

# AHL Brief Note: Cement Fauji Cement Company Limited Analyst Briefing Takeaways

## Management Conference Call

The management of Fauji Cement Company Limited (FCCL) held an analyst briefing session on 09th Oct'24 to discuss the company's performance and future outlook

## Brief Takeaways

- To recall, the company posted an earnings of PKR 8,223mn (EPS: PKR 3.35) compared to PKR 7,440mn (EPS: PKR 3.03) in SPLY, jump of 11% YoY.
- In FY24, volumetric dispatches rose by 5%, recording at 5.08mn tons, with local dispatches up by 3%, arriving at 4.56mn tons.
- The company exported about 500K tons to Afghanistan and expects 10-15% growth in FY25.
- The company capacity utilization in FY24 stood at 55% as compared to 65% in SPLY.
- The company's market share in north stood at 15% in FY24.
- FCCL's fuel mix comprised of 59% of both imported and Afghan coal and 31% of local coal in FY24 as compared to 53% of Afghan and 47% of local coal in FY23. The company also increased the usage of alternate fuel to 5.24% as compared to 3.17% in SPLY. The company is expecting to increase the alternate fuel to 10-11% in FY25.
- The price of Afghan and local coal is trading at PKR 45,000-47,000/ton and PKR 35,000-37,000/ton respectively.
- The company has a solar capacity of 52.5MW and WHRP capacity of 64.5MW. Additionally, the company expects to install solar of 5MW in Oct'24 and 10MW in Feb'25, with a total cost of PKR 1.5bn and a payback period of 3.5 years.
- Additionally, in FY24 the company's power mix comprised 52% from captive power and 48% from the grid.
- The current MRP hovers around PKR 1400-1450/bag and the retention price is about PKR 860-880/bag.
- The company has passed on 50% of the royalty imposed on limestone and argillaceous clay into its selling price. The impact of this royalty is around PKR 1,500-1,600 per ton. Currently, the industry has obtained a stay order from the court.
- The company anticipates demand to remain stable throughout FY25. However, cement dispatches are expected to pick up starting from Mar'25.
- Regarding the convertible loan from the sponsor, management clarified that there has been no intention of conversion as of now.

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### Analyst Briefing Takeaways

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