

# Cement: Fauji Cement Company Limited

## Result Review: FCCL posts PAT of PKR 3.3bn in 1QFY26

### 1QFY26: Earnings arrived at PKR 1.34/share

Fauji Cement Company Ltd (FCCL) announced its financial results for 1QFY26, posting a profit of PKR 3.3bn (EPS: PKR 1.34), marking a slight 1% YoY increase from PKR 3.2bn (EPS: PKR 1.32) in 1QFY25.

### Result Highlights

- In 1QFY26, company reported sales of PKR 23.4bn, reflecting a 2% YoY increase, driven by a 6% increase in the company's domestic dispatches and 62% YoY increase in export dispatches. To recall, 1QFY26 domestic dispatches stood at 1.24mn tons and export dispatches at 0.27mn tons.
- Gross margins declined to 31.5% in 1QFY26, down from 34.3% in 1QFY25, and 39.1% in 4QFY25, mainly due to lower retention prices mitigating the positive impact of higher domestic dispatches.
- Selling and distribution expenses increased by 5% YoY and by 6% QoQ in 1QFY26, amounting to PKR 725mn, mainly due to higher total dispatches.
- Admin Expenses increased by 21% YoY to PKR 500mn in 1QFY26.
- Finance costs for 1QFY26 declined by 51% YoY and by 20% QoQ to PKR 668mn, due to lower interest rates and reduced borrowings on YoY basis.
- The company reported an effective tax rate of 37.9% in 1QFY26, compared to 38.0% in the same period last year.
- Cash and short term investment position of the company has improved significantly on a QoQ basis improving to PKR 19bn in 1QFY26 compared to PKR 11.9bn in 4QFY25.

### Recommendation

- We have a **"BUY"** stance on the scrip, with Jun'26 target price of PKR 72/share. The scrip is trading at forward P/E of 7.9x for FY26e.

### Exhibit: Financial Highlights

(PKR mn)	1QFY26	1QFY25	YoY	4QFY25	QoQ
Net Revenue	23,418	22,956	2%	21,802	7%
Gross Profit	7,378	7,884	-6%	8,517	-13%
Admin Exp.	500	414	21%	432	16%
Distribution Exp.	725	693	5%	685	6%
Other Exp.	368	363	2%	436	-15%
Other Income	176	174	1%	208	-15%
Finance Cost	668	1,355	-51%	836	-20%
PBT	5,293	5,233	1%	6,336	-16%
Taxation	2,006	1,986	1%	2,417	-17%
PAT	3,286	3,247	1%	3,919	-16%
EPS (PKR)	1.34	1.32		1.60	
DPS (PKR)	-	-		1.25	

### Ratio Analysis

Gross Margins	31.5%	34.3%		39.1%
Net Margins	14.0%	14.1%		18.0%
Return on Equity	16.6%	12.3%		16.9%
Return on Assets	8.5%	6.1%		8.6%
Effective Tax Rate	37.9%	38.0%		38.1%

Source (s): Company Financials, AHL Research

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