CORPORATE BRIEFING SESSION

Fecto Cement Limited — Financial Year Ended June 30, 2026 (FY2026)

with Quarter 1 FY2027 update (three months ended September 30, 2026)

Thursday, November 12, 2026 | 3:30 p.m. (PKT) | Online via Zoom

Registration and questions in advance: cbs@fectogroup.com

Held under Regulation 5.7A of the PSX Regulations, within 30 days of the 45th Annual General Meeting (October 26, 2026)

www.fectogroup.com

Important Disclaimer

Please read before proceeding — forward-looking statements and basis of preparation

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Certain macroeconomic data included herein was obtained from publicly available third-party sources (State Bank of Pakistan and Pakistan Bureau of Statistics) believed to be reliable; the Company has not independently verified this data and makes no representation as to its accuracy or completeness.

By attending this session or reviewing this presentation, participants agree to be bound by the foregoing.

Basis of preparation: this session is held on the audited financial statements for the year ended June 30, 2026, as presented at the 45th Annual General Meeting. Information for the quarter ended September 30, 2026 is un-audited, has already been disseminated through PUCARS, and is presented only as an update. No material non-public information is shared in this session.

Forecasts and estimates: where this presentation refers to expectations, estimates or forecasts of financial or operating performance, actual results may vary materially from those forecasted or estimated. The assumptions or basis are given on the Looking Ahead slide.

Company Profile

Fecto Cement Limited — flagship company of the Fecto Group

Origins

Traceable to 1952, when founder Mr. Ghulam Mohammed Fecto began trading and assembling electrical appliances and wires; later cables, home appliances and automobiles.

Incorporation and listing

Incorporated in 1981 as a public limited company; listed on the Pakistan Stock Exchange (FECTC). Presently outstanding share capital 50.16 million ordinary shares of PKR 10 each.

Production facility and capacity growth

Single dry-process cement plant at Sangjani, Islamabad (about 200 acres), commissioned in 1989 with a clinker capacity of 2,000 tons per day. Balancing, modernization and replacement (BMR) lifted clinker capacity to 2,600 tons per day in 2006 and 3,000 tons per day in 2023: about 1.0 million tons of cement a year.

Markets served

Predominantly domestic, mainly in the North region (Punjab, Khyber Pakhtunkhwa, Gilgit-Baltistan and Azad Jammu & Kashmir); limited sales to Afghanistan (0.38% of FY2026 dispatches).

Energy mix

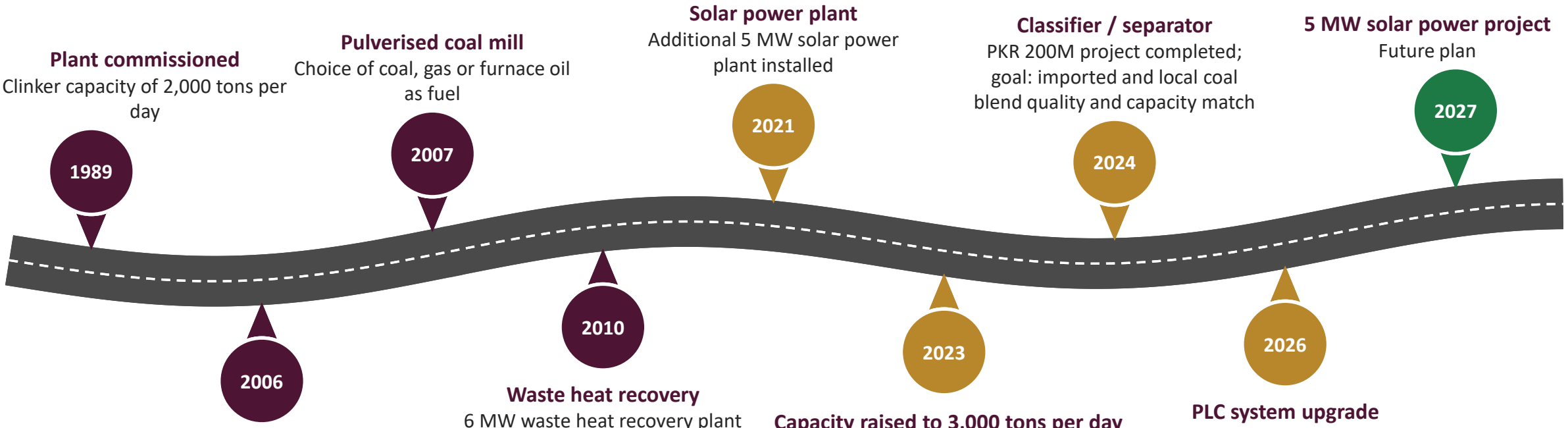
Grid, waste-heat recovery (WHRPP) and solar; renewable sources supplied 44.5% in FY2026 of total power mix.





Milestones Achieved by Fecto Cement

From a 2,000-ton-a-day plant in 1989 to 3,000 tons a day today



1989 — Plant commissioned
Clinker capacity of 2,000 tons per day

2006 — Plant upgrade
Production raised from 2,000 to 2,600 tons per day

2007 — Pulverised coal mill
Choice of coal, gas or furnace oil as fuel

2010 — Waste heat recovery
6 MW waste heat recovery plant commissioned

2021 — Solar power plant
Additional 5 MW solar power plant installed

2023 — Capacity raised to 3,000 tons per day
BMR of the clinker cooler

Cold injection system
Cold injected into the clinker cooler when gas temperature falls, so WHRPP runs at full capacity (5.8+ MW)

2024 — Classifier / separator
PKR 200M project completed; goal: imported and local coal blend quality and capacity match

2026 — PLC system upgrade
Better monitoring and process flow control

2027 — 5 MW solar power project
Future plan

The Company has always looked, and continues to look, for ways to improve cost efficiency and economies of scale, including ventures with vendors.

Company’s Key Projects

Selected landmark projects built with Fecto cement



Adyala Road Flyover



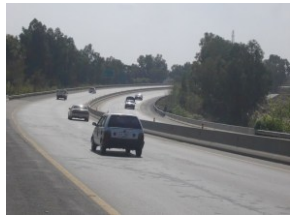
Ayub Bridge, Havelian



Convention Centre



Islamabad Airport



ISB–LHR Motorway



Islamabad Stock Exchange



Kohat Tunnel



Lowari Tunnel



Naltar Hydropower Project



Northern Bypass, Peshawar



Pearl Continental, Muzaffarabad



Saudi Pak Tower, Islamabad



Shahpur Dam, Fatehjang



Telecom Tower



UBL Tower, Islamabad



Zero Point Interchange

Major national projects

Our cement is approved for use on major national projects, including dams, hydropower schemes and other large infrastructure works.

Institutional supply

Dispatches to government institutions and other projects, alongside the dealer network that carries most local dispatches across Pakistan.

Community projects near the plant

Cement and manpower support to the local administration for cleaning the Khanpur Dam canal; schools, drinking water and link-road support for nearby villages.

FY2026 Annual Results

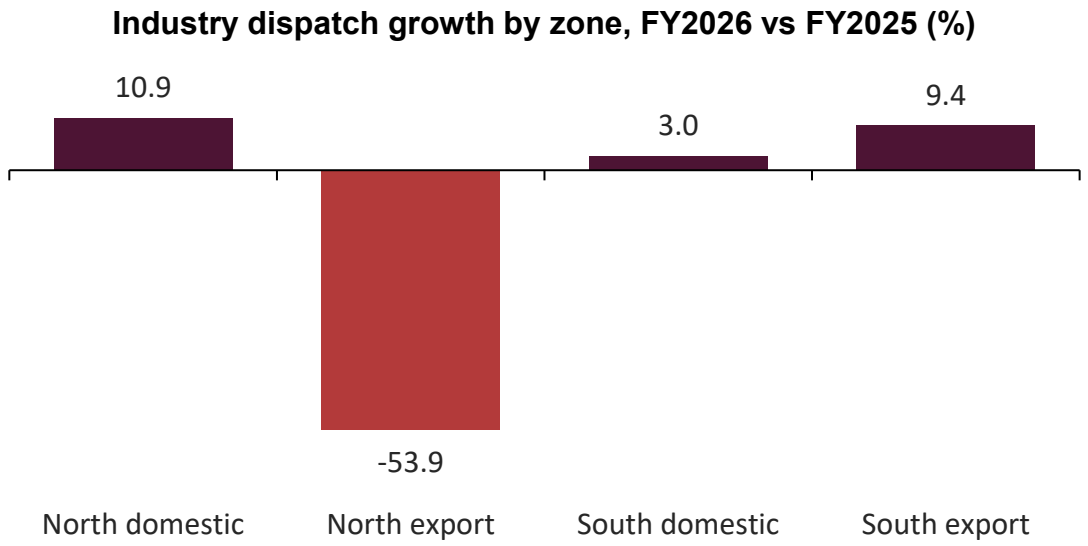
Year ended June 30, 2026 — Audited financial statements, as presented at the 45th Annual General Meeting (October 26, 2026)

Industry overview, production, power mix, highlights, gross profit bridge, profit or loss and financial position, followed by the same sequence for Q1 FY2027.

FY2026 — Cement Industry Overview

Dispatches in million tons, year ended June 30, 2026 vs. 2025

Million tons	FY2026	FY2025	Change
Domestic dispatches	41.511	37.906	+9.51%
Export dispatches	9.008	9.210	-2.19%
Total industry	**50.519**	**47.116**	**+7.22%**
North Zone — total	**35.513**	**33.013**	**+7.57%**
North — domestic	34.736	31.328	+10.88%
North — export	0.777	1.684	-53.85%
South Zone — total	**15.006**	**14.104**	**+6.40%**
South — domestic	6.775	6.577	+3.00%
South — export	8.231	7.526	+9.36%



What the data says

- Domestic dispatches grew 9.51% on easing inflation, lower financing cost and construction activity majorly relating to PSDP spending.
- North Zone exports fell 53.85% after the Afghan border closure, pushing volume into the home market.
- Sector utilization remains about 50–60%.

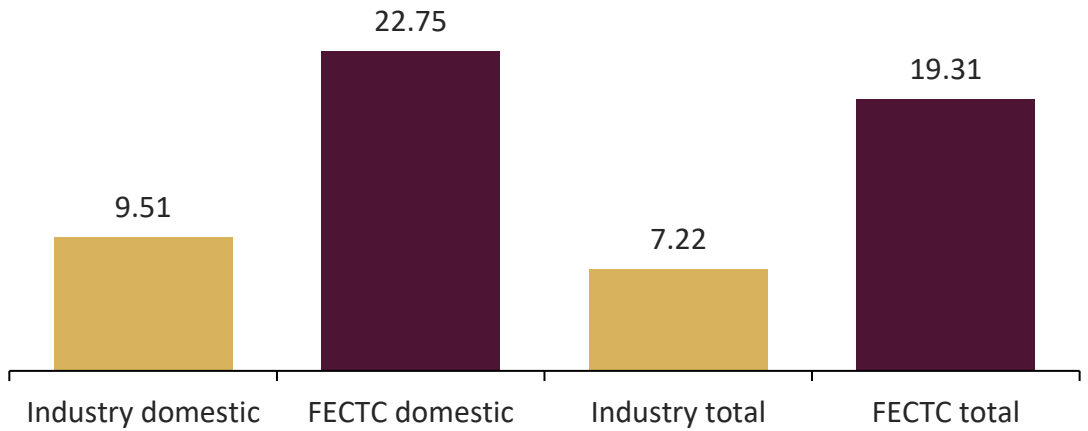
FY2026 — Production, Dispatches and Industry Comparison

Year ended June 30, 2026 vs. 2025

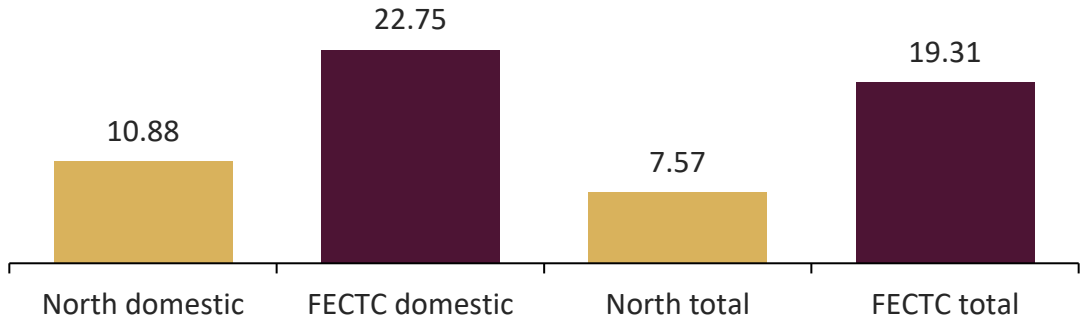
Company	FY2026	FY2025	Change
Clinker production (tons)	818,730	612,026	+33.77%
Cement production (tons)	850,557	713,739	+19.17%
Local dispatches (tons)	848,191	690,987	+22.75%
Export dispatches (tons)	3,275	22,657	-85.55%
Total dispatches (tons)	**851,466**	**713,644**	**+19.31%**

Industry (million tons)	FY2026	FY2025	Change
Domestic	41.511	37.906	+9.51%
Export	9.008	9.210	-2.19%
Total	**50.519**	**47.116**	**+7.22%**

Dispatch growth: FECTC vs industry (%)



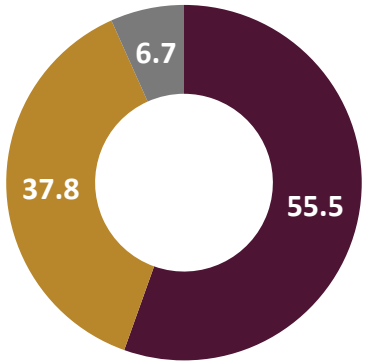
Dispatch growth: FECTC vs North Zone industry, FY2026 (%)



FY2026 — Power Mix

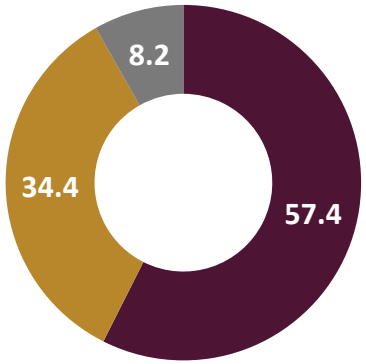
Year ended June 30, 2026 vs. 2025, by source of power consumed

FY2026 power mix (%)



■ WAPDA (grid) ■ WHRPP (waste heat) ■ Solar

FY2025 power mix (%)



■ WAPDA (grid) ■ WHRPP (waste heat) ■ Solar

Renewable sources supplied

44.5%

FY2025: 42.6%

Overall power consumed per ton of clinker

125.9 kWh

▼ -11.3% (FY2025: 142.0 kWh)

Grid (WAPDA) power consumed per ton of clinker

69.9 kWh

▼ -14.3% (FY2025: 81.5 kWh)

Source of power (million kWh)	FY2026	FY2025	Change	Share FY2026	Share FY2025
WAPDA (grid)	57.2	49.9	+14.6%	55.5%	57.4%
WHRPP (waste heat)	39.0	29.9	+30.6%	37.8%	34.4%
Solar	6.9	7.1	-3.0%	6.7%	8.2%
Total consumption	**103.1**	**86.9**	**+18.6%**	**100.0%**	**100.0%**

FY2026 — Key Financial Highlights

Twelve months ended June 30, 2026 vs. June 30, 2025 (Audited)

Revenue — net

PKR 12,495.3M

▲ +12.60%

(FY2025: PKR 11,096.9M)

Retention price (per ton)

PKR 14,675 / ton

▼ -5.63%

(FY2025: PKR 15,550)

Cost of sales

PKR 11,190.4M

▲ +20.80%

(FY2025: PKR 9,263.6M)

Cost of sales (per ton)

PKR 13,142 / ton

▲ +1.24%

(FY2025: PKR 12,981)

Capacity utilisation (cement)

85.06%

▲ +13.69 pts

(FY2025: 71.37%)

Market share: overall | North

1.69% | 2.40%

▲ +0.18 pts | +0.24 pts

(FY2025: 1.51% | 2.16%)

Gross profit (PKR M) | GP margin

1,304.9 | 10.44%

▼ -28.82% | -6.08 pts

(FY2025: 1,833.3 | 16.52%)

Profit after tax (PKR M) | EPS

663.4 | 13.22

▲ +8.98% (both)

(FY2025: 608.7 | 12.14)

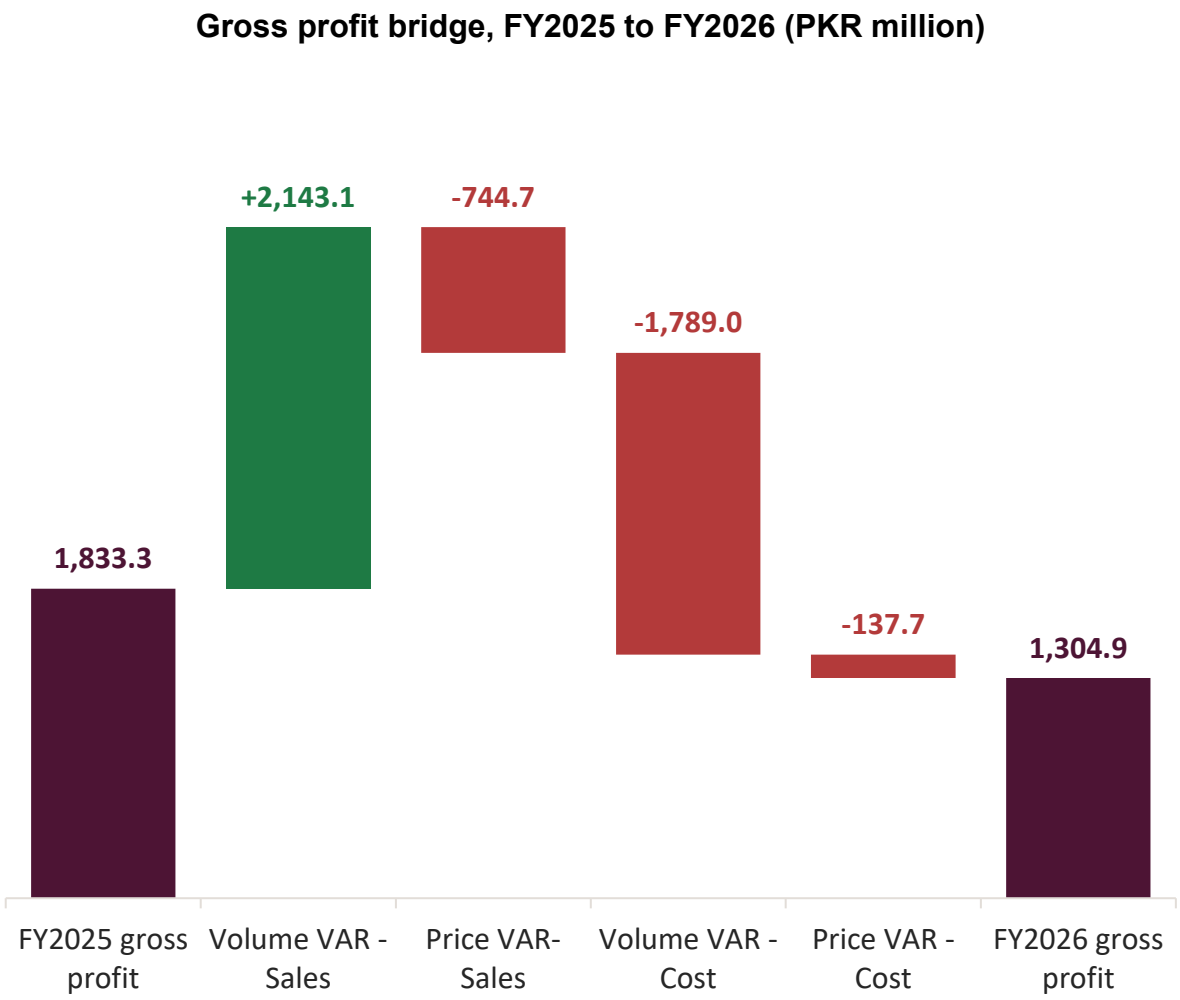
Summary

Dispatches grew 19.31%, but retention prices fell 5.63% and coal costs rose, so gross margin fell to 10.44% (16.52%). Profit after tax rose 8.98% because of a one-off gain of PKR 273.3M on sale of investment property, lower finance cost and the associate's return to profit. 40% annual dividend announced, no bonus or right shares for the year.

Capacity utilisation = cement production ÷ annual cement capacity of 1.0 million tons. Market share = FECTC total dispatches ÷ industry total dispatches, and ÷ North Zone total dispatches.

FY2026 — Gross Profit Bridge and Cost Drivers

Gross profit fell PKR 528.4 million, from PKR 1,833.3M to PKR 1,304.9M



Variance (PKR million)	Revenue	Cost of sales	Gross profit
Volume variance	+2,143.1	-1,789.0	+354.1
Price variance	-744.7	-137.7	-882.4
Total variance	**+1,398.3**	**-1,926.8**	**-528.4**

Cost of sales column: effect on gross profit (minus = higher cost).

Cost driver	FY2026	FY2025	Change
Cost of sales (PKR M)	11,190.4	9,263.6	+20.8%
Cost of sales per ton dispatched (PKR)	13,142	12,981	+1.2%
Fuel and power per ton of clinker produced (PKR)	9,687	9,703	-0.2%
Average cost of coal consumed (PKR / ton)	48,610	43,000	+13.0%
Coal consumed per ton of clinker produced (kg)	145.8	147.5	-1.2%

FY2026 — Profit or Loss and Variance Explanation

Year ended June 30, 2026 vs. 2025 — Audited

Particulars (PKR million)	FY2026	FY2025	Change	Explanation of material variation
Sales revenue — net	12,495.3	11,096.9	+12.60%	Volume +PKR 2,143.1M; retention price -PKR 744.7M (-5.63%)
Cost of sales	(11,190.4)	(9,263.6)	+20.80%	Volume +PKR 1,789.0M; cost per ton +PKR 137.7M; total coal cost +48.77% (price +13.0% per ton; quantity consumed about +32% on higher clinker output)
Gross profit	**1,304.9**	**1,833.3**	**-28.82%**	**Margin 10.44% (16.52%): lower price, costlier coal**
Administrative and distribution	(666.4)	(572.2)	+16.47%	Salaries +PKR 33.4M; legal and professional, donations and depreciation +PKR 38.6M; volume-linked increase about +PKR 9.2M (about 10% of the increase)
Finance cost	(107.9)	(172.2)	-37.36%	Lower average utilization of running finance; long-term financing down 17.4%
Other income (incl. share of associate)	404.5	81.3	+397.50%	Gain on property sale PKR 273.3M; associate profit PKR 41.0M (FY2025: loss PKR 61.0M); markup income PKR 35.0M (FY2025: PKR 48.5M), others 55.2M
Other expenses	(55.9)	(82.2)	-31.94%	Lower WPPF and WWF provisions (PKR 26.3M lower than FY2025) on lower profit before tax
Profit before levy and tax	**879.2**	**1,088.1**	**-19.20%**	**Decreases largely due to Lower gross profit, partly offset by one-off other income**
Levy and taxation	(215.8)	(479.4)	-54.98%	Lower taxation on lower profitability: current tax including prior-year tax and levy fell to PKR 168.0M (FY2025: PKR 291.8M); deferred tax charge reduced to PKR 47.9M (FY2025: PKR 187.6M); effective charge 24.55% of profit before tax (FY25: 44.06%)
Profit after tax	**663.4**	**608.7**	**+8.98%**	**-**
Earnings per share (PKR)	13.22	12.14	+8.98%	-

FY2026 — Financial Position and Variance Explanation

As at June 30, 2026 vs. June 30, 2025 — audited

Particulars (PKR million)	Jun-2026	Jun-2025	Change	Explanation of material variation
Property, plant and equipment	3,150.5	3,140.2	+0.3%	No significant variance
Other non-current assets	279.7	353.9	-21.0%	Investment property sold −102.3M; right-of-use assets −20.0M; associate +41.8M; other +6.3M
Stores and spares	1,466.8	1,388.4	+5.6%	No significant variance
Stock-in-trade	3,176.7	2,089.2	+52.1%	The increase in inventory is mainly attributable to higher WIP levels, particularly clinker stock accumulation, along with an increase in raw material procurement prices.
Trade debts	637.9	569.6	+12.0%	Higher sales; ageing monitored with provision
Loans, advances and other	384.1	158.7	+142.0%	LC margin
Tax refunds and sales tax claimable	175.0	14.7	+1090.5%	Increase mainly reflects higher input sales tax (subsequently adjustable), additional advance income tax payments of PKR 75M in June, and a lower tax provision due to reduced operating profitability.
Cash and bank balances	245.3	252.2	-2.7%	No significant variance
Total assets	**9,516.0**	**7,966.9**	**+19.4%**	
Total equity	5,113.2	4,549.4	+12.4%	Profit 663.4M and other comprehensive income 0.7M, less dividend paid for FY 2025 100.3M
Long-term financing (incl. grant)	709.7	859.2	-17.4%	Instalments paid −180.6M; unwinding of discount and other +63.6M; grant amortized −32.4M
Trade and other payables	2,821.2	1,862.0	+51.5%	Creditors +1,054.9M; advance on property sale −200.0M; other payables +104.3M
Short-term borrowings	549.0	384.4	+42.8%	Running finance +164.6M
Other liabilities (excl. grant)	322.9	311.9	+3.5%	Deferred tax +47.9M; tax provision −21.4M; lease liabilities −15.5M
Total equity and liabilities	**9,516.0**	**7,966.9**	**+19.4%**	

Q1 FY2027 Update

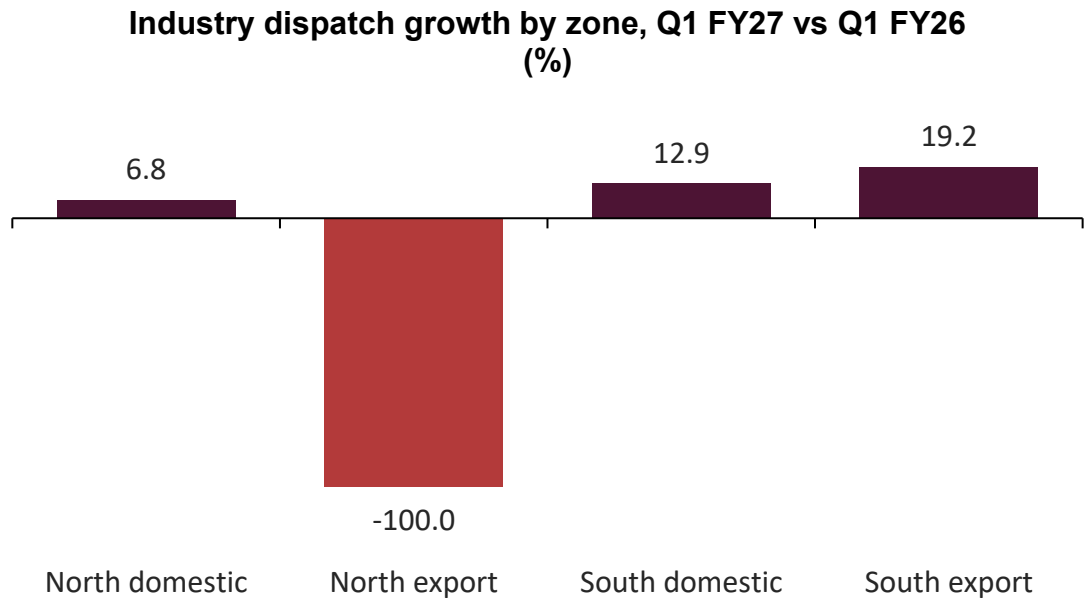
Three months ended September 30, 2026 (un-audited), already disseminated through PUCARS on October 26, 2026

Presented in the same sequence as the FY2026 results. The session is based on the FY2026 audited financial statements.

Q1 FY2027 — Cement Industry Overview

Dispatches in million tons, quarter ended September 30, 2026 vs. 2025

Million tons	Q1 FY27	Q1 FY26	Change
Domestic dispatches	10.848	10.061	+7.82%
Export dispatches	2.295	2.588	-11.32%
Total industry	**13.143**	**12.649**	**+3.90%**
North Zone — total	**8.946**	**9.039**	**-1.02%**
North — domestic	8.946	8.377	+6.80%
North — export	—	0.662	-100%
South Zone — total	**4.197**	**3.610**	**+16.24%**
South — domestic	1.901	1.684	+12.90%
South — export	2.295	1.926	+19.15%



What the data says

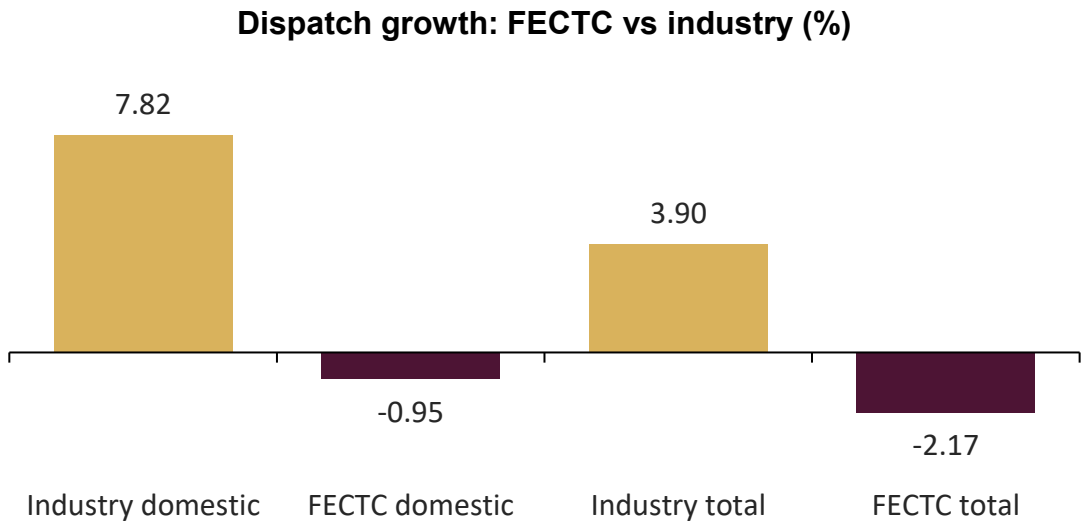
- Industry dispatches rose 3.90%: domestic +7.82%, exports -11.32%.
- North Zone had no exports in the quarter (Q1 FY26: 0.662 million tons); its domestic dispatches grew 6.80%.
- Sector utilization about 62%: about 53% in the North and 96% in the South.

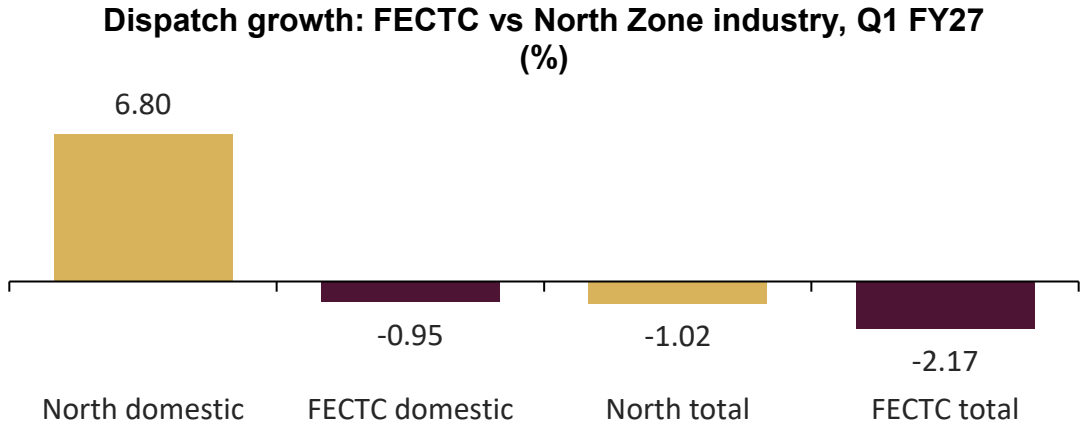
Q1 FY2027 — Production, Dispatches and Industry Comparison

Quarter ended September 30, 2026 vs. 2025

Company	Q1 FY27	Q1 FY26	Change
Clinker production (tons)	202,864	234,291	-13.41%
Cement production (tons)	234,979	245,474	-4.28%
Local dispatches (tons)	237,833	240,118	-0.95%
Export dispatches (tons)	—	2,990	-100%
Total dispatches (tons)	**237,833**	**243,108**	**-2.17%**

Industry (million tons)	Q1 FY27	Q1 FY26	Change
Domestic	10.848	10.061	+7.82%
Export	2.295	2.588	-11.32%
Total	**13.143**	**12.649**	**+3.90%**

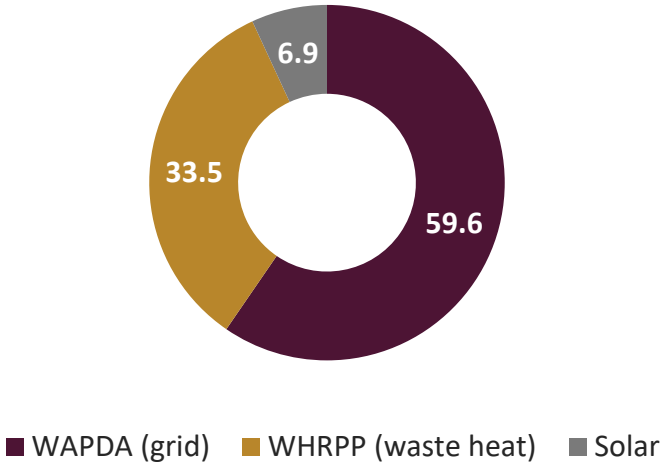




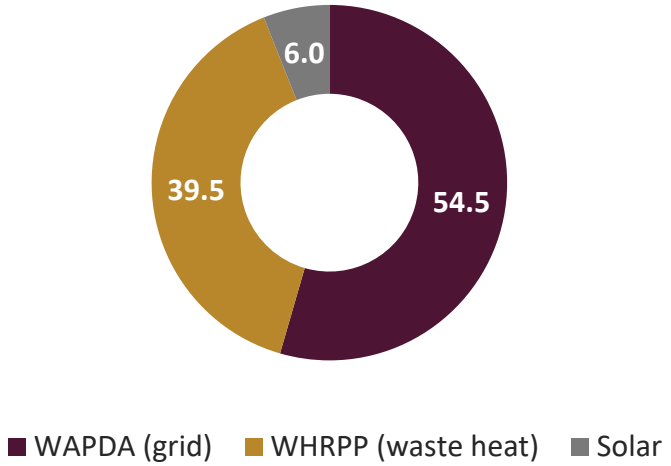
Q1 FY2027 — Power Mix

Quarter ended September 30, 2026 vs. 2025, by source of power consumed

Q1 FY27 power mix (%)



Q1 FY26 power mix (%)



Renewable sources supplied

40.4%

Q1 FY26: 45.5%

Overall power consumed per ton of clinker

127.3 kWh

▼ -0.6% (Q1 FY26: 128.0 kWh)

Grid (WAPDA) power consumed per ton of clinker

75.9 kWh

▲ +8.7% (Q1 FY26: 69.8 kWh)

Source of power (million kWh)	Q1 FY27	Q1 FY26	Change	Share Q1 FY27	Share Q1 FY26
WAPDA (grid)	15.39	16.34	-5.8%	59.6%	54.5%
WHRPP (waste heat)	8.66	11.85	-26.9%	33.5%	39.5%
Solar	1.78	1.80	-1.3%	6.9%	6.0%
Total consumption	**25.83**	**30.00**	**-13.9%**	**100.0%**	**100.0%**

Q1 FY2027 — Key Operational and Financial Highlights

Quarter ended September 30, 2026 vs. September 30, 2025 (un-audited)

Revenue — net

PKR 3,772.2M

▲ +5.9%

(Q1 FY26: PKR 3,561.3M)

Retention price

PKR 15,861 / ton

▲ +8.3%

(Q1 FY26: PKR 14,649)

Cost of sales

PKR 3,391.7M

▲ +17.0%

(Q1 FY26: PKR 2,899.5M)

Cost of sales (per ton)

PKR 14,261 / ton

▲ +19.6%

(Q1 FY26: PKR 11,927)

Capacity utilisation (cement)

93.99%

▼ -4.20 pts

(Q1 FY26: 98.19%)

Market share: overall | North

1.81% | 2.66%

▼ -0.11 pts | -0.03 pts

(Q1 FY26: 1.92% | 2.69%)

Gross profit (PKR M) | GP margin

380.5 | 10.09%

▼ -42.5% | -8.49 pts

(Q1 FY26: 661.8 | 18.58%)

Profit after tax (PKR M) | EPS

111.0 | 2.21

▼ -46.6% (both)

(Q1 FY26: 207.8 | 4.14)

Summary

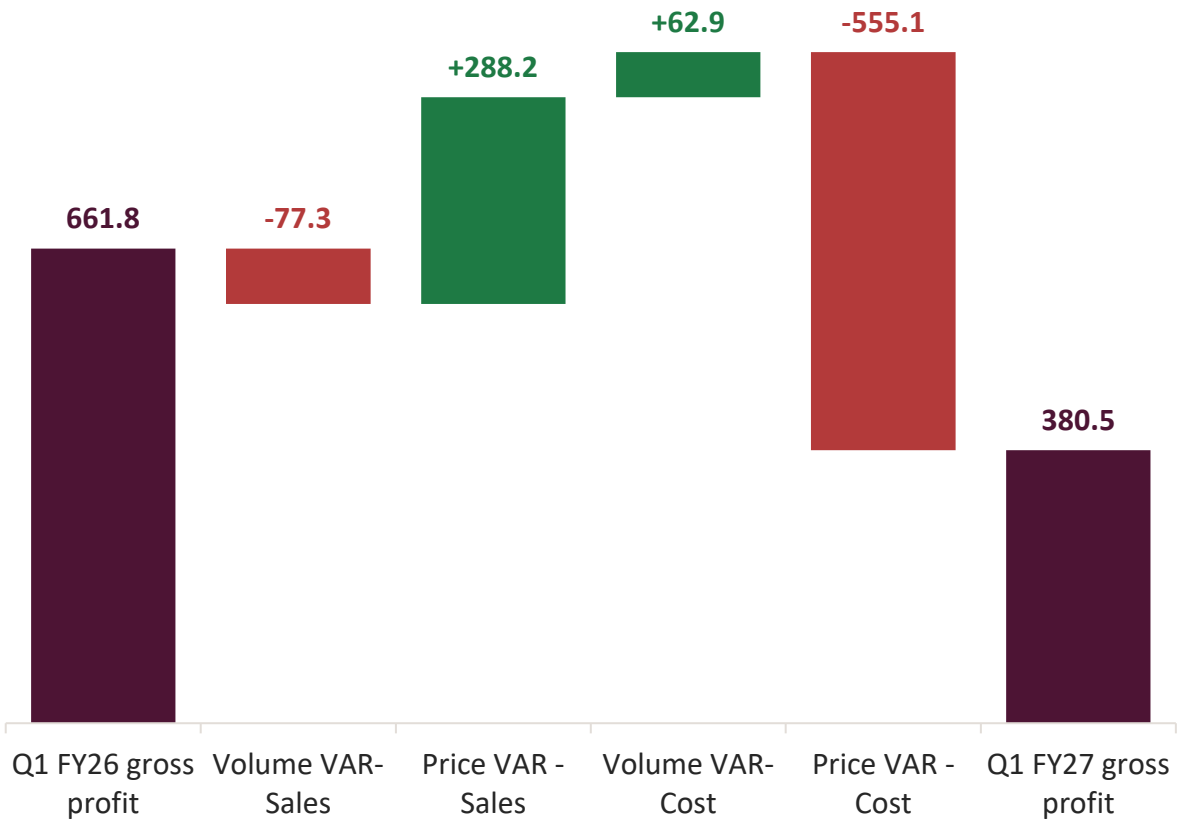
Revenue grew 5.9% on an 8.3% higher retention price, but cost of sales per ton rose 19.6% on coal (+27%) and fuel, so gross margin fell to 10.09% (18.58%). Borrowings were PKR 399M lower than at June 30, 2026 and cash rose PKR 369M. Nil dividend, bonus or right shares for the quarter.

Capacity utilisation = cement production ÷ annual cement capacity of 1.0 million tons. Market share = FECTC total dispatches ÷ industry total dispatches, and ÷ North Zone total dispatches.

Q1 FY2027 — Gross Profit Bridge and Cost Drivers

Gross profit fell by PKR 281.3 million, from PKR 661.8M to PKR 380.5M

Gross profit bridge, Q1 FY2026 to Q1 FY2027 (PKR million)



Variance (PKR million)	Revenue	Cost of sales	Gross profit
Volume variance	-77.3	+62.9	-14.4
Price variance	+288.2	-555.1	-266.9
Total variance	**+210.9**	**-492.2**	**-281.3**

Cost of sales column: effect on gross profit (minus = higher cost).

Cost driver	Q1 FY27	Q1 FY26	Change
Cost of sales (PKR M)	3,391.7	2,899.5	+17.0%
Cost of sales per ton dispatched (PKR)	14,261	11,927	+19.6%
Fuel and power per ton of clinker produced (PKR)	10,700	8,850	+20.9%
Average cost of coal consumed (PKR / ton)	55,909	44,116	+26.7%
Coal consumed per ton of clinker produced (kg)	143.7	147.9	-2.8%

Q1 FY2027 — Profit or Loss and Variance Explanation

Three months ended September 30, 2026 vs. 2025 — un-audited

Particulars (PKR million)	Q1 FY27	Q1 FY26	Change	Explanation of material variation
Sales revenue — net	3,772.2	3,561.3	+5.92%	Retention price +PKR 288.2M (+8.3%); volume -PKR 77.3M
Cost of sales	(3,391.7)	(2,899.5)	+16.97%	Volume -PKR 62.9M; cost per ton +PKR 555.1M; coal +27%
Gross profit	**380.5**	**661.8**	**-42.50%**	**Margin 10.09% (18.58%): costlier coal and fuel**
Administrative and distribution	(158.5)	(160.6)	-1.29%	No significant variance
Finance cost	(29.1)	(25.8)	+12.70%	Higher average utilization and borrowing cost
Other income (incl. share of associate)	24.9	25.3	-1.6%	No significant variance
Other operating expenses	(23.4)	(34.6)	-32.5%	WPPF and WWF provisions down PKR 20.9M on lower profit; new sales tax expense PKR 9.6M
Profit before levy and tax	**194.4**	**466.1**	**-58.28%**	**Decreases largely due to Lower gross profit**
Levy and taxation	(83.4)	(258.3)	-67.71%	Lower profit: income tax (current, prior and levy) PKR 64.6M and deferred tax PKR 18.7M; effective charge 42.9% of profit before tax (Q1 FY26: 55.4%)
Profit after tax	**111.0**	**207.8**	**-46.56%**	**-**
Earnings per share (PKR)	2.21	4.14	-46.56%	–

Q1 FY2027 — Financial Position and Variance Explanation

As at September 30, 2026 (un-audited) vs. June 30, 2026 (audited)

Particulars (PKR million)	Sep-2026	Jun-2026	Change	Explanation of material variation
Property, plant and equipment	3,112.9	3,150.5	-1.2%	No significant variance
Other non-current assets	378.6	279.7	+35.4%	Right-of-use asset +90.8M (new Karachi office lease); associate +6.6M; other +1.5M
Stores and spares	1,450.9	1,466.8	-1.1%	No significant variance
Stock-in-trade	3,075.6	3,176.7	-3.2%	No significant variance
Trade debts	649.9	637.9	+1.9%	No significant variance
Loans, advances and other	106.5	384.1	-72.3%	LC margin released
Tax refunds and sales tax claimable	55.3	175.0	-68.4%	Decrease reflects input sales tax adjustments, lower advance tax payments, and income tax provision for September 2026.
Cash and bank balances	613.9	245.3	+150.3%	Cash generated and LC margin released, after repaying 355.4M of running finance
Total assets	**9,443.5**	**9,516.0**	**-0.8%**	
Total equity	5,224.2	5,113.2	+2.2%	Profit for the quarter 111.0
Long-term financing (incl. grant)	665.9	709.7	-6.2%	No significant variance
Trade and other payables	2,938.3	2,821.2	+4.2%	Customer advances +55.6M; withholding tax +68.4M; other +45.8M; creditors −52.7M
Short-term borrowings	193.5	549.0	-64.8%	Running finance repaid −355.4M
Other liabilities (excl. grant)	421.6	322.9	+30.6%	Lease liabilities +78.8M (new Karachi office lease); deferred tax +18.8M; other +1.1M
Total equity and liabilities	**9,443.5**	**9,516.0**	**-0.8%**	

Specific Requirements of Regulation 5.7A

Other disclosures required for the Corporate Briefing Session — not part of the annual or quarterly financial statements

IFRS 8 disclosures, five-year financial trend, key business risks and management outlook.

IFRS 8 — Major Customers

Customers contributing more than 10% of sales, and dealer concentration

Three customers above 10% of sales

PKR 4,127.0M

≈ 33% of net sales

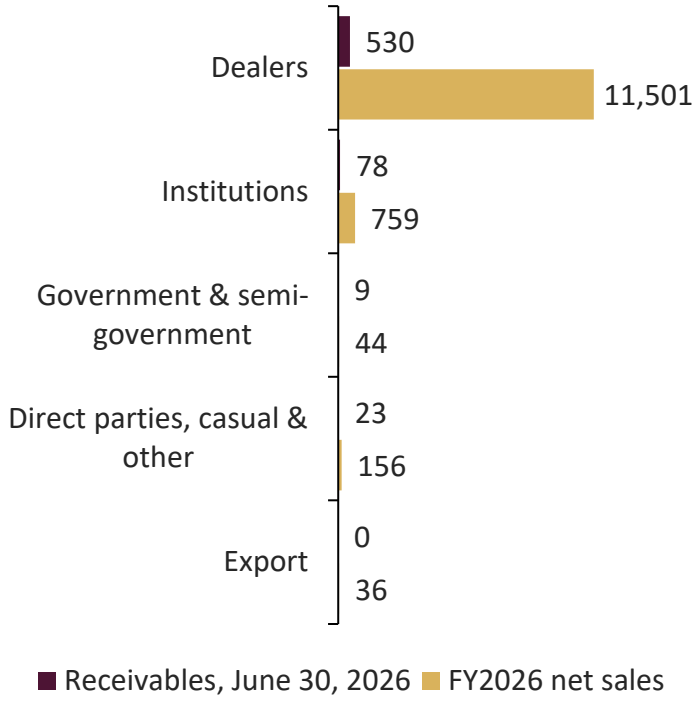
(FY2025: PKR 2,819.0M, ≈ 25%)

Basis of disclosure

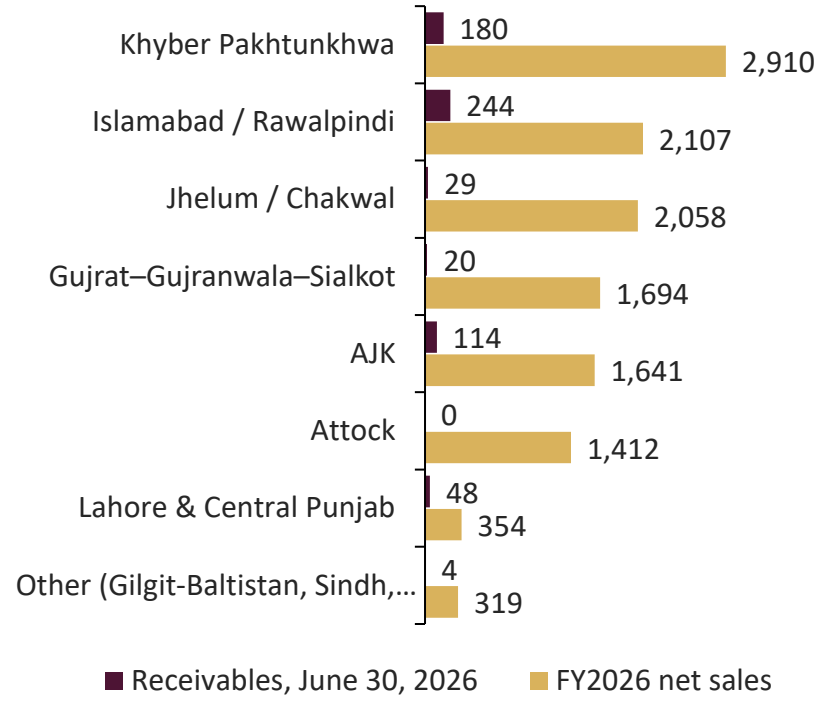
Three customers each account for more than 10% of sales (Note 41(d)). All are in Pakistan.

Cement is sold through dealers, so concentration reflects dealers, not end-users.

By customer type — sales and receivables (PKR million)



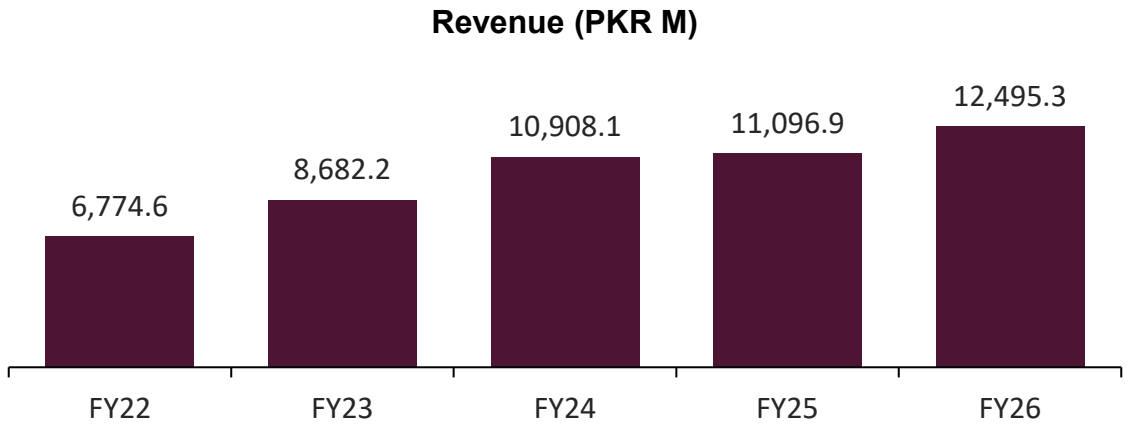
By region — sales and receivables (PKR million)

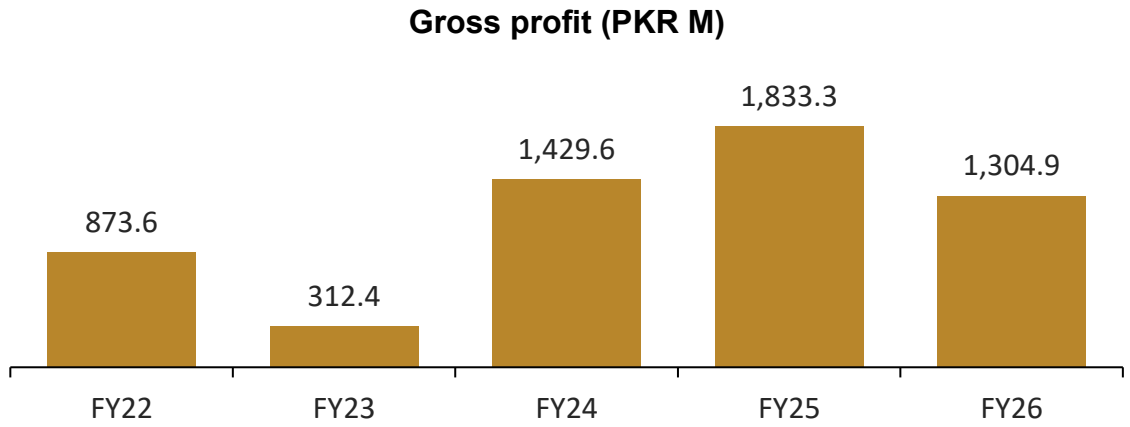


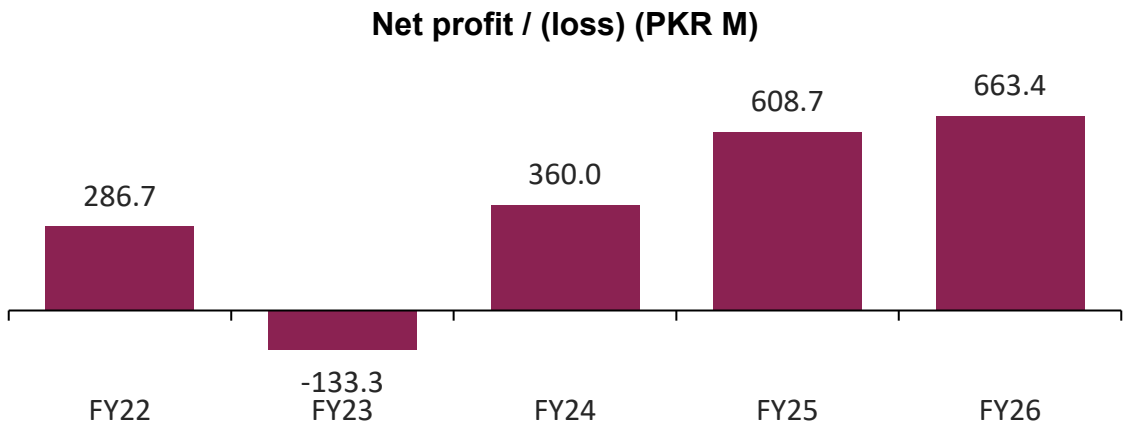
Dealers generate 92% of sales. The top 10 customers hold 89.7% of receivables (top two: 45.4%). Khyber Pakhtunkhwa, Islamabad / Rawalpindi and Jhelum / Chakwal together account for 57% of sales.

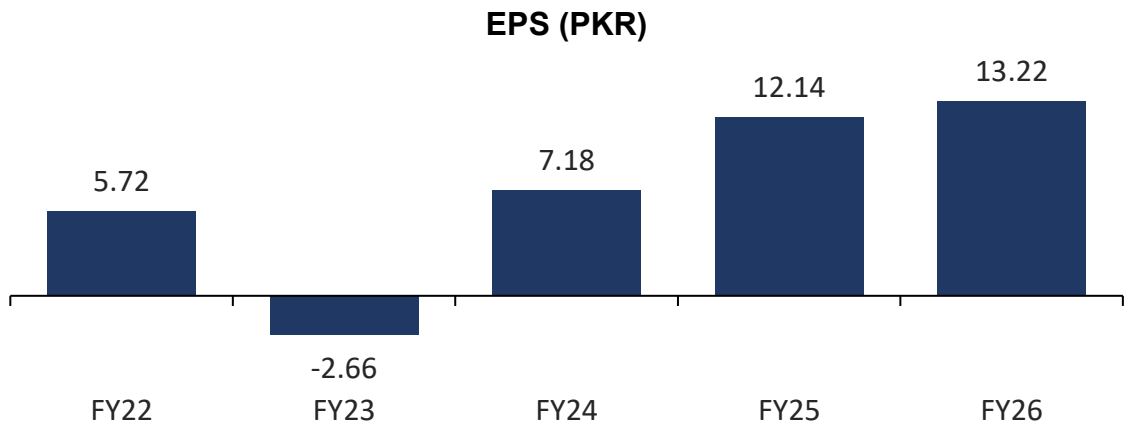
Five-Year Financial Trend

FY2022 – FY2026 (PKR million)







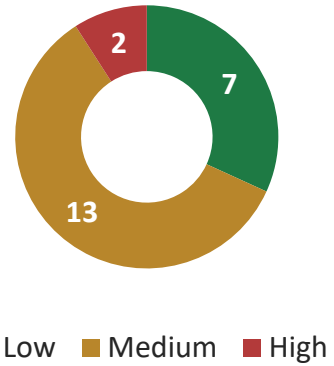


Revenue has grown every year (CAGR about 16.5% over four years). Profit recovered from a loss in FY2023 to a five-year high in FY2026.

Key Business Risks

Enterprise risk framework — 22 principal risks reviewed annually with the Audit Committee

Residual risk — 22 risks



How to read the rating

Residual risk is inherent risk less mature controls. Two risks stay High: inventory (raw material, stores and spares) and fixed assets.

Principal business risk	What could happen	How it is managed
Coal and fuel cost	Coal is 52% of cost of sales; fuel prices move margins	Sourcing mix, kiln efficiency, price recovery
Retention price and competition	North Zone overcapacity and lost exports pressure prices	Cost control, dealer network, service
Inventory (High)	Shortage, theft, obsolescence, ageing	Variance and ageing checks, counts, internal audit
Fixed assets (High)	Existence, safeguarding, unauthorised disposal	Physical verification and reconciliation
Interest and exchange rates	Policy rate now 12%; imported coal cost	Long-term financing cut by 17%; cash-flow monitoring
Demand and regulation	Construction slowdown; tax or regulatory change	Diversified dispatches; Audit Committee oversight

Looking Ahead — Management Outlook, Assumptions and Basis

Actual results may vary from the expectations below — see the Important Disclaimer

Area	Management outlook	Assumption / basis
Economy	Cautious: reforms and the IMF programme support stability, but inflation (9.6% in October), oil prices and the current account keep risks high	IMF FY27 growth 3.5%, inflation 9.9%; SBP policy rate 12% (Oct 26, 2026); SBP growth range 3.5–4.5%
Industry demand	Gradual recovery in domestic demand from construction and public spending; exports remain weak	Q1 industry domestic dispatches +7.82%; North exports nil after Afghan border closure
Costs	Coal, diesel and transport costs stay high in the near term; margins are sensitive to them	Coal about 52% of cost of sales (FY2026); diesel PKR 395 per litre; Brent about USD 95 per barrel
Pricing	Recover cost increases through price only as far as the market permits	Q1 retention price PKR 15,861 per ton (+8.3%); competitive North Zone
Efficiency and energy	Improve coal use (143.7 kg per ton of clinker in Q1) and renewable share (40.4% in Q1; 44.5% in FY26). Further cost-efficiency projects are being evaluated (slide 4)	Kiln availability; WHRPP and solar output
Financial position	Prudent working capital and debt reduction (borrowings PKR 399M lower since June)	No new borrowing plans assumed

Management opinions are opinions, not facts. They rest on the assumptions above; if conditions change, actual results may vary materially.

Questions and Answers

Questions received in advance will be answered in this session, together with questions from participants

Send questions to cbs@fectogroup.com

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THANK YOU

Fecto Cement Limited | Corporate Briefing Session — FY2026

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