

## FCCL: Earning of PKR0.89/share reported in 3QFY22 – In-line with expectations

- Fauji Cement Company Limited (FCCL) posted net profit of PKR1,234mn (EPS PKR0.89), compared to PKR1,010mn (EPS PKR0.79) of the same quarter last year, registering a growth of 22%YoY. However, as expected the NPAT declined sequentially by 16%. This takes total 9MFY22 earnings to PKR4,062mn (EPS PKR2.94), up 56%YoY. The result is broadly in-line with our estimated earnings of PKR1,326mn (EPS PKR0.96).
- Top-line of the company undergo a massive surge of 30%YoY to PKR7,679mn. However, the same declined by 8%QoQ. The YoY increase in sales emanated from massive surge in cement prices. Whereas, the sequential decline of 8% is mainly attributable to 12%QoQ decline in volumes. However, the tandem of decline is partially offset by a 5% increase in prices. Similarly, net sales of 9MFY22 grew by 31%YoY to clock in at PKR22,924mn.
- Gross profit margins of the company clocked in at 25.4% for the quarter under review, declining by 3ppts QoQ and 4.4ppts YoY as increasing coal prices become a drag. However, the quantum of decline was contained somewhat as the company used a mix of Afghan and local coal.
- Distribution cost of the company increased/decreased by 6%YoY/13%QoQ ascribed to increased freight charges.
- Non-Operating income of the company decreased by 59%YoY/73%QoQ to clock in at PKR44mn.
- FCCL booked net finance income during the quarter due to PKR163mn finance income booked, which took net finance income to PKR144mn as compared to finance cost of PKR12mn in the same period last year.
- Effective tax during the quarter under review was 32% compared to 28% of 2QFY22 and 35% of 3QFY21.

### FCCL Financial Highlights

PKRmn	3QFY22	QoQ	YoY	9MFY22	YoY
Net Sales	7,679	-8%	30%	22,924	31%
Cost of Sales	5,730	-4%	38%	16,507	27%
<b>Gross Profit</b>	<b>1,949</b>	<b>-17%</b>	<b>11%</b>	<b>6,416</b>	<b>43%</b>
Distribution Cost	51	-13%	6%	161	13%
Administrative Cost	146	-33%	25%	513	38%
Other Operating Cost	133	-16%	16%	428	55%
Other Income	44	-73%	-59%	318	107%
Finance Cost	(144)	n/a	n/a	(86)	n/a
<b>Profit Before Tax</b>	<b>1,806</b>	<b>-12%</b>	<b>16%</b>	<b>5,719</b>	<b>52%</b>
Taxation	573	-2%	4%	1,657	45%
<b>Profit After Tax</b>	<b>1,234</b>	<b>-16%</b>	<b>22%</b>	<b>4,062</b>	<b>56%</b>
EPS (PKR)	0.89			2.94	

Source: Company Accounts, Next Research

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# Annexure

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