

SectorCementChase Research

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Symbol: **FCCL**

Current Price: **PKR 52.07**

Market Cap (PKR bn): **127.72**

Total Shares (mn): **2,452.85**

Free Float (mn): **858.49**

52 Week High: **PKR 61.09**

52 Week Low: **PKR 36.26**

Fauji Cement Company Limited (FCCL)

Fauji Cement Company Limited (FCCL) reported earnings per share of PKR 6.60 for FY26 (FY25: PKR 5.43). Furthermore, in 4QFY26, the company reported earnings per share of PKR 2.20 (4QFY25: PKR 1.60).

Net revenues grew 6% YoY to PKR 94 billion, supported by a 12.5% growth in domestic cement dispatches (5.41 Mn tons), offsetting a 48% decline in export sales (0.29 Mn tons) caused by the Afghan border closure.

Cost of Production (COP) per ton dropped slightly from PKR 10,723/ton in FY25 to PKR 10,659/ton in FY26. Expansion of PP bag capacity at Hattar to 108 million bags p.a. now fulfills 100% of internal packaging needs in-house (contributing 89% to overall bag usage vs. 35% last year).

Management noted that fuel cost per ton was reduced to PKR 4,149 in FY26 from PKR 4,376 in SPLY, due to higher utilization of cheaper local coal, despite higher spot coal prices.

Similarly, in FY26 power cost per ton remained PKR 1,610 (FY25: PKR 1,378), impacted by grid power rate revisions, partially mitigated by expanded solarization and lower WAPDA tariffs.

Cement dispatch capacity utilization stood at 55% (2% above the industry average), yielding a national market share of 16%. Total dispatches reached 5.70 million tons.

FCCL, jointly with KAPCO, acquired an aggregate ~92% stake in Attock Cement Pakistan Limited. FCCL's specific shareholding is 46%, financed through PKR 13 billion in foreign debt and PKR 7 billion in internal cash generation.

Captive power capacity stands at 133.5 MW, including 70 MW (expandable/operational up to ~75.4 MW) solar and 48 MW Waste Heat Recovery (WHR). Renewable energy accounted for 51% of the power mix, helping offset inflationary cost pressures and reducing carbon emissions by 187,000 tons of CO₂.

FCCL holds the distinction of being approved for all major national hydropower projects, benefiting from strict technical qualification standards. Key supply projects include the Diamer-Bhasha Dam, Dasu Hydropower Project, and Mohmand Dam.

Major institutional buyers include the Frontier Works Organisation (FWO), National Logistics Cell (NLC), Army Housing Scheme, and Defense Housing Authority (DHA).

In FY26, retention per ton remained PKR 870 and PKR 875 per bag, currently standing at PKR 900 per bag.

Fuel mix comprises approximately 75% local coal and 25% imported coal. Sourcing choices are dynamically adjusted based on the lowest per-MMBtu heat cost.

Local/Afghan coal is prioritized due to cost advantages; imported coal is sourced via sea from South Africa and Mozambique. Average local coal cost was approximately PKR 40,000 per ton during FY26.

Going forward, management's outlook for FY26–27 remains cautiously positive. Growth will be driven primarily by domestic volume demand (housing and PSDP projects), while exports will remain dependent on border policy resolutions. Management projects company's domestic dispatch growth of 8% to 10%.

PKR million

FY25

FY26

YoY

4QFY25

4QFY26

YoY

Net sales	88,956	93,690	5%	21,802	23,907	10%
Cost of sales	(57,385)	(60,969)	6%	(13,285)	(14,916)	12%
Gross profit	31,571	32,721	4%	8,517	8,990	6%
Gross margin	35%	35%		39%	38%	
Selling/distribution expenses	(2,935)	(3,239)	10%	(685)	(834)	22%
Administrative expenses	(1,689)	(1,918)	14%	(432)	(457)	6%
Operating profit	26,947	27,565	2%	7,400	7,700	4%
Financial charges	(4,703)	(2,382)	-49%	(836)	(696)	-17%
Other income	761	813	7%	208	257	24%
Other charges	(1,479)	(1,710)	16%	(436)	(490)	12%
Share of associates' profit/(loss)	0	237	N/A	0	237	N/A
Profit before tax	21,526	24,523	14%	6,336	7,008	11%
Taxation	(8,199)	(8,340)	2%	(2,417)	(1,601)	-34%
Profit after tax	13,326	16,183	21%	3,919	5,407	38%
Net margin	15%	17%		18%	23%	
EPS (PKR)	5.43	6.60	22%	1.60	2.20	38%
DPS (PKR)	1.25	1.50	20%	1.25	1.50	20%

Source: Company financials, PSX

Important Disclosures**Disclaimer:**

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