

Flash Note

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Cements

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Company Limited (FCCL) announced its 3QFY24 financial result. The company reported earnings of PKR 1.8bn (EPS PKR 0.72) compared to same period last year of PKR 1.9bn (EPS PKR 0.77), down by -6.3%/y. This takes 9MFY24 earnings to PKR 7.0bn (EPS PKR 2.87) compared to last year PKR 7.0bn (PKR 2.84/share), an increase of +1.1%/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 19bn (down by 4.9%q/q) owing to lower dispatches. Gross profit stood at PKR 5.4bn (down by -18%q/q). Gross profits are likely impacted by the increased depreciation expense recorded in 3QFY24 following the commencement of the new production line in DG Khan. In addition, the Company reported finance cost of PKR 1.6bn during 3QFY24 (up by +75%q/q) likely owing to higher borrowing and interest rates. The effective tax rate during 9MFY24 stood at 34% compared to 30% during the corresponding period last year.

Exhibit: Fauji Cement Company Limited (FCCL) Financial highlights										
For period ending: 3q/24										
PKRbn=Mar(end)	9MFY24	3q/24	2q/24	1q/24	9MFY23	3q/23	2q/23	1q/23	ΔYoY	ΔQoQ
Net Sales	59.4	19.0	20.0	20.3	51.9	18.2	19.0	14.7	4%	-5%
Gross Profits	18.2	5.4	6.5	6.3	14.1	4.7	5.1	4.2	13%	-18%
Admin	1.1	0.4	0.4	0.4	1.1	0.4	0.4	0.3	1%	0%
EBIT	14.4	4.3	5.0	5.1	12.5	4.3	4.5	3.7	-1%	-15%
Finance cost	3.7	1.6	0.9	1.1	2.5	1.6	0.5	0.4	1%	75%
Profit before tax	10.7	2.6	4.1	4.0	10.0	2.7	4.0	3.3	-2%	-35%
Taxation	3.7	0.9	1.4	1.4	3.0	0.8	1.2	1.0	9%	-39%
Profit after Tax	7.0	1.8	2.7	2.6	7.0	1.9	2.8	2.3	-6%	-34%
EPS*	2.87	0.72	1.08	1.07	2.84	0.77	1.13	0.94	-6%	-34%
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Gross Margins	31%	28%	33%	31%	27%	26%	27%	29%	2%	-5%
EBIT Margins	24%	22%	25%	25%	24%	24%	23%	25%	-1%	-3%
Effective tax	34%	33%	35%	35%	30%	30%	30%	30%	3%	-2%
Net Margins	12%	9%	13%	13%	13%	10%	15%	16%	-1%	-4%

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

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