

FAUJI CEMENT COMPANY LIMITED

Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi, Pakistan

Fax No : 051-9280416
E-mail : secretaryoffice@fccl.com.pk
Website : <http://www.fccl.com.pk>
Case No : SECY/FCCL/2037/08

Tel : 051-9280075
Exchange : 051-9280081-83
: 5763321-24
Date : 14 February 2023

To: **The General Manager**
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, Karachi

Subject: **Financial Results for the Six Months Ended on December 31, 2022**

Dear Sir,

1. Further to our letter No. SECY/FCCL/20137/08 dated 3rd February 2023, we are pleased to inform that the Board of Directors of Fauji Cement Company Limited, in its meeting held today i.e. 14th February 2023 at 10:30 am, has recommended the following:-

- | | | | |
|----|---------------|---|-----|
| a. | Cash Dividend | : | Nil |
| b. | Bonus Shares | : | Nil |
| c. | Right Shares | : | Nil |

2. The Financial Results of the Company for 1st Half of FY 2022-23 are attached at **Annexure 'A'** while key highlights of the half year are given as follows:

- Double digit inflation, hike in interest rates and consequently sharp devaluation of Pak Rupee has dampened the overall cement demand. Low GDP growth, high cost of construction materials and cut in PSDP saw Cement dispatches declined by 21% year on year in 1st half of FY 23.
- However, the second quarter saw the company's dispatches rebound 30% as compared to Q1 (1.39 million tons vs 1.1 million tons) as the impact of flooding in the country receded and dispatches to large projects mainly hydropower dams picked up meeting the specific technical specifications of those projects. For 1st half of FY 23, dispatches of 2.5 million tons (including 9.8% sales of "Green Cement") were achieved as compared to 2.9 million tons in the same period last year, a decrease of 14% (YoY).
- Our initiatives of using higher local coal and increase in captive green energy generation helped keep overall cost per ton in check despite the above-mentioned external factors. The company earned a PAT of Rs 2.8 billion in Q2 as compared to Rs 2.3 billion in Q1, an increase of 22% (QoQ).
- Overall, during the 1st half of FY 23 the company earned a profit after tax of **Rs. 5,079 million** (including Rs. 148 Million super tax) against Rs. 3,787 million in same period last year, an increase of **34%** (YoY).



- e. The Company successfully achieved Commercial Operations of its new cement manufacturing line having clinker capacity of 6,500 tons per day at Nizampur as per plan.
 - f. **D.G. Khan Expansion**. Greenfield Expansion at D.G. Khan is expected to be completed by end of this year.
 - g. Solar power generation at our sites is now 29 MW, post completion of 8.6 MW at Wah plant site. By Quarter 3, 2023, this will increase to 40 MW with the commissioning of an 11 MW solar power project at Nizampur in October 2023. Consequently, up to 60% of all power requirements will be met by either solar power or waste heat recovery power projects. The cost per ton saving is Rs 110 per ton of cement produced.
 - h. The energy mix at all sites is paying dividends resulting in a saving of Rs 195 per ton of cement produced. This was achieved by substituting imported coal with local or Afghan coal and use of alternative fuels.
 - i. HR optimization and other initiatives have resulted in a saving of Rs 170 per ton of cement produced.
 - j. The Company successfully implemented an ERP SAP system with GO-Live achieved in December 2022.
3. Given the continuing economic slowdown, it is expected that cement dispatches may further slowdown. However, your management is determined to counter the headwinds as far as possible.
4. You may inform the members of the Exchange accordingly, please.

With regards,

Your's sincerely,



Brig Abid Hussain Bhatti, SI(M),(Retd)
Company Secretary

- Copy to:**
- **Manager**
Companies & Securities Compliance
Pakistan Stock Exchange Limited
Pakistan Exchange Building,
Stock Exchange Road, Karachi
 - **Share Registrar & Corporate Consultant**
M/s Corplink (Pvt Limited)
Wings Arcade, 1-K, Commercial, Model Town, Lahore

FAUJI CEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	Three month period ended		Six month period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees'000	Rupees'000 (Restated)	Rupees'000	Rupees'000 (Restated)
Revenue - net	12	18,972,669	13,768,502	33,673,054	25,346,147
Cost of sales	13	(13,856,275)	(10,001,068)	(24,343,212)	(18,147,455)
Gross profit		5,116,394	3,767,434	9,329,842	7,198,692
Other income		50,215	62,551	75,611	97,699
Selling and distribution expenses		(137,770)	(141,431)	(266,635)	(270,529)
Administrative expenses		(432,672)	(419,059)	(751,420)	(695,721)
Other expenses		(229,899)	(213,578)	(465,944)	(414,490)
Operating profit		4,366,268	3,055,917	7,921,454	5,915,651
Finance cost		(483,437)	(380,999)	(898,079)	(600,300)
Finance income		86,828	145,406	261,435	271,875
Net finance income/ (cost)		(396,609)	(235,593)	(636,644)	(328,425)
Share of loss of associate		(2,313)	(3,629)	(2,313)	(3,629)
Profit before taxation		3,967,346	2,816,695	7,282,497	5,583,597
Income tax expense		(1,202,855)	(1,134,081)	(2,203,176)	(1,796,545)
Profit for the period		2,764,491	1,682,614	5,079,321	3,787,052
Earnings per share - basic & diluted (Rupees)		1.19	0.72	2.25	1.68

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

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER



Brig Abid Hussain Bhatti
 Brig Abid Hussain Bhatti (Retd)
 Company Secretary
 Fauji Cement Company Limited

FAUJI CEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Share capital		Capital reserve	Revenue reserve	Total
	Ordinary shares	(Discount)/ premium on issue of shares	Hedging reserve	Unappropriated profits	
Rupees'000					
Balance at July 1, 2020	13,798,150	(1,364,385)	-	10,841,906	23,275,671
Total comprehensive income for the period					
Profit for the period	-	-	-	3,787,052	3,787,052
Other comprehensive income for the period	-	-	558,765	-	558,765
Total comprehensive income for the period	-	-	558,765	3,787,052	4,345,817
Shares issued pursuant to amalgamation - note 1.2	8,004,940	19,342,905	-	-	27,347,845
Balance at December 31, 2021	<u>21,803,090</u>	<u>17,978,520</u>	<u>558,765</u>	<u>14,628,958</u>	<u>54,969,333</u>
Balance at July 1, 2022	21,803,090	17,978,520	-	17,954,446	57,736,056
Bonus shares issued @12.5%	2,725,386	(2,725,386)	-	-	-
Total comprehensive income for the period					
Profit for the period	-	-	-	5,079,321	5,079,321
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,079,321	5,079,321
Balance at December 31, 2022	<u>24,528,476</u>	<u>15,253,134</u>	<u>-</u>	<u>23,033,767</u>	<u>62,815,377</u>

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

CHIEF EXECUTIVE OFFICER



DIRECTOR

Brig Abid Hussain Bhatti (Retd)
Brig Abid Hussain Bhatti (Retd)
Company Secretary
Fauji Cement Company Limited

CHIEF FINANCIAL OFFICER