

RESULT REVIEW

Fauji Cement Company Limited (FCCL) – 1QFY26

Monday, October 27, 2025

Fauji Cement Company Limited (FCCL) announced its 1QFY26 results, posting a profit after tax of PKR 3.29bn (EPS: PKR 1.34), showing a slight 1% y/y improvement from PKR 3.25bn (EPS: PKR 1.32) in 1QFY25. The result remained slightly below the HMFS expectations of PKR 1.62.

Key Highlights:

- **Stable revenue performance:** Net sales clocked in at PKR 23.4bn, up 2% y/y, supported by improved domestic and export demand.
- **Margin contraction:** Gross profit stood at PKR 7.38bn with gross margins at 31.5% vs. 34.3% in 1QFY25, mainly due to lower retention prices.
- **Selling expenses up:** Selling & distribution expenses increased 5% y/y, in line with higher total dispatches.
- **Admin expenses up:** Administrative expenses rose 21% y/y to PKR 500mn.
- **Sharp reduction in finance cost:** Finance costs declined 51% y/y to PKR 6687mn, driven by lower borrowing and reduced benchmark rates.
- **Effective tax rate spike:** Tax rate remained same as 38% .

Financials (PKR in mn)	1QFY26	1QFY25	Y/Y
Revenue- net	23,418	22,956	2%
Cost of sales	(16,039)	(15,073)	6%
Gross profit	7,378	7,884	-6%
Other income	176	174	1%
Selling and distribution expenses	(725)	(693)	5%
Administrative expenses	(500)	(414)	21%
Other expenses	(368)	(363)	2%
Operating profit	5,961	6,588	-10%
Finance cost	(1,136)	(1,675)	-32%
Finance income	467	320	46%
Net finance cost	(668)	(1,355)	-51%
Profit before taxation	5,293	5,233	1%
Income tax expense	(2,006)	(1,986)	1%
Profit for the period	3,286	3,247	1%
EPS	1.34	1.32	

Source: Company Financials, HMFS Research

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HMFS RATING GUIDE

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