

Cement: Fauji Cement Company Limited

Result Review: FCCL posts highest ever PAT of PKR 13.3bn in FY25

REP-300

FY25: Earnings arrived at PKR 5.43/share

Fauji Cement Company Ltd (FCCL) announced its financial results for FY25, posting a profit of PKR 13.3bn (EPS: PKR 5.43), marking a 62% YoY increase from PKR 8.2bn (EPS: PKR 3.35) in FY24. During 4QFY25, the company recorded earnings of PKR 3.9bn (EPS: PKR 1.60), reflecting a 232% YoY rise and an 83% rise QoQ. Along with the result, FCCL announced a DPS of PKR 1.25.

Result Highlights

- In FY25, company reported sales of PKR 89.0bn, reflecting an 11% YoY increase, driven by a 6% increase in the company's dispatches. For 4QFY25, revenue reported was PKR 21.8bn, a 6% YoY growth from PKR 20.6bn, due to higher domestic dispatches. On a QoQ basis, sales also increased by 13%.
- Gross margins improved to 35.5% in FY25, up from 32.1% in FY24, mainly due to higher sales volume coupled with better retention prices and cost optimization initiatives taken by the management. In 4QFY25, gross margins increased by 290bps YoY, reaching 39.1% due to higher domestic dispatches and a better fuel and power mix.
- Selling and distribution expenses declined by 11% YoY in FY25, amounting to PKR 2.9bn. These expenses also fell by 6% YoY during 4QFY25.
- Finance costs for FY25 declined by 10% YoY to PKR 4,703mn, and 4QFY25 by 50% YoY, due to a significant reduction in interest rates.
- The company reported an effective tax rate of 38.1% in FY25, compared to 46.4% in the same period last year.

Other Information

- The board also approved the expansion of PP Bags Manufacturing Plant at Hattar to meet 100% in-house requirements of bags of the company, which can lead to improvement in gross margins.

Recommendation

- We have a "BUY" stance on the scrip, with Jun'26 target price of PKR 66.0/share. The scrip is trading at forward P/E of 7.5x for FY26e.

Exhibit: Financial Highlights

(PKR mn)	FY25	FY24	YoY	4QFY25	4QFY24	YoY	QoQ
Income statement							
Net Revenue	88,956	80,026	11%	21,802	20,626	6%	13%
Gross Profit	31,571	25,680	23%	8,517	7,470	14%	36%
Admin Exp.	1,689	1,516	11%	432	389	11%	6%
Distribution Exp.	2,935	3,286	-11%	685	728	-6%	-19%
Other Exp.	1,479	827	79%	436	246	77%	88%
Other Income	761	540	41%	208	167	24%	25%
Finance Cost	4,703	5,237	-10%	836	1,663	-50%	-43%
PBT	21,526	15,355	40%	6,336	4,612	37%	82%
Taxation	8,199	7,132	15%	2,417	3,431	-30%	79%
PAT	13,326	8,223	62%	3,919	1,181	232%	83%
EPS (PKR)	5.43	3.35		1.60	0.48		
DPS (PKR)	1.25	1.00		1.25	1.00		
Ratio Analysis							
BVPS (PKR)	34.36	29.92		34.36	29.92		
Gross Margins	35.5%	32.1%		39.1%	36.2%		
Net Margins	15.0%	10.3%		18.0%	5.7%		
Return on Equity	16.9%	11.9%		16.9%	11.9%		
Return on Assets	8.6%	5.7%		8.6%	5.7%		
Effective Tax Rate	38.1%	46.4%		38.1%	74.4%		

Source (s): Company Financials, AHL Research

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