

Flash Note

Tuesday, February 14, 2023



Result announcement 2QFY23

Cements

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Company Limited (FCCL) announced its 2QFY23, financial result. The company reported earnings of PKR 2.76bn (PKR 1.13/share) compared to same period last year of PKR 1.68bn (PKR 0.69/share), up by 64%/y/y. This takes 1HFY23 earnings to PKR 5.1bn (PKR 2.1) compared to last year PKR 3.79bn (PKR 1.54/share), an increase of +34%/y/y.

Dividend/Payout: FCCL did not announce any dividend this quarter.

Operating Performance: During the period under review, company reported net sales of PKR 19bn (up 38%/y/y). Its gross margins arrived at PKR 5.12bn (+36%/y/y) owing to higher retention prices offsetting increase in coal costs, depreciation in PKR, and energy tariffs. Furthermore, administrative costs came at PKR 0.43bn (up by +3%/y/y and +36%q/q) owing to inflationary environment. In addition, the company reported finance cost of PKR 0.48bn this quarter (up by +27%) primarily due to increase in interest rates.

Exhibit: Fauji Cement Company Limited (FCCL) Financial highlights						
For period ending: 2q/23						
PKRbn=Jun(end)	2023	2q/23	1q/23	2022	2q/22	1q/22
Net Sales	33.67	18.97	14.70	25.35	13.77	11.58
Gross Profits	9.33	5.12	4.21	7.20	3.77	3.43
Admin	0.75	0.43	0.32	0.70	0.42	0.28
EBIT	8.18	4.45	3.73	6.19	3.20	2.99
Finance cost	0.90	0.48	0.41	0.60	0.38	0.22
Profit before tax	7.28	3.97	3.32	5.58	2.82	2.77
Taxation	2.20	1.20	1.00	1.80	1.13	0.66
Profit after Tax	5.08	2.76	2.31	3.79	1.68	2.10
EPS	2.07	1.13	0.94	1.54	0.69	0.86
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Gross Margins	28%	27%	29%	28%	27%	30%
EBIT Margins	24%	23%	25%	24%	23%	26%
Effective tax	30%	30%	30%	32%	40%	24%
Net Margins	15%	15%	16%	15%	12%	18%

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

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