

Flash Note

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Cements

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Company Limited (FCCL) announced its 2QFY24, financial result. The company reported earnings of PKR 2.7bn (EPS PKR 1.08) compared to same period last year of PKR 2.8bn (EPS PKR 1.13), down by -3.8%/y. This takes 1HFY24 earnings to PKR 5.3bn (EPS PKR 2.15) compared to last year PKR 5.1bn (PKR 2.07/share), an increase of +3.8%/y.

Dividend/Payout: FCCL did not announce any dividend along with the result.

Operating Performance: During the period under review, Company reported net sales of PKR 20bn (down by 1.35%/y) owing to lower dispatches. Gross margins stood at PKR 6.5bn (up by +28%/y) owing to lower imported coal prices and higher retention prices. Furthermore, selling and distribution cost was reported at PKR 0.94bn (up by +6.8xy/y and +33%q/q) likely due to axle load implementation. In addition, the Company reported finance cost of PKR 0.94bn during 2QFY24 (up by +93%/y) likely owing to higher borrowing and interest rates. The effective tax rate during 1HFY24 stood at 35% compared to 30% during the corresponding period last year.

Exhibit: Fauji Cement Company Limited (FCCL) Financial highlights						
For period ending: 2q/24						
PKRbn=Dec(end)	1HFY24	2q/24	1q/24	1HFY23	2q/23	1q/23
Net Sales	40.4	20.0	20.3	33.7	19.0	14.7
Gross Profits	12.9	6.5	6.3	9.3	5.1	4.2
Admin	0.7	0.4	0.4	0.8	0.4	0.3
EBIT	10.2	5.0	5.1	8.2	4.5	3.7
Finance cost	2.1	0.9	1.1	0.9	0.5	0.4
Profit before tax	8.1	4.1	4.0	7.3	4.0	3.3
Taxation	2.8	1.4	1.4	2.2	1.2	1.0
Profit after Tax	5.3	2.7	2.6	5.1	2.8	2.3
EPS*	2.15	1.08	1.07	2.07	1.13	0.94
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margins	32%	33%	31%	28%	27%	29%
EBIT Margins	25%	25%	25%	24%	23%	25%
Effective tax	35%	35%	35%	30%	30%	30%
Net Margins	13%	13%	13%	15%	15%	16%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 2452.8

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