



FECTO CEMENT LTD.

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FCL/SHD/047-2025/ 1077

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

April 28, 2025

FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2025

We have to inform you that Board of Director of our Company in their meeting held at 12:00 noon on Monday, April 28, 2025, has approved the following financial results for the period ended March 31, 2025.

i. CASH DIVIDEND	NIL
ii. BONUS SHARES	NIL
iii. RIGHT SHARE	NIL
iv. ANY OTHER ENTITLEMENT / CORPORATE ACTION	NIL
v. ANY OTHER PRICE SENSITIVE INFORMATION	NIL

The financial results of the Company for the Period ended March 31, 2025 are attached:

You may please inform the TRE Certificate Holder of the Exchange accordingly.

Yours faithfully
For FECTO CEMENT LIMITED


(TARIQ TOQBAL)
Company Secretary

DIRECTORS' REVIEW REPORT

Dear Members

The Directors of your company are pleased to present before you their review report for the quarter ended March 31, 2025.

ECONOMIC AND INDUSTRY OVERVIEW

During the third quarter of FY2024-25, Pakistan's macroeconomic landscape continued to stabilize, supported by easing inflationary pressures and downward trajectory in benchmark interest rates. The average annual inflation, which stood at 30.08% in 2023, decreased significantly to 12.6% in 2024, and for FY 2025, the average annual inflation has further moderated to 5.25% reflecting a stable and downward trend. Simultaneously, the policy rate which peaked at 24.67% on September 8th, 2023 has steadily declined, reaching 12.16% by December 2024, driven by the State Bank of Pakistan's proactive monetary policy stance. These measures have contributed to improved business sentiment and a reduction in borrowing costs across the industrial sector.

Despite these positive macro indicators, the overall performance of the cement industry remained mixed. Domestic cement dispatches from July 2024 to March 2025 declined by 6.60% compared to the same period last year, primarily due to subdued demand from both the private housing and public infrastructure segments across the North and South Zones.

The slowdown in the private sector was driven by elevated construction costs, limited credit availability for housing projects, and delayed recovery in real estate investment. On the public sector side, slower than expected disbursements under development programs and fiscal tightening measures limited the pace of infrastructure-related cement consumption. These combined factors contributed to the overall softness in domestic demand, despite the broader improvement in economic indicators.

Conversely, export volumes recorded significant growth of 28.08% during the same period. South-based manufacturers capitalized effectively on international demand, with export dispatches comprising approximately 53.68% of total dispatches in the South Zone, compared to 4.68% in the North Zone. Capacity utilization across the sector remained well below optimal levels, averaging between 60% and 70%, reflecting persistent excess capacity particularly in the North. On the cost side, reduced coal prices and enhanced energy efficiencies supported industry margins, partially offsetting the impact of softening local retention prices.

Total industry dispatches during the quarter stood at 11.062 million tons, reflecting a 4.14% quarter-on-quarter increase, primarily due to strong export growth from South-based players. Export volumes during the quarter reached 1.722 million tons from 1.448 million tons, up 18.95%, while domestic dispatches increased by 1.80%, from 9.175 million tons to 9.340 million tons.

In the North Zone, total volumes for the quarter were 7.740 million tons, showing a marginal increase of 0.01% compared to the same quarter last year. Domestic sales in the North improved by 1.90% from 7.464 million tons to 7.606 million tons, while exports declined sharply by 52.54%, from 0.269 million tons to 0.128 million tons.

In contrast, the South Zone registered robust growth, with total dispatches rising by 15.19% to 3.328 million tons, compared to 2.889 million tons in the corresponding quarter last year. This was driven by a 35.26% increase in export volumes from 1.179 to 1.594 million tons, while domestic sales rose modestly by 1.36%, from 1.710 to 1.733 million tons.

CEMENT PRODUCTION AND SALES VOLUME PERFORMANCE OF THE COMPANY

Cement production and sales volume performance of your Company for the quarter ended March 31, 2025 as compared to corresponding quarter last year is presented below:

Particulars	Quarter ended March 2025	Quarter ended March 2024	% Change
Clinker Production (Tons)	97,535	145,908	(33.15%)
Cement Production (Tons)	171,797	164,748	4.28%
Local Dispatches (Tons)	168,653	163,893	2.90%
Export Dispatches (Tons)	3,220	1,750	84.00%
Total Dispatches (Tons)	171,873	165,643	3.76%
Capacity Utilization	68.72%	65.90%	4.28%
Market share	1.55%	1.56%	(0.36%)
Market share from North region	2.22%	2.14%	3.75%

During the quarter under review, the Company recorded a positive operational performance, particularly in cement production and dispatches. Cement production rose by 4.28%, reaching 171,797 tons, compared to 164,748 tons in the corresponding quarter last year.

The average cost per ton of cement sold decreased from Rs. 14,248 to Rs. 14,036, highlighting the Company's ongoing efforts in cost control and process efficiencies. However, the Company faced pressure on margins due to a 2.12% decline in average retention price, which fell from Rs. 15,108 to Rs. 14,788. This decline in selling price significantly impacted gross profitability, despite improvements in cost structure, and ultimately affected the bottom line.

FINANCIAL PERFORMANCE OF THE COMPANY

The Financial performance of your Company for the quarter ended March 31, 2025 as compared to corresponding quarter last year is presented below:

Particulars	Quarter ended March 2025	Quarter ended March 2024	% Change
	Rs. '000		
Local Sales	2,506,629	2,482,988	0.95%
Export Sales	34,974	19,556	78.84%
Total Sales	2,541,603	2,502,544	1.56%
Cost of sales	2,376,472	2,360,154	0.69%
Gross Profit	165,131	142,390	15.97%
Gross Profit as % of Sales	6.50%	5.69%	14.19%
Operating Profit/ EBIT	98,277	75,076	30.90%
Net Profit	49,059	31,357	56.45%
Earnings per Share (EPS)	0.98	0.63	55.56%

The increase in sales revenue during the quarter was primarily driven by a 3.76% growth in total dispatches, with a positive quantity variance of Rs. 94.120 million. However, this was partially offset by a negative price variance of Rs. 55.061 million, due to reduced average retention rates. Cost of sales increased by 0.69% due to higher cement production. Fuel and power costs declined significantly by 32.86%, from Rs. 1,561.072 million to Rs. 1,048.162 million, with majorly due to reduction in coal and electricity costs

Administrative expenses increased by 23.00% i.e. from Rs. 78.129 million to Rs. 96.100 million, and distribution expenses rose by 27.09% i.e. from Rs. 25.995 million to Rs. 33.036 million, primary force being increase in salaries and wages.

As a result of effective working capital management, a reduction in borrowing levels, and a decline in KIBOR rates, financial charges considerably reduced by 49.85%, from Rs. 73.859 million to Rs. 37.037 million, compared to the corresponding quarter of the last year.

FUTURE OUTLOOK

As we move into the final quarter of FY2024-25, Pakistan's economic landscape presents cautious optimism for industrial recovery. Easing inflation and recent monetary policy adjustments, particularly reductions in benchmark interest and interbank lending rates, are expected to enhance business liquidity and reduce financial costs across sectors, including cement.

The government's continued focus on infrastructure and housing development is expected to gradually support domestic cement demand. At the same time, anticipated adjustments in energy tariffs may offer relief to manufacturers through improved cost efficiency.

Fecto Cement Limited remains strategically aligned to capture these emerging opportunities. The Company continues to prioritize operational efficiency, energy cost optimization, and disciplined financial management. Export markets will remain a tactical focus to improve utilization, especially in light of fluctuating regional demand dynamics.

Despite ongoing volatility in coal prices and logistics, the Company is proactively managing input costs and supply chain risks. With a continued emphasis on cost control, product quality, and market responsiveness, Fecto Cement is well positioned to maintain profitability and deliver long-term stakeholder value in an evolving economic environment.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their appreciation for the valuable contribution of all stakeholders including the employees for their dedication and hard work, customers and vendors for their unwavering support, regulators for their continued support and guidance and financial institutions for the trust reposed on sponsors and management, which plays a pivotal role in the successful operational and financial performance of the Company.



Rohail Ajmal



Mohammed Yasin Fecto

On behalf of the Board of Directors

Fecto Cement Limited

Condensed Interim Statement of Financial Position

As at March 31, 2025

		(Un-Audited) Mar-31 2025	Audited June 30 2024
	Note	Rupees in '000'	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		750,000	750,000
75,000,000 (2024: 75,000,000) ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital		501,600	501,600
50,160,000 (2024: 50,160,000) ordinary shares of Rs.10/- each			
Revenue reserves			
General reserve		550,000	550,000
Accumulated profit		3,275,488	2,755,559
		3,825,488	3,305,559
Capital Reserve			
Surplus on revaluation of investment in unquoted shares		66,170	54,527
		4,393,258	3,861,686
Non-current liabilities			
Long term financing from a banking company - secured	4	556,889	678,308
Lease Liability		39,811	12,285
Deferred income - Government grant	5	77,157	102,067
Deferred taxation		178,445	88,006
		852,302	880,666
Current Liabilities			
Trade and other payables	6	1,809,107	1,955,084
Short term borrowing - secured	7	505,299	735,513
Accrued mark-up		10,042	38,699
Unclaimed dividend		14,473	14,473
Unpaid dividend		185	185
Provision for taxation		77,971	-
Current maturity of long term financing - secured	8	238,304	262,238
Current maturity of lease liabilities		40,741	27,335
Current maturity of government grant	5	33,962	38,471
		2,730,084	3,071,998
Contingencies and commitments	9		
Total equity and liabilities		7,975,644	7,814,350
ASSETS			
Non-current assets			
Property, plant and equipment	10	3,046,423	2,951,117
Intangible Asset		10,852	-
Right-of-use assets	11	86,359	46,248
Investment Property		102,260	102,260
Long term investments		339,362	327,720
Long term deposits		10,101	10,101
Long term loans and advances		24,192	40,126
		3,619,549	3,477,572
Current assets			
Stores and spares		1,397,226	1,470,666
Stock-in-trade		2,081,056	1,999,639
Trade debts - unsecured		510,461	478,780
Short term loan to a related party		19,990	19,990
Loans, advances, deposits, prepayments and Other Receivable		113,918	44,721
Tax refunds due from government		40,725	41,735
Cash and bank balances		192,719	281,247
		4,356,095	4,336,778
Total assets		7,975,644	7,814,350

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Fecto Cement Limited

Condensed Interim Statement of Profit and Loss (Un-Audited) For the period ended March 31, 2025

	Nine Months ended		Quarter ended	
	March 2025	March 2024 (Restated)	March 2025	March 2024 (Restated)
	Rupees in '000'			
Sales revenue - net	8,143,805	8,223,377	2,541,603	2,502,544
Cost of sales	(6,782,137)	(7,341,633)	(2,376,472)	(2,360,154)
Gross profit	1,361,668	881,744	165,131	142,390
Administrative expenses	(326,981)	(260,731)	(96,100)	(78,129)
Distribution costs	(99,696)	(81,118)	(33,036)	(25,995)
	(426,677)	(341,849)	(129,136)	(104,124)
Finance costs	(145,203)	(203,719)	(37,037)	(73,859)
Other expenses	(4,265)	-	-	-
Operating Profit / (loss)	785,523	336,176	(1,042)	(35,593)
Other income	103,119	89,820	62,282	36,874
Profit before levies and taxation	888,642	425,996	61,240	1,281
Levies	(50,592)	(124,509)	(1,637)	(31,411)
Profit before taxation	838,050	301,487	59,603	(30,130)
Taxation	(318,121)	(91,627)	(10,544)	61,487
Profit after taxation	519,929	209,860	49,059	31,357
----- (Rupees) -----				
Earning per share - basic and diluted	10.37	4.18	0.98	0.63

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Fecto Cement Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended March 31, 2025

	Nine months ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Rupees in '000'			
Profit / (loss) after taxation	519,929	209,860	49,059	31,357
Other comprehensive income	11,642	-	(1,033)	-
Total comprehensive income / (Loss) for the period	531,571	209,860	48,026	31,357

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Fecto Cement Limited

Condensed Interim Statement of Changes in Equity

For the period ended March 31, 2025

	Issued, subscribed and paid up capital	Revenue reserves		Capital reserve	Total
		General reserve	Unappropriat ed profits	Surplus on revaluation of investment in unquoted shares	
	Rupees in '000'				
Balance as at June 30, 2023 (Audited)	501,600	550,000	2,438,236	106,919	3,596,755
Total comprehensive income for the nine months ended March 31, 2024					
- Profit after taxation	-	-	209,860	-	209,860
- Other comprehensive income	-	-	-	-	-
	-	-	209,860	-	209,860
Balance as at March 31, 2024 (Un-Audited)	501,600	550,000	2,648,096	106,919	3,806,615
Balance as at 30 June, 2024 (Audited)	501,600	550,000	2,755,559	54,527	3,861,686
Total comprehensive income for the nine months ended March 31, 2025					
Profit after taxation	-	-	519,929	-	519,929
Other Comprehensive income	-	-	-	11,642	11,642
	-	-	519,929	11,642	531,571
Balance as at March 31, 2025 (Un-Audited)	501,600	550,000	3,275,488	66,169	4,393,257

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Chief Executive



Director



Chief Financial Officer

Fecto Cement Limited

Condensed Interim Statement of Cashflows (Un-Audited)

For the period ended March 31, 2025

	(Un-audited) March 2025	(Un-audited) March 2024 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and taxation	888,642	425,996
Adjustments for:		
- Finance costs	145,203	203,719
- Depreciation on property, plant and equipment	77,527	203,099
- Depreciation on right-of-use assets	19,512	20,292
- Amortization of deferred government grant	(29,419)	(33,518)
- Store Write off	4,265	-
- Interest income	(61,281)	(31,058)
- Gain on disposal of property, plant and equipment	(4,688)	(3,154)
	151,119	359,380
Operating Profit before working capital changes	1,039,761	785,376
Working capital changes		
Decrease / (Increase) in current assets		
- Stores and spares	69,175	(157,328)
- Stock-in-trade	(81,417)	(97,831)
- Trade debts	(31,681)	(114,334)
- Loans, advances, deposit and prepayment	(6,256)	(6,724)
- Sales tax refundable	(20,432)	2,225
	(196,569)	159,404
(Decrease) in current liabilities		
Trade and other payables	(267,180)	(214,588)
Cash generated from operations	772,581	570,788
Income tax paid	(128,269)	(100,647)
Long term loan and advances	(21,653)	(334)
Cash generated from operating activities	622,659	469,807
CAH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(173,344)	(249,456)
Additions to intangible assets	(1,000)	(2,500)
Repayment of Short Term Loan by related party	-	25,010
Interest received	26,075	15,432
Proceeds from disposal of property, plant and equipment	5,200	9,961
Net cash used in investing activities	(143,069)	(201,553)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability (principal portion)	(18,692)	(19,588)
Dividend Paid	-	(13)
Repayment of Long term financing (principal portion)	(172,378)	(141,651)
Finance cost paid	(146,834)	(181,200)
Short Term Borrowings - net	-	(31,720)
Net cash used in financing activities	(337,904)	(374,172)
Net increase / (decrease) in cash and cash equivalents	141,686	(105,918)
Cash and cash equivalents as at beginning of the period	(404,266)	(523,667)
Cash and cash equivalents as at end of the period	(262,580)	(629,585)

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Chief Executive



Director



Chief Financial Officer