

# Flash Note

Monday, 07 September 2020



Securities

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## Cements

### Fauji Cement Company Limited (FCCL)

#### Rise in cost structure continue losses in 4QFY20; 4QFY20 LPS: PKR 0.24/share; FY20 closes at loss of PKR 0.04/share

- Fauji Cement Company Limited (FCCL) announced its financial result for 4QFY20 wherein it reported a net loss of PKR 331mn (LPS: PKR 0.24), as against loss of PKR 210mn (LPS: PKR 0.15) in 3QFY20. This concluded FY20 with an accumulated loss of PKR 59mn (LPS: PKR 0.04) as against net profitability of PKR 2.82bn (EPS: PKR 2.05) reported in FY19. The Company announced nil dividends along with the result taking full year dividend to PKR 0.25/share (announce in 1HFY20).
- Net Sales of the Company during 4QFY20, as against 3QFY20 declined by 4%QoQ. This was largely driven by drop in sales volumes (down by ~5%QoQ) amid lockdown situation that persisted during the quarter due to Covid-19.
- Cost of sales of the Company grew more than anticipated, hence disabling the Company to post gross profits. We await annual report for further clarity in this regard.
- Non-operating income of the Company also remained negative possibly due to exchange losses recognized during the period.

Exhibit :FCCL Result Highlights								
Period end (JUN) - PKRmn	4QFY20	4QFY19	YoY	3QFY20	QoQ	FY20	FY19	YoY
Net Sales	3,750	5,154	-27%	3,925	-4%	17,232	20,798	-17%
Gross Profit	(229)	1,177	-0.2x	(106)	2.1x	649	5,323	-88%
Sell. / Dist. & Admin	160	148	8%	146	10%	673	626	7%
Non-Operating Income	(38)	27	-1.4x	20	-1.9x	36	148	-76%
EBIT	(413)	985	-0.4x	(210)	96%	12	4,519	-100%
Financial Charges	35	32	12%	70	-49%	185	107	73%
Pre-tax Profits	(449)	953	-0.5x	(280)	60%	(173)	4,412	-1.0x
Taxation	(118)	569	-0.2x	(70)	69%	(114)	1,588	-1.1x
Post-tax Profits	(331)	384	-0.9x	(210)	57%	(59)	2,824	-1.0x
EPS	(0.24)	0.28		(0.15)		(0.04)	2.05	
DPS	-	0.75		-		0.25	0.75	
<b>Key Ratios</b>								
Gross Margin (%)	(6.1)	22.8		(2.7)		3.8	25.6	
Net Margin (%)	(8.8)	7.5		(5.4)		(0.3)	13.6	
Effective Tax Rate (%)	26.2	59.7		24.8		65.7	36.0	

Source: Company Accounts, IGI Research

No. of Shares : 1380mn

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Research Identity Number: BRP009

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