



Today's Daily

■ FFBL: 4QCY17 Earnings Preview

FFBL is scheduled to announce earnings for 4QCY17 on Friday (Jan 26'18) where we expect the company to post net profit of PkR2.65bn (EPS: PkR2.83) in 4QCY17F vs. net profit of PkR2.39bn (EPS: PkR2.56) in 4QCY16 - up 11%YoY. On a full year basis, FFBL earnings are expected to clock in at PkR2.37bn (EPS: PkR2.54) in CY17F compared with net profit of PkR1.34bn (EPS: PkR1.43) in CY16. Alongwith the result, we also expect a final cash dividend of PkR1.0/sh taking CY17 total payout to PkR1.1/sh (payout ratio: 43%).

■ FFC: 4QCY17 Earnings Preview

FFC is scheduled to announce its 4QCY17 financial results on Tuesday (Jan 30'18) where we expect FFC's earnings to clock in at PkR4.94bn (EPS: PkR3.88) against PkR4.28bn (EPS: PkR3.66) - up 15%YoY. On a cumulative basis, we expect CY17F earnings to stand at PkR10.87bn (EPS: PkR8.54) compared to PkR11.78bn (EPS: PkR9.26) in CY16, down 8%YoY. Alongwith the result, we also expect a final cash dividend of PkR3.50/sh taking CY17 total payout to PkR7.50/sh (payout ratio: 88%).

News and Views

- Governor SBP Tariq Bajwa informed the Senate Standing Committee on Finance, Revenue, Economic Affairs and Narcotics Control on Tuesday that situation of foreign exchange reserves is satisfactory. The SBP official informed the committee about further devaluation of rupee as PkR2 correction is expected. Moreover, the committee was informed that the government does not want to go to the IMF for another loan program.
- Pakistan will demand unilateral concessions on approximately 70 products mostly of export interest to China as part of the second phase of the Free Trade Agreement (FTA). The duty reduction on these products will be discussed in the eighth round of negotiations scheduled for Feb 7. The source said Pakistan will especially seek market access for sugar, maize, vegetables and textiles under the second phase.
- The decision to continue the GSP Plus status for Pakistan will be made on the basis of biannual review during next week by the parliament of European Union (EU). European Union parliament will now decide to continue this facility till 2020.

KSE 100 - Index

Current	44,907.20
Previous	44,897.69
Chg.	0.02%

Mkt Cap. (PkRbn/US\$bn)

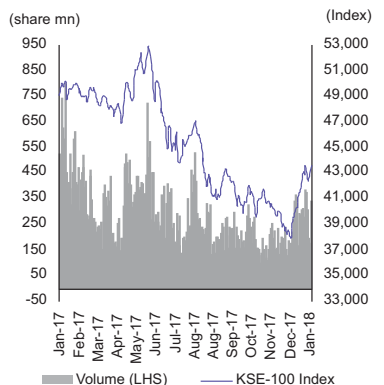
Current	9,239 / 83.58
Previous	9,223 / 83.43
Chg.	0.18%

Daily Turnover (mn)

Current	226.44
Previous	294.35
Chg.	-23.1%

Value Traded (PkRmn/US\$mn)

Current	13,335 / 120.64
Previous	13,251 / 119.88
Chg.	0.6%

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FFBL: Income Statement

(PkRmn)	4QCY17F	4QCY16	YoY	3QCY17	QoQ	CY17F	CY16	YoY
Sales	25,453	22,910	11%	11,602	2.19	52,609	45,011	17%
Gross Profit	5,183	880	5.89	1,794	2.89	7,266	339	2045%
Operating Profit	3,096	(1,118)	n.a	173	17.85	822	(3,675)	-122%
NPBT	3,348	2,974	7%	130	24.55	3,009	1,601	78%
NPAT	2,646	2,393	4%	107	23.37	2,369	1,339	66%
EPS (PkR)	2.83	2.56	4%	0.11	23.37	2.54	1.43	66%
DPS (PkR)	1.00	0.50	100%	-	100%	1.10	0.50	120%
Payout ratio	37%	20%	-	0%	-	46%	35%	-

Source: Co. Report & AKD Research

FFC: 4QCY17 Earnings Preview

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our Dec'18 TP of PKR96.9/sh offers an upside of 6% from current price level. **ACCUMULATE!**

FFC: Income Statement

(PkRmn)	4QCY17F	4QCY16	YoY	3QCY17	QoQ	CY17F	CY16	YoY
Sales	31,758	26,951	18%	27,589	15%	89,508	72,877	23%
Gross Profit	8,557	5,633	52%	5,325	61%	20,119	18,050	11%
Operating Profit	5,720	3,304	73%	2,860	100%	10,748	10,896	-1%
NPBT	6,954	6,082	14%	3,325	109%	16,142	17,396	-7%
NPAT	4,937	4,278	15%	2,116	133%	10,871	11,784	-8%
EPS (PkR)	3.88	3.36	15%	1.66	133%	8.54	9.26	-8%
DPS (PkR)	3.50	2.75	27%	1.50	133%	7.50	7.90	-5%
Payout ratio	90%	82%	-	90%	-	88%	85%	-

Source: Co. Report & AKD Research



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Accumulate	> 5% to < 20% upside potential
Neutral	≤ 5% to ≥ -5% potential
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Sell	≤ -20% downside potential



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