Flash Note

Wednesday, February 25, 2026

Cement

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Limited (FCCL) announced its 2QFY26 result. The company reported unconsolidated earnings of PKR 4.0bn (EPS: Rs1.64/share), flat on yearly basis while up +23% q/q, compared to PKR 4.0bn (EPS PKR 1.64) in the same period last year. This brings total profitability for 1HFY26 to PKR 7.3bn (EPS PKR 2.98), up by +1%y/y, against PKR 7.3bn (EPS PKR 2.96) in the same period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: During 2QFY26, net sales stood at PKR 23.9bn, down 4% y/y while up +2% q/q likely owing to lower dispatches while revenue was up on quarterly basis on volumetric improvement. Gross margins contracted to 35% compared to 36% in 2QFY25. EBIT margins also declined to 28% versus 30% in the same period last year. Finance cost dropped by 53% q/q to PKR 0.5bn owing to significant deleveraging by the Company. Effective tax rate stood at 35.2% during 2QFY26 (1QFY26: 37.9%) against 37.8% in the same period last year bringing total effective tax rate for 1HFY26 to 36.5% against 37.9% in 1HFY25.

Exhibit: Fauji Cement Company Limited (FCCL) Financial highlights

For period ending: 2q/26

PKRbn	**2q/26**	2q/25	y/y	1q/26	q/q	**1HFY26**	1HFY25	y/y
Net Sales	23.9	24.9	-4%	23.4	2%	47.4	47.8	-1%
Gross Profits	8.3	8.9	-6%	7.4	13%	15.7	16.8	-6%
Admin	0.5	0.4	18%	0.5	3%	1.0	0.8	19%
EBIT	6.7	7.5	-11%	6.0	13%	12.7	14.1	-10%
Finance cost	0.5	1.1	-53%	0.7	-26%	1.2	2.4	-52%
Profit before tax	6.2	6.5	-4%	5.3	18%	11.5	11.7	-2%
Taxation	2.2	2.4	-10%	2.0	9%	4.2	4.4	-5%
Profit after Tax	4.0	4.0	0%	3.3	23%	7.3	7.3	1%
EPS*	**1.64**	**1.64**		**1.34**		**2.98**	**2.96**	
DPS	**0.00**	**0.00**		**0.00**		**0.00**	**0.00**	
Gross Margins	35%	36%		32%		33%	35%	
EBIT Margins	28%	30%		25%		27%	29%	
Effective tax	35.2%	37.8%		37.9%		36.5%	37.9%	
Net Margins	17%	16%		14%		15%	15%	

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

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- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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