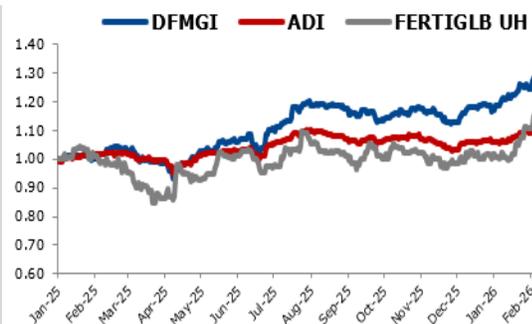


Fertiglobe PLC

Tight market conditions drove price gains and profit growth

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.70	AED 3.20	+19%	BUY

- Expanded production capacity of Diesel Exhaust Fluid (DEF) and Automotive Grade Urea (AGU) in the UAE and Egypt, which is projected to generate c. USD 22 Mn of additional annual EBITDA by 2030.
- Urea prices averaged USD 452 per metric tons (FOB Egypt) in 4Q25, up 19.9% YOY, driven by three consecutive Indian tenders during 4Q25, lower Chinese export volumes, and pre-CBAM buying.
- Board proposed a dividend of USD 135 Mn for 2H25 (6.1 fils per share), resulting in total dividends of USD 260 Mn for 2025 (11.6 fils per share).
- Expects a cash tax rate of around 16% and an accounting effective tax rate of approximately 17%, with lower rates primarily reflecting goodwill recognition in Egypt.



Stock Information

Market Cap (AED, Mn)	22,413.56
Shares Outstanding(mm)	8,301.32
52 Week High	2.89
52 Week Low	1.94
3M Avg. daily value (AED)	16,164,370

4Q25 Result Review (USD, Mn)

Total Assets	4,950
Total Debt	1,741
Total Equity before NCI	1,357
EBITDA	297
Net Profit	106

Financial Ratios

Dividend Yield (12m)	4.07
Dividend Pay-out (%)	218.05
Price-Earnings Ratio(x)	14.08
Price-to-Book Ratio (x)	4.39
Book Value (AED)	0.17
Return-on Equity (%)	28.13

Stock Performance

5 Days	-4.59%
1 Months	8.43%
3 Months	12.97%
6 Months	7.57%
1 Year	11.57%
Month to Date (MTD%)	-0.37%
Quarter to Date (QTD%)	8.43%
Year to Date (YTD%)	8.43%

4Q25 Net Profit higher than our estimate

Fertiglobe Plc (Fertiglobe/the Company) recorded a net profit attributable to shareholders of USD 106 Mn in 4Q25 compared to USD 40 Mn in 4Q24, higher than our forecast of USD 69 Mn. The growth in net profit is primarily attributable to higher revenue coupled with lower finance charges, partially offset by higher cost of sales, SG&A expenses, D&A and income tax, as well as higher share of profit attributable to non-controlling interest holders and lower finance income.

P&L Highlights

Fertiglobe's revenue increased significantly 73.5% YOY to USD 808 Mn in 4Q25, primarily supported by higher realized prices and increased sales volumes. The Company's Ammonia sales increased from 202K metric tons (MT) in 4Q24 to 362K MT in 4Q25. Similarly, urea sales rose by 5.1% YOY to 1,014K MT. In addition, Fertiglobe's third-party traded product volumes increased substantially from 52K MT in 4Q24 to 300K MT in 4Q25. Consequently, total product sales volumes grew 38% YOY to 1,679K MT during 4Q25. Benchmark Middle East ammonia prices increased 6.8% YOY to USD 424 per MT, and benchmark urea Egypt prices rose 19.9% YOY to USD 452 per MT in 4Q25. Cost of sales rose 53.2% YOY to USD 530 Mn in 4Q25. Gross profit more than double from USD 120 Mn in 4Q24 to USD 279 Mn in 4Q25, with gross profit margin increasing to 34.5% in 4Q25, compared to 25.8% in 4Q24. SG&A expenses increased 23.4% YOY to USD 54 Mn in 4Q25, while D&A increased 2.0% YOY to USD 72 Mn in 4Q25. Operating profit grew substantially from USD 80 Mn in 4Q24 to USD 225 Mn in 4Q25. EBITDA also increased from USD 150 Mn in 4Q24 to USD 297 Mn in 4Q25. Additionally, EBITDA margin increased from 32.3% in 4Q24 to 36.8% in 4Q25. Finance income fell from

USD 6 Mn in 4Q24 to USD 2 Mn in 4Q25, while finance costs declined 19.8% YOY USD 26 Mn in 4Q25. Fertigllobe recorded a tax charge of USD 34 Mn in 4Q25, compared to USD 18 Mn in 4Q24 owing to increase in profit before tax. The profit share attributable to non-controlling interest stood at USD 59 Mn in 4Q25, compared to loss attributable to NCI at USD 4 Mn in 4Q24.

Balance Sheet Highlights

The Company's total capex rose from USD 74 Mn in 4Q24 to USD 80 Mn in 4Q25, out of which, maintenance capex stood at USD 61 Mn in 4Q25, compared to USD 65 Mn in 4Q24. Free cash flow before growth capex stood at USD 271 Mn in 4Q25, compared to USD 84 Mn in 4Q24 owing to increase in profit. The Company reported a net debt position of USD 1,006 Mn in 4Q25, with a net debt / LTM adjusted EBITDA ratio of 1.0x.

Target Price and Rating

We maintain our BUY rating on Fertigllobe with a target price of AED 3.20. The Company delivered a strong performance in 4Q25, supported by higher ammonia and urea prices, coupled with higher sales volume of its own product and third-party. Urea prices averaged USD 452 per metric tons (FOB Egypt) in 4Q25, up 19.9% YOY, driven by three consecutive Indian tenders during 4Q25, reduced Chinese export volumes, and pre-CBAM purchasing activity. Fertigllobe executed initiatives covering c. 43% of its 2030 EBITDA growth target, with the Manufacturing Improvement Program now 46% complete and expected to deliver c. USD 55 Mn in incremental EBITDA by 2028. Additionally, 99% of the USD 55 Mn cost-reduction target has already been achieved on a run-rate basis through ADNOC-backed initiatives and operational optimization measures. Fertigllobe Australia and the optimization of the ammonia sales strategy in Egypt are progressing as planned and are expected to jointly contribute USD 31 Mn of EBITDA by 2030. Meanwhile, expanded production capacity of Diesel Exhaust Fluid (DEF) and Automotive Grade Urea (AGU) in the UAE and Egypt, which is projected to generate c. USD 22 Mn of additional annual EBITDA by 2030. Fertigllobe signed an MoU with Covestro and TA'ZIZ to explore collaboration across short- and long-term ammonia supply, related infrastructure and potential UAE greenfield investments, as well as sustainable fertilizer technologies spanning the ammonia and nitric acid value chains. Trial shipments of Automotive Grade Urea (AGU) have been completed successfully, and long-term contracts with customers have been secured. The product commands a premium over standard urea, though the exact margin remains undisclosed, and production is set to ramp up throughout 2026. Project Harvest, a 1 mtpa UAE lower-carbon ammonia project with a capex of c. USD 500 Mn is under construction since 4Q24 and targeted to start commercial operation by 2027. The project leverages existing infrastructure and ADNOC logistics synergies (TA'ZIZ terminals), while Fertigllobe retains the option to raise its stake to 54% post-completion. The Company expects maintenance Capex in 2026 to remain within guidance, albeit slightly elevated, before stabilizing at c. USD 125 Mn annually from 2027 onward. Growth Capex is largely covered for major projects, with Project Harvest potentially financed through project debt in 2026, while overall growth spending is projected to moderate. The Company expects near-term nitrogen market fundamentals to remain supportive, backed by solid demand from key import markets and constrained supply, which would sustain pricing strength into 1Q26. Over the medium term, the urea market outlook is reinforced by steady demand growth and limited capacity additions, while global ammonia capacity expansion is expected to gradually rebalance supply-demand dynamics. Additionally, long-term urea demand (ex-China) is projected to grow by 12.7 MT by 2029, outpacing capacity additions of 9.6 MT, supporting higher prices and margin expansion. Fertigllobe utilization rates improved from mid-80% in 2024 to higher levels in 2025, with a target of reaching mid-90% by 2028 and remains on track to achieve this goal. The Company expects a cash tax rate of around 16% and an accounting effective tax rate of approximately 17%, with lower rates primarily reflecting goodwill recognition in Egypt. Fertigllobe's board proposed a dividend of USD 135 Mn for 2H25 (6.1 fils per share), resulting in total dividends of USD 260 Mn for 2025 (11.6 fils per share). Thus, based on our analysis, we maintain our BUY rating on the stock.

Fertiglobe - RV

(at CMP)	2021	2022	2023	2024	2025	2026F
PE	8.85	4.97	17.82	38.87	14.13	18.15
PB	3.37	3.02	4.30	4.55	4.30	4.08
EV/EBITDA	4.68	2.87	7.63	12.03	7.41	8.25
BVPS (AED)	0.817	0.911	0.639	0.604	0.639	0.674
EPS (AED)	0.311	0.553	0.154	0.071	0.195	0.152
DPS (AED)	0.765	0.641	0.210	0.122	0.116	0.111
Dividend yield	28.3%	23.7%	7.8%	4.5%	4.3%	4.1%

FABS Estimates & Co Data

FERTIGLOBE – P&L

USD Mn	4Q24	3Q25	4Q25	4Q25F	Var	YOY Ch	QOQ Ch	2024	2025	Change
Sales	466	758	808	767	5.4%	73.5%	6.6%	2,009	2,827	40.7%
Cost of Sales	-346	-515	-530	-538	-1.5%	53.2%	2.9%	-1,513	-1,942	28.4%
Gross profit	120	244	279	229	21.7%	NM	14.4%	496	885	78.4%
SG&A Expenses	-44	-38	-54	-42	28.3%	23.4%	43.2%	-150	-158	5.3%
Operating profit	80	206	225	187	20.2%	NM	9.2%	349	727	NM
Depr. and Amortization	71	74	72	77	-6.6%	2.0%	-2.8%	280	298	6.5%
EBITDA	150	280	297	264	12.4%	97.7%	6.0%	629	1,025	63.0%
Financial income	6	3	2	5	-60.3%	-65.5%	-32.1%	17	14	-20.5%
Financial expense	-32	-28	-26	-31	-16.4%	-19.8%	-7.8%	-136	-116	-14.6%
Foreign exchange loss/gain	1	0	-2	0	NA	NM	-650.0%	-1	-12	792.3%
Profit before zakat	54	181	199	161	23.5%	NM	9.8%	229	614	NM
Income tax	-18	89	-34	-48	-29.4%	92.1%	-138.3%	-16	-25	59.2%
Profit before NCI	36	270	165	113	46.1%	NM	-38.9%	214	589	NM
NCI	4	-35	-59	-43	34.8%	NM	66.5%	-54	-155	NM
Net Profit	40	235	106	69	53.2%	NM	-54.7%	160	434	NM

FABS estimate & Co Data

FERTIGLOBE – Margins

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	Change
Gross Profit	25.8%	32.1%	34.5%	868	236	24.7%	31.3%	661
EBITDA	32.3%	37.0%	36.8%	450	-20	31.3%	36.2%	496
Operating Profit	17.1%	27.2%	27.9%	1,073	67	17.4%	25.7%	835
Net Profit	8.5%	31.0%	13.1%	463	-1,781	8.0%	15.3%	739

FABS estimate & Co Data

Key Developments:

- 1 October 2025:** Fertiglobe completed its acquisition of Wengfu Australia Pty Ltd.'s distribution assets, establishing Fertiglobe Australia Pty Ltd. Financed through short-term facilities, the deal is expected to contribute USD 23 Mn in annual EBITDA by 2030 with minimal impact on net debt/LTM adjusted EBITDA as of June 2025.
- 12 May 2025:** Fertiglobe had agreed to acquire the distribution assets of Wengfu Australia Pty Ltd. The transaction includes net asset value, a USD 8 Mn premium, and USD 75 Mn in working capital. Operating from five ports and eight warehouses, Wengfu distributes 700 KT to 800 KT of fertilizers annually. This acquisition aligns with Fertiglobe's strategy to expand in the Asia-Pacific region and diversify its portfolio.
- 9 April 2025:** Fertiglobe received ADX approval for its share buyback program, authorizing the repurchase of up to 2.5% of its issued shares as approved by the General Assembly. As of 31 December 2025, Fertiglobe repurchased 109.49 Mn shares, representing 1.32% of capital under its 2.5% buyback program, with 98.1 Mn shares available for repurchase.

Valuation:

We use Discounted Cash Flow (DCF) and Relative Valuation (RV) methods to value Fertiglobe. We have assigned a 70% weight to the DCF method and a 30% weight to the RV method.

Valuation Method	Target	Weight	Weighted Value
DCF Method	3.11	70.0%	2.18
Relative Valuation (RV)	3.42	30.0%	1.02
Weighted Average Valuation (AED)			3.20
Current market price (AED)			2.70
Upside/Downside (%)			+19%

1) DCF Method:

Fertiglobe is valued using free cash flow to the firm. We have discounted the cash flow using the weighted average cost of capital of 8.5%. It arrived after using a cost of equity of 9.5% and an after-tax cost of debt of 5.0%, with a debt-to-equity ratio of 28.4%. The cost of equity is calculated by using a 10-year government bond yield of 4.9%, a beta of 1.00, and an equity risk premium of 4.6%. Government bond yield is calculated after adding Abu Dhabi's 10-year spread over the 10-year US risk-free rate. The cost of debt is calculated using a cost of 6.0% after adjusting for a tax rate of 16.0%, which yields an after-tax cost of debt of 5.0%. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (USD, Mn)	2,371
Terminal value (USD, Mn)	6,074
(-) Net debt (as of 4Q25)	1,509
FV to Common shareholders (USD, Mn)	6,937
No. of share (Mn)	8,191
Current Market Price (AED)	2.70
Fair Value per share (AED)	3.11

DCF Method

(All Figures in USD Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
EBIT (1-Tax)	525	513	519	516	507
D&A	295	301	307	313	319
Change in working capital	-51	-51	-56	-57	-81
(-) Capex	-177	-174	-161	-163	-162
Free Cash Flow to Firm (FCFF)	592	589	609	610	583
Discounting Factor	0.93	0.86	0.79	0.73	0.67
Discounted FCFF	551	505	481	444	391

Source: FAB Securities, ¹Adjusted for partial year

2) Relative Valuation:

We have used local as well as international peers to value Fertiglobe, and it is valued using the EV/EBITDA multiple. We value Fertiglobe in line with its regional peer, SAFCO, due to the advantage of feedstock in the region. It is valued at a 2026 EV/EBITDA of 9.9x compared to the peer multiple of 7.4x.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
YAR Equity	12,476	5.66	5.93	10.97	12.05
SAFCO AB EQUITY	16,181	10.86	11.56	15.58	17.46
CF US Equity	15,022	7.93	8.84	12.66	14.99
NTR CAN Equity	34,405	8.01	8.20	14.89	15.50
OCI NV Equity	955	0.38	0.28	NM	80.52
COROMANDEL IN Equity	7,390	19.74	15.97	30.65	24.02
ABUK EY Equity	1,435	6.30	6.48	9.12	10.24
MFPC EY Equity	1,733	6.77	6.28	8.99	8.36
Average		8.2x	7.9x	14.7x	22.9x
Median		7.4x	7.3x	12.7x	15.2x
Max		8.7x	9.5x	15.2x	19.1x
Min		6.1x	6.2x	10.0x	11.6x

Source: FAB Securities

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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