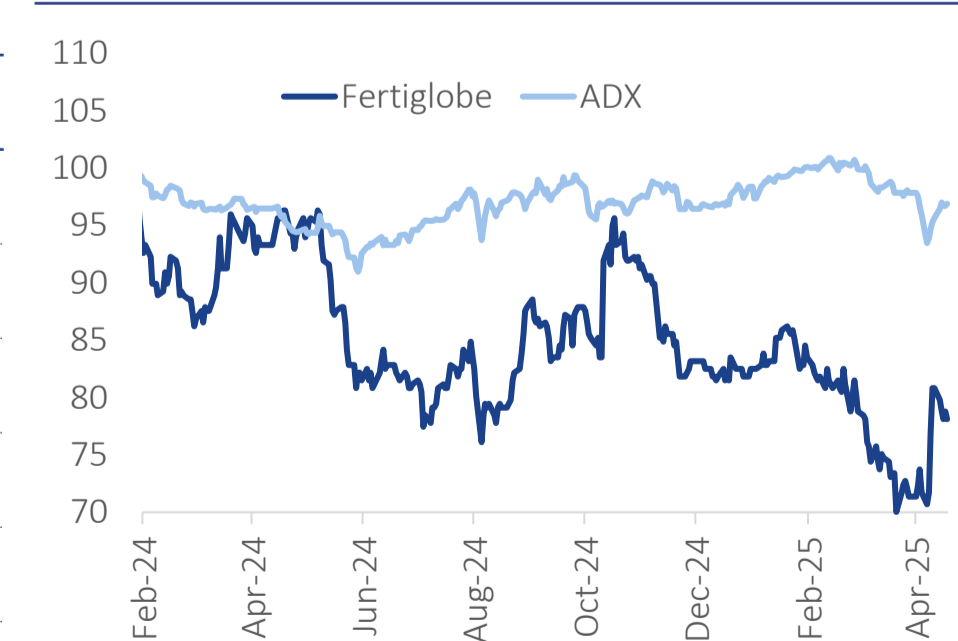
Ticker	FERTIGLB UH
Market Cap (AED bln)	19.67
Stock Price (AED)	2.37
Fair Value (AED)	3.36
Upside (%)	41.77
52W High (AED)	2.94
52W Low (AED)	1.94
3M ADTV (AED mn)	9.59

Fertiglobe financials

USD mn	2023	2024	2025e
Revenue	2,416	2,009	2,297
Shareholder’s profit	349	160	189
Adjusted profit*	363	174	189
Adjusted EPS (AED)*	0.16	0.077	0.084
Adjusted EBITDA	1,004	648	689
DPS (AED)	0.21	0.12	0.12
Total Assets	4,626	4,411	4,156
Total Equity	1,445	1,242	1,105
EBITDA Margin (%)	41.6	32.3	30.0
Core P/E (x)	14.8	30.8	28.2
Div. Yield (%)	8.9	5.1	5.1

Source: Company Data, IS Research. *removes impact of one-offs

Fertiglobe vs ADX



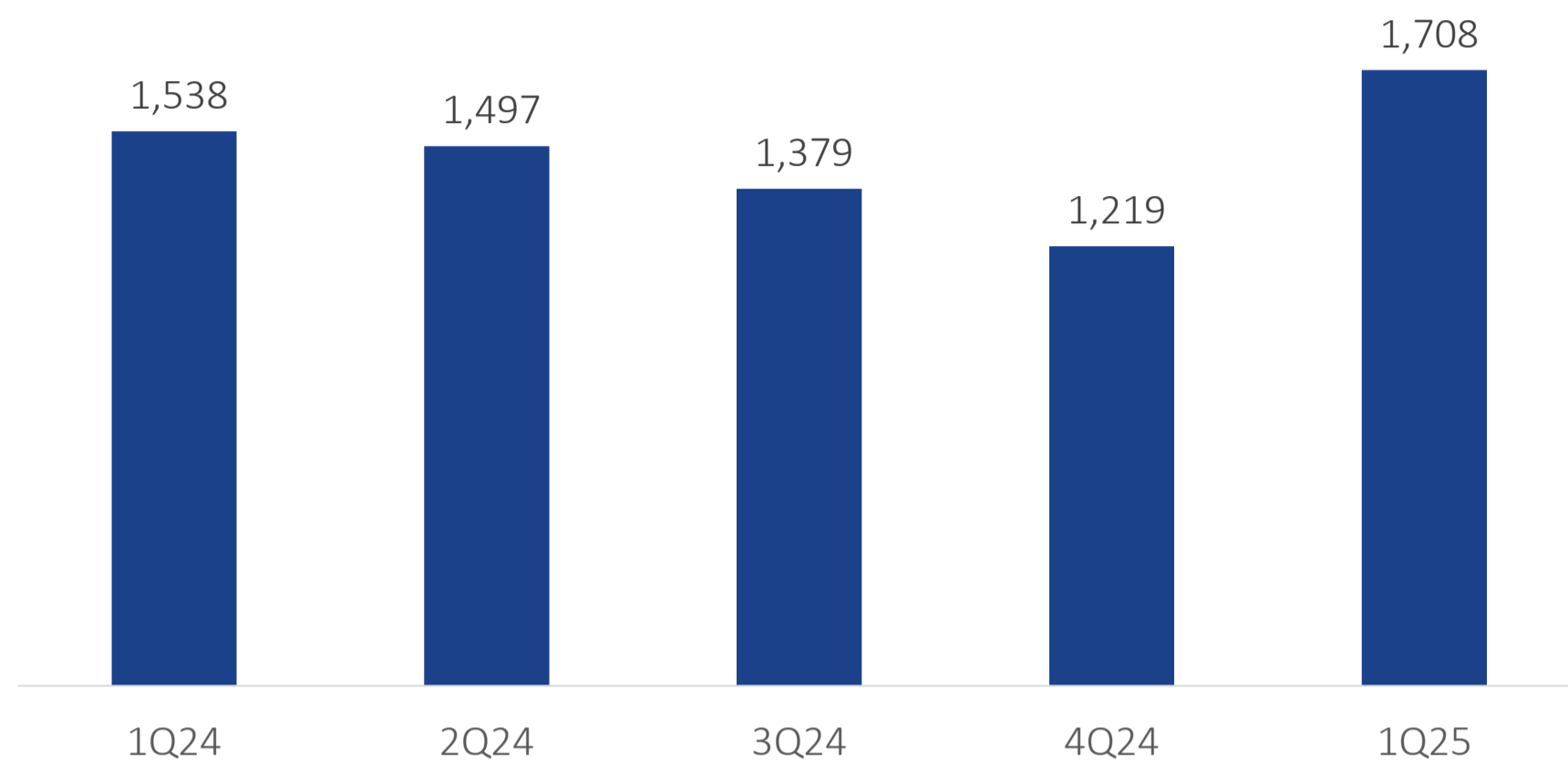
Source: Refinitiv, IS Research, *both rebased to 100 as of 01-Jan-2024

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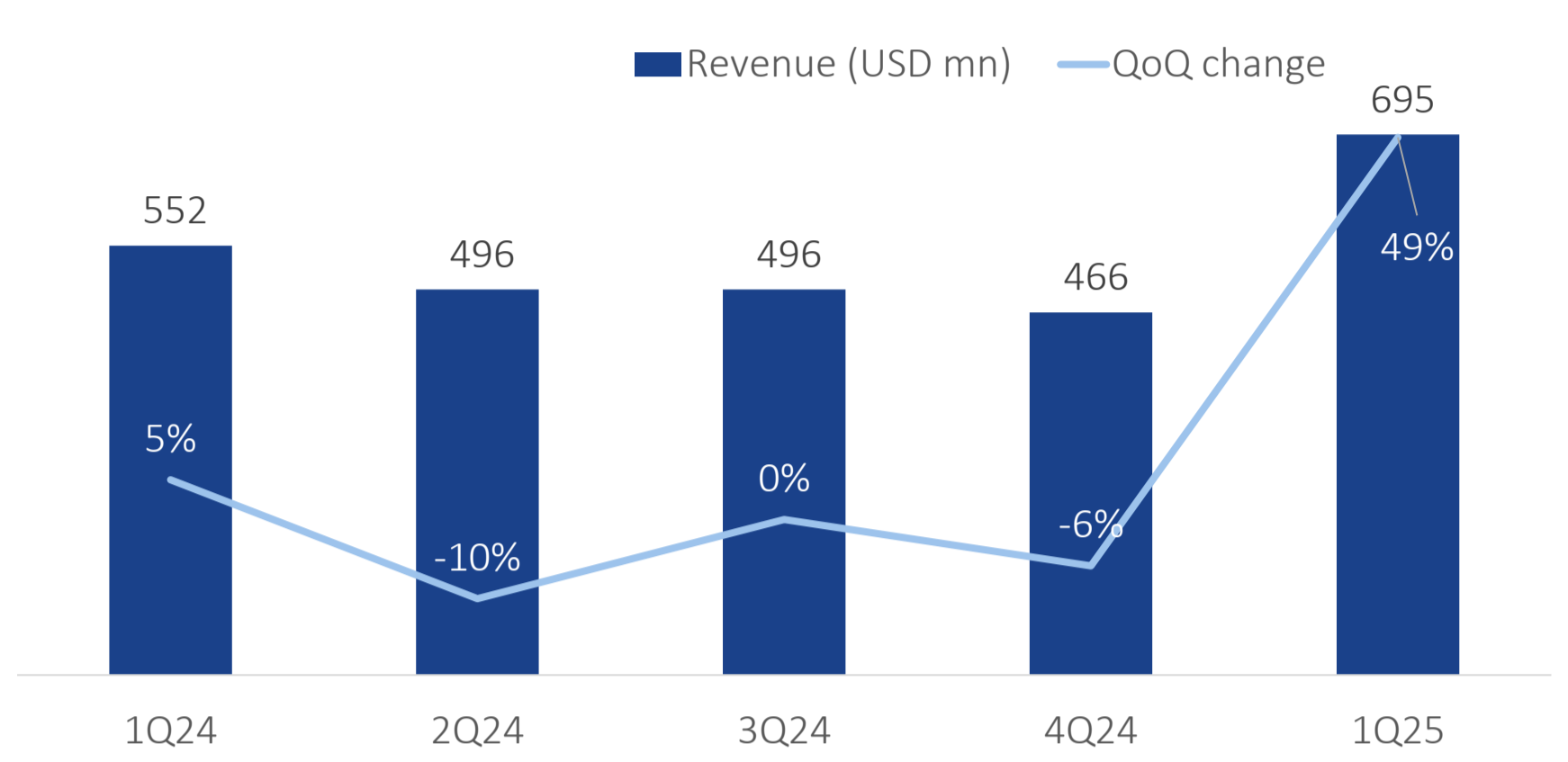


1Q25: Sales volumes up 11% YoY and 40% QoQ



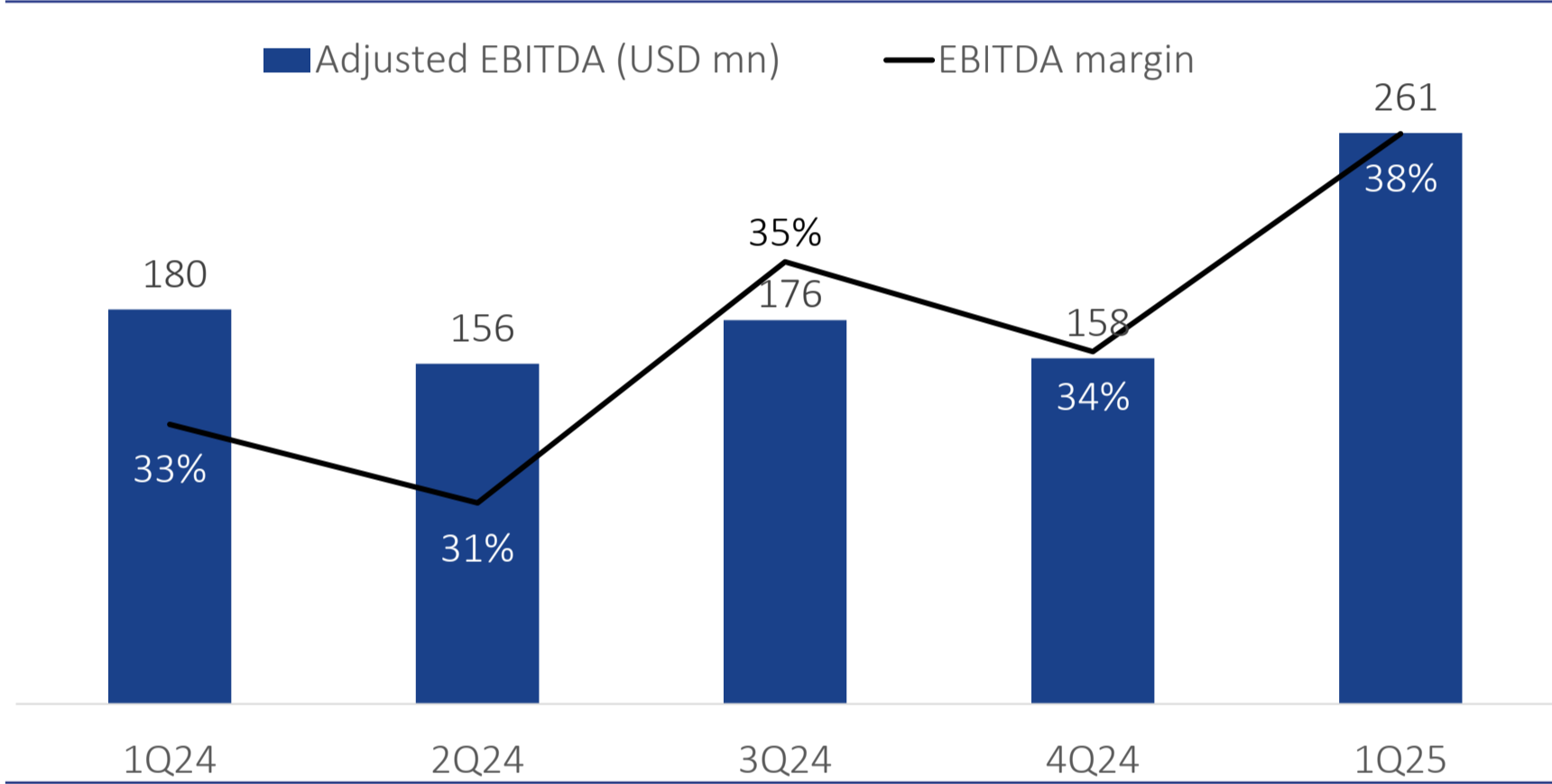
Source: Company data, IS Research

1Q25: Revenue declined up 26% YoY and 49% QoQ



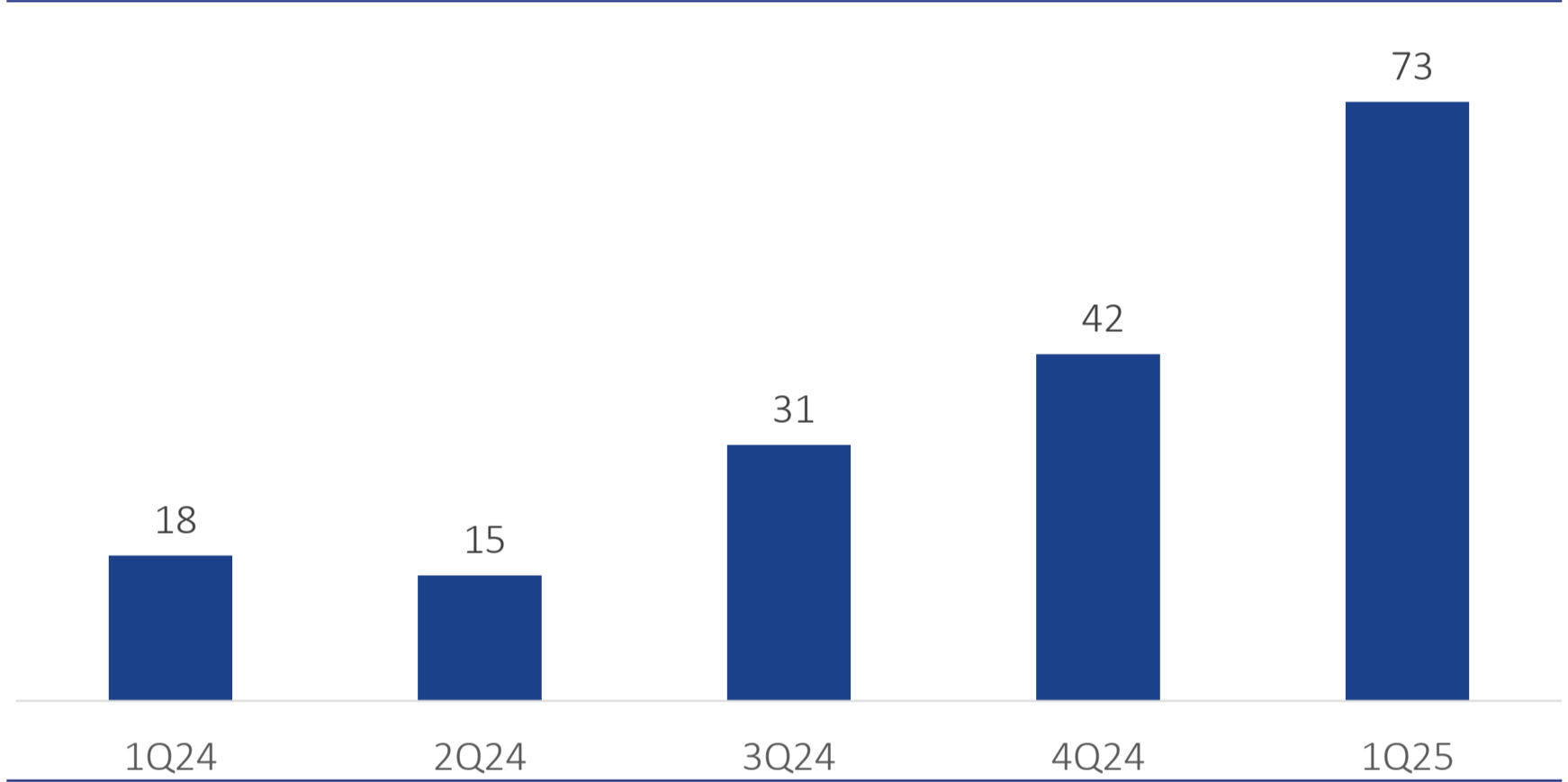
Source: Company data, IS Research

1Q25: Adjusted EBITDA up 45% YoY and 65% QoQ



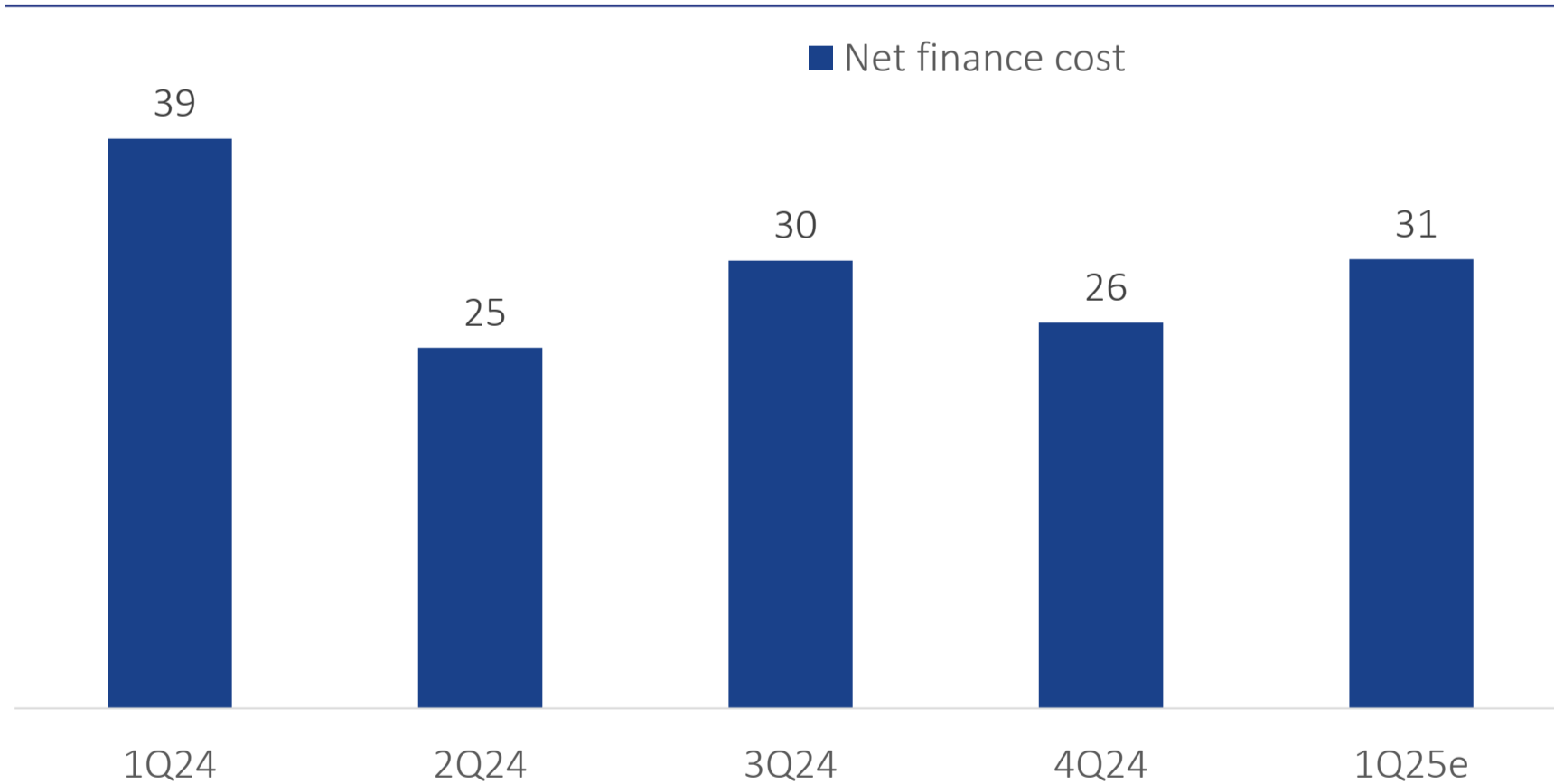
Source: Company data, IS Research

1Q25: Core profit (USDmn) at USD73mn



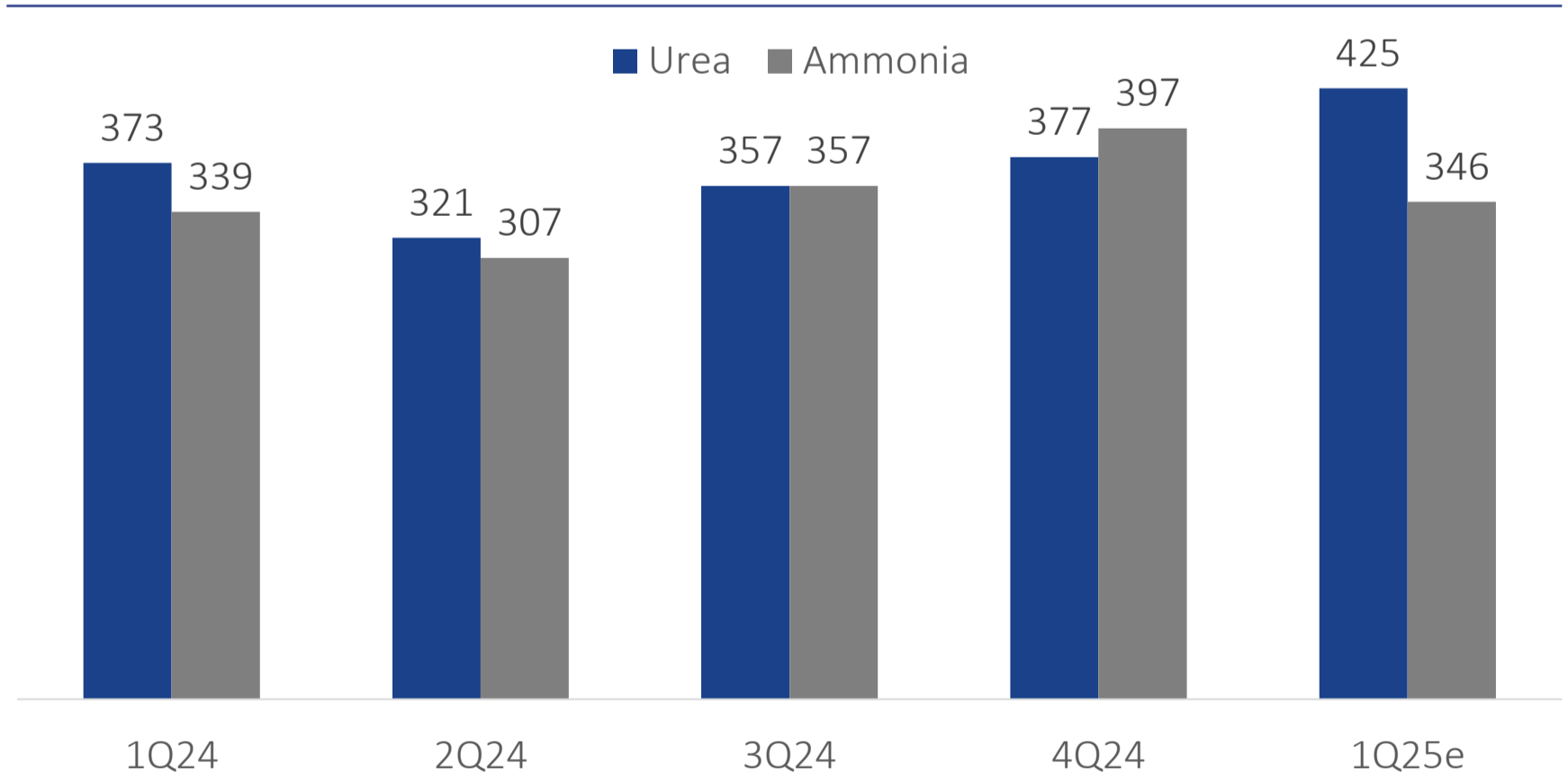
Source: Company data, IS Research

1Q25: Net finance cost down 21% YoY but up 16% QoQ



Source: Company data, IS Research.

1Q25: benchmark Urea and Ammonia prices (USD/ton)



Source: Company data, IS Research.



Recommendation History

Date	Recommendation	Target Price - AED
14 Apr 2024	BUY	3.36

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