

Flash Note

Friday, October 25, 2024



Cements

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Company Limited (FCCL) announced its 1QFY25, financial result. The company reported earnings of PKR 3.2bn (EPS PKR 1.32) compared to same period last year of PKR 2.6bn (EPS PKR 1.07), up by 24%/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 23bn (up by 13%/y). Gross profit stood at PKR 7.9bn (up by +25%/y) likely owing to lower imported coal prices and higher retention prices. Furthermore, selling and distribution cost was reported at PKR 0.7bn (down by -1.5%/y and -5.0%q/q) likely owing to declining inflation. In addition, FCCL reported finance cost of PKR 1.4bn during 1QFY25 (up by +20%/y) likely owing to higher borrowing. The effective tax rate during 1QFY25 stood at 38% compared to 35% during the corresponding period last year.

Exhibit: Fauji Cement Company Limited (FCCL) Financial highlights							
For period ending: 1q/25							
PKRbn=Sep(end)	1q/25	4q/24	3q/24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	23.0	20.6	19.0	20.0	20.3	13%	11%
Gross Profits	7.9	7.5	5.4	6.5	6.3	25%	6%
Admin	0.4	0.4	0.4	0.4	0.4	16%	6%
EBIT	6.6	6.2	4.3	5.0	5.1	28%	7%
Finance cost	1.4	1.5	1.6	0.9	1.1	20%	-12%
Profit before tax	5.2	4.6	2.6	4.1	4.0	31%	15%
Taxation	2.0	3.4	0.9	1.4	1.4	43%	-41%
Profit after Tax	3.2	1.2	1.8	2.7	2.6	24%	175%
EPS*	1.32	0.48	0.72	1.08	1.07	24.2%	175%
DPS	0.00	1.00	0.00	0.00	0.00	-	-
Gross Margins	34%	36%	28%	33%	31%	3%	-2%
EBIT Margins	29%	30%	22%	25%	25%	3%	-1%
Effective tax	38%	74%	33%	35%	35%	3%	-36%
Net Margins	14%	6%	9%	13%	13%	1%	8%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 2,452.8

Analyst

Laraib Nisar

laraib.nisar@igi.com.pk

Tel: +92 21 111 234 234 Ext: 974

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- Justified Price to Book
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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

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Research Identity Number: BRP009

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