Flash Note

Monday, October 27, 2025

Cement

Fauji Cement Company Limited (FCCL)

Earnings: Fauji Cement Limited (FCCL) announced its 1QFY26 result. The company reported unconsolidated earnings of PKR 3.3bn (EPS: Rs1.34/share), showing a 1% y/y increase but a 16% q/q decline. The slight improvement in earnings on y/y basis was supported by stable topline and effective tax rate, while the q/q decline mainly stemmed from weaker gross margins and higher administrative expenses.

Dividend/Payout: The Company did not announce any cash dividend.

Operating Performance: During 1QFY26, net sales stood at PKR 23.4bn, up 2% y/y and 7% q/q indicating modest growth in dispatches and retention prices. Gross margins contracted to 32% compared to 34% in 1QFY25 and 39% in 4QFY25, primarily due to higher input costs and lower cement prices. EBIT margins also declined to 25% versus 29% in the same period last year. Finance cost dropped by 51% q/q to PKR 0.7bn owing to significant deleveraging efforts by the company, while the effective tax rate stood at 38%, remaining largely unchanged compared to the same period last year

Exhibit: Lucky Cement Company Limited () Financial highlights

For period ending: 1q/26

PKRbn	1q/26	4q/25	3q/25	2q/25	1q/25	ΔYoY	ΔQoQ
Net Sales	23.4	21.8	19.3	24.9	23.0	2%	7%
Gross Profits	7.4	8.5	6.3	8.9	7.9	-6%	-13%
Admin	0.5	0.4	0.4	0.4	0.4	21%	16%
EBIT	6.0	6.5	4.9	7.5	6.6	-10%	-8%
Finance cost	0.7	1.9	1.5	1.1	1.4	-51%	-65%
Profit before tax	5.3	4.5	3.5	6.5	5.2	1%	16%
Taxation	2.0	2.4	1.3	2.4	2.0	1%	-17%
Profit after Tax	3.3	3.9	2.1	4.0	3.2	1%	-16%
EPS*	**1.34**	**1.60**	**0.87**	**1.64**	**1.32**	**1%**	**-16%**
DPS	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**		**-**
Gross Margins	32%	39%	32%	36%	34%	-3%	-19%
EBIT Margins	25%	30%	26%	30%	29%	-3%	-14%
Effective tax	38%	53%	39%	38%	38%	0%	-29%
Net Margins	14%	18%	11%	16%	14%	0%	-22%

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

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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Basic Definitions and Terminologies used: Target Price: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

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