



CORPORATE BREIFING SESSION

FOR THE YEAR ENDED JUNE 30, 2023
AND
QUARTER ENDED SEPTEMBER 30, 2023





Objectives of the Presentation

This presentation has been prepared by Fecto Cement Limited (“FCL”) solely for information purposes. The objective of the presentation is to ensure timely and equitable distribution of information to all concerned, including the analyst community. The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect any developments that may occur after the date of the presentation.



PROFILE OF THE COMPANY



THE FOUNDER

LATE Mr. Ghulam Mohammed Fecto



The origin of Fecto Group can be traced back to the year 1952. The founder, Mr. Ghulam Mohammed Fecto established a company that was to be engaged in the trading and assembling of Electrical Appliances & Wires. Very soon, the company diversified into import, export and trading of Electrical wires, cables, Home Appliances and automobiles.

The Company then made a pioneering effort as it entered into a joint venture with a Japanese brand for the manufacturing of Radio, which was the first ever-technical collaboration with Japan in Pakistan.

Fecto Cement Limited (FCL) was incorporated back in 1981 as a public limited company and is the flagship company of the FECTO Group. The FECTO Group has diversified business interests spanning across various sectors including cement, paper products and exploration technology businesses.

FCL is currently involved in the production and marketing of Clinker and Cement with an existing production capacity of 900,000 tons and 1,000,000 tons per annum respectively and achieved almost 64.65% capacity utilization of cement in 2023. FCL enjoys a good market standing with sales both to local and export markets (Afghanistan).



About the Company

- FECTO Cement Limited (“FECTO” or “Company”) was incorporated in 1981 as a public limited company and is the flagship company of the FECTO Group (“Group”)
- FECTO has the ability to manufacture 900,000 tons of clinker annually. Throughout the year, the company produced 632,116 tons of clinker, achieving a capacity utilization rate of 70.23%
- FECTO is currently producing and marketing OPC Cement with an existing production capacity of 1,000,000 tones per annum which was achieved near the end of the FY 2023. The Company achieved 64.65% capacity utilization in 2023 based on capacity of 1,000,000 tones per annum;
- The existing production facility of FECTO is located in Sangjani, about 25 kilometers from Islamabad. The factory is spread over an area of around 200 acres. The plant was installed in the mid 1980’s and is based on the dry process of cement manufacturing



Board of Directors – Fecto Cement Limited

Board of Directors

Chairman

Mr. Aamir Ghani

Chief Executive

Mr. Mohammed Yasin Fecto

Directors

Ms. Saira Ibrahim Bawani

Mr. Khalid Yacoob

Mr. Muhammad Anwar Habib

Mr. Jamil Ahmed Khan

Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)



Major Shareholders – Fecto Cement Limited

Major Shareholders		
Details	Shares Held	%
Mr. Mohammed Yasin Fecto	37,673,211	75.11%
Other Directors	14,050	0.03%
Bank, DFI, NBFCs, Insurance & Modarabas	4,908,600	9.79%
NIT & ICP	1,129,855	2.25%
Individuals - Locals	5,505,991	10.98%
Others	928,293	1.85%
Total	50,160,000	100.00%



REWARDS AND CERTIFICATIONS





STRATEGIC & OPERATIONAL DEVELOPMENT

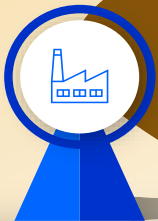


MILESTONES ACHIEVED BY FCL

1990

COMMERCIAL PRODUCTION

Commenced commercial production of cement



2006

PLANT UP-GRADATION

Guaranteed production level from 2,000 tons to 2600 tons was achieved



2007

NEW PULVERIZED COAL MILL

Company now have option of all three types of fuel i.e. coal, gas and furnace oil



2009

WASTE HEAT RECOVERY POWER PLANT

The Project was successfully commenced power generation of 6 MW in 2010



2022

INCREASED CAPACITY TO 3000 TONS / DAY

Completed BMR activities on Clinker Cooler, Coal injection system, Dome shed and Rotary packer



2021

SOLAR POWER PLANT

Successful installation of 5mw Solar Power Plant.



ASSOCIATED COMPANY

Frontier Paper Products (Pvt.) Limited

The latest technology to produce poly propylene and is located at Hattar Industrial Estate, North, West Frontier Province (NWFP), Pakistan. With an annual production capacity of 60 million Poly Propylene bags, the company primarily caters to the needs of FCL and also has a sound customer base that includes other cement manufacturers and contractors.





SOLAR PROJECT

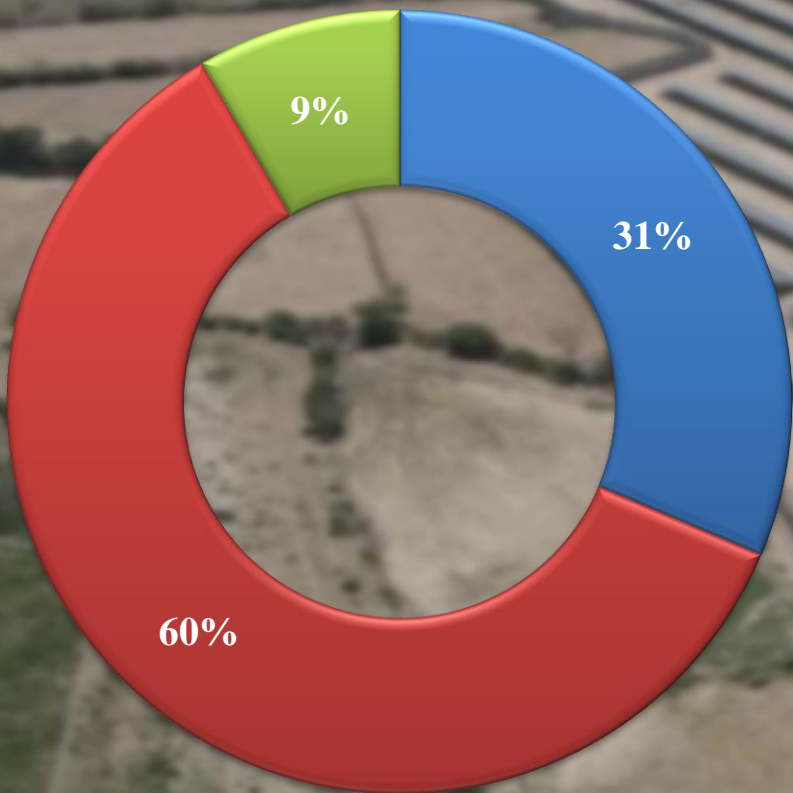
5 MW_s

From the month of March 2021, FCL has successfully started using solar power in line with other power sources.



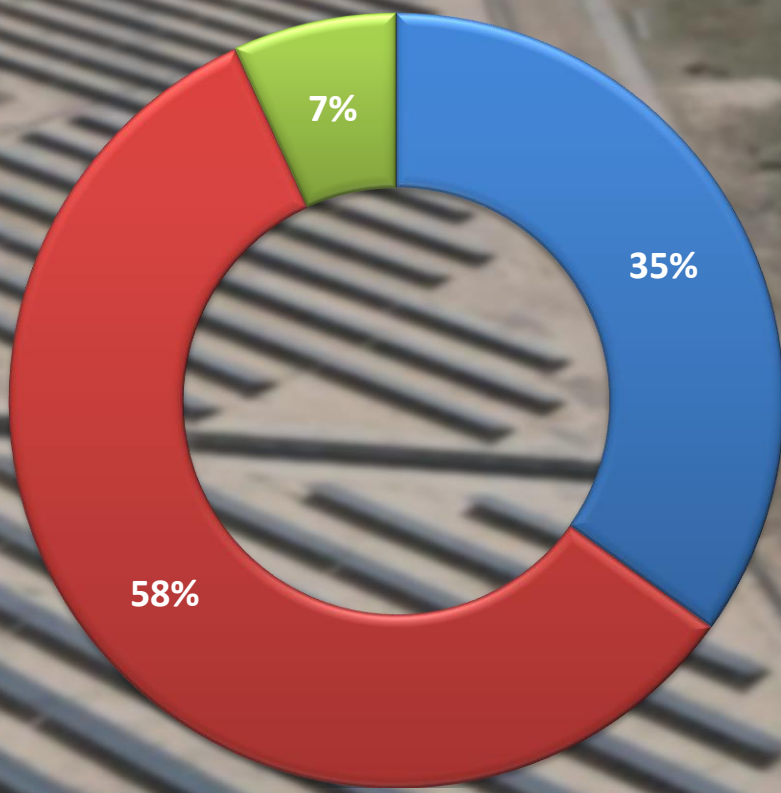
POWER MIX

FY 2022



- WHRPP
- WAPDA
- SOLAR

FY 2023

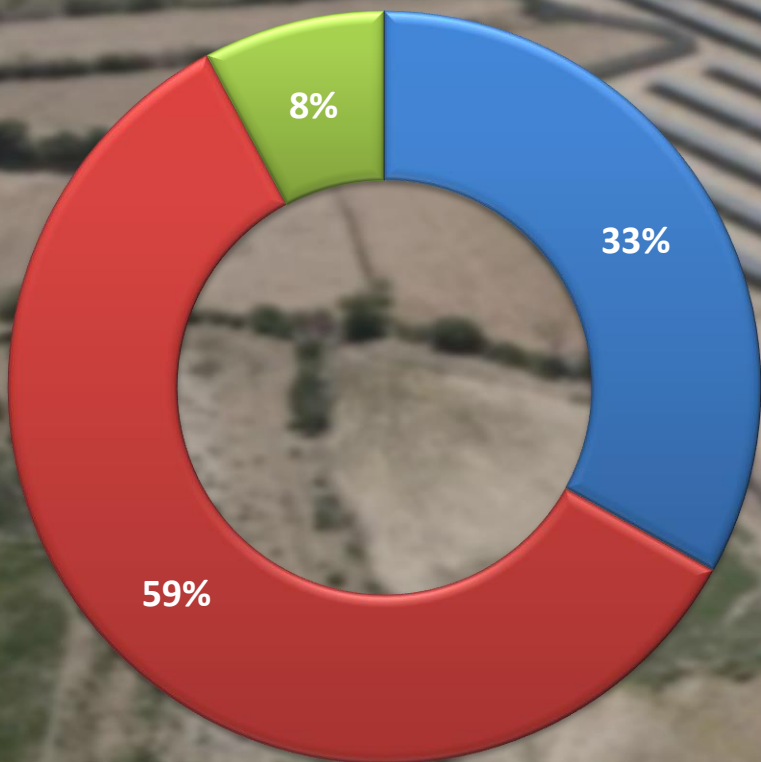


- WHRPP
- WAPDA
- SOLAR

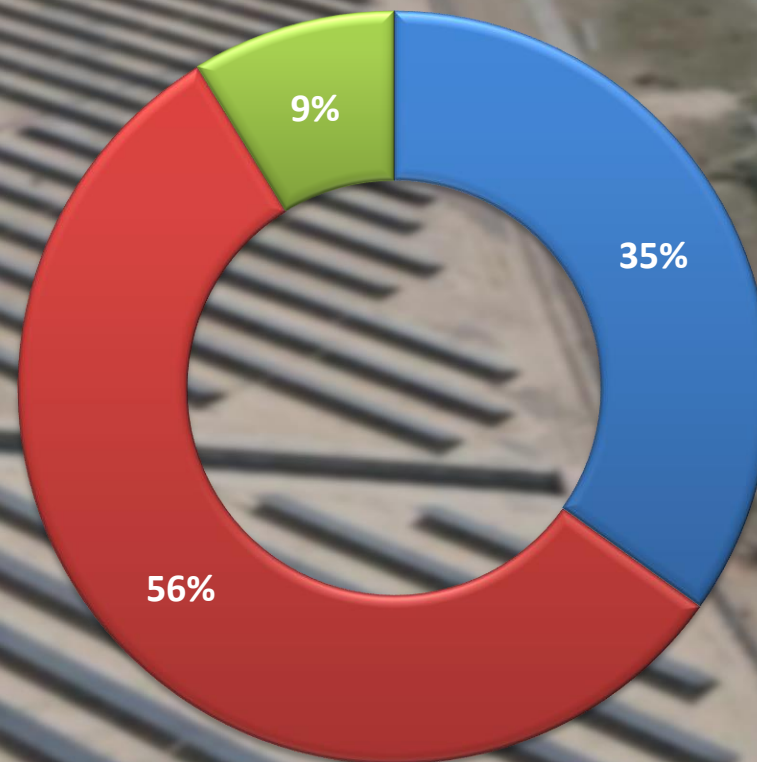


POWER MIX

FY 2023 Q-1



FY 2024 Q-1





DETAILS OF FINANCIAL INFORMATION



Statement of Profit or Loss

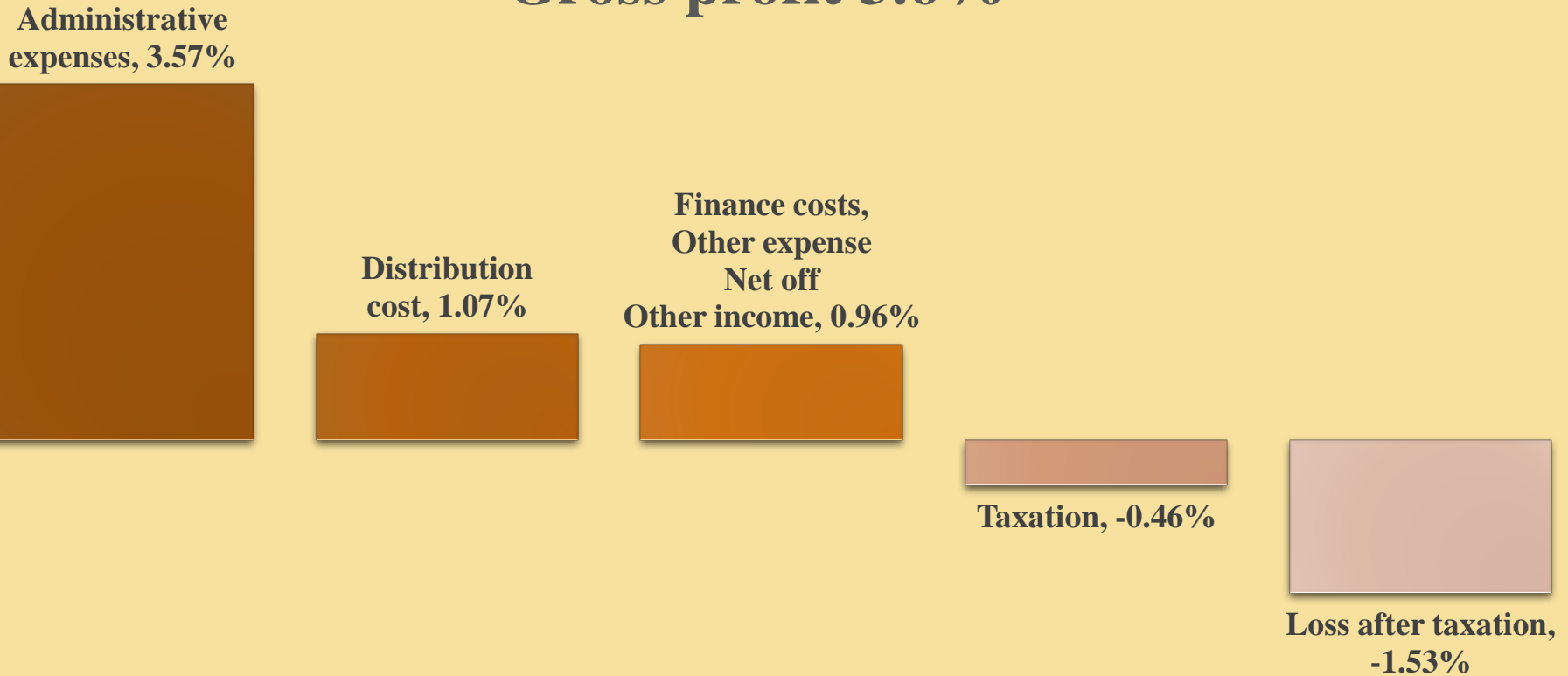
For the year ended June 30, 2023

	2023	2022	Change	% Change
	Rupees in '000'			
Sales revenue - net	8,682,183	6,774,567	1,907,616	28%
Cost of sales	(8,369,763)	(5,900,946)	(2,468,817)	42%
Gross profit	312,420	873,621	(561,201)	-64%
Administrative expenses	(309,741)	(263,905)	(45,836)	17%
Distribution costs	(92,564)	(81,390)	(11,174)	14%
	(402,305)	(345,295)	(57,010)	17%
Finance costs	(303,203)	(155,235)	(147,968)	95%
Other expenses	(5,315)	(22,572)	17,257	-76%
	(308,518)	(177,807)	(130,712)	74%
Operating (loss) / profit	(398,403)	350,519	(748,923)	-214%
Other income	225,474	78,341	147,133	188%
(Loss) / profit before taxation	(172,929)	428,860	(601,790)	-140%
Taxation	39,684	(142,157)	181,841	-128%
(Loss) / profit after taxation	(133,245)	286,703	(419,949)	-146%



DISTRIBUTION OF GROSS PROFIT - ANNUAL

Gross profit 3.6%





Condensed Interim Statement of Profit or Loss and Other Comprehensive

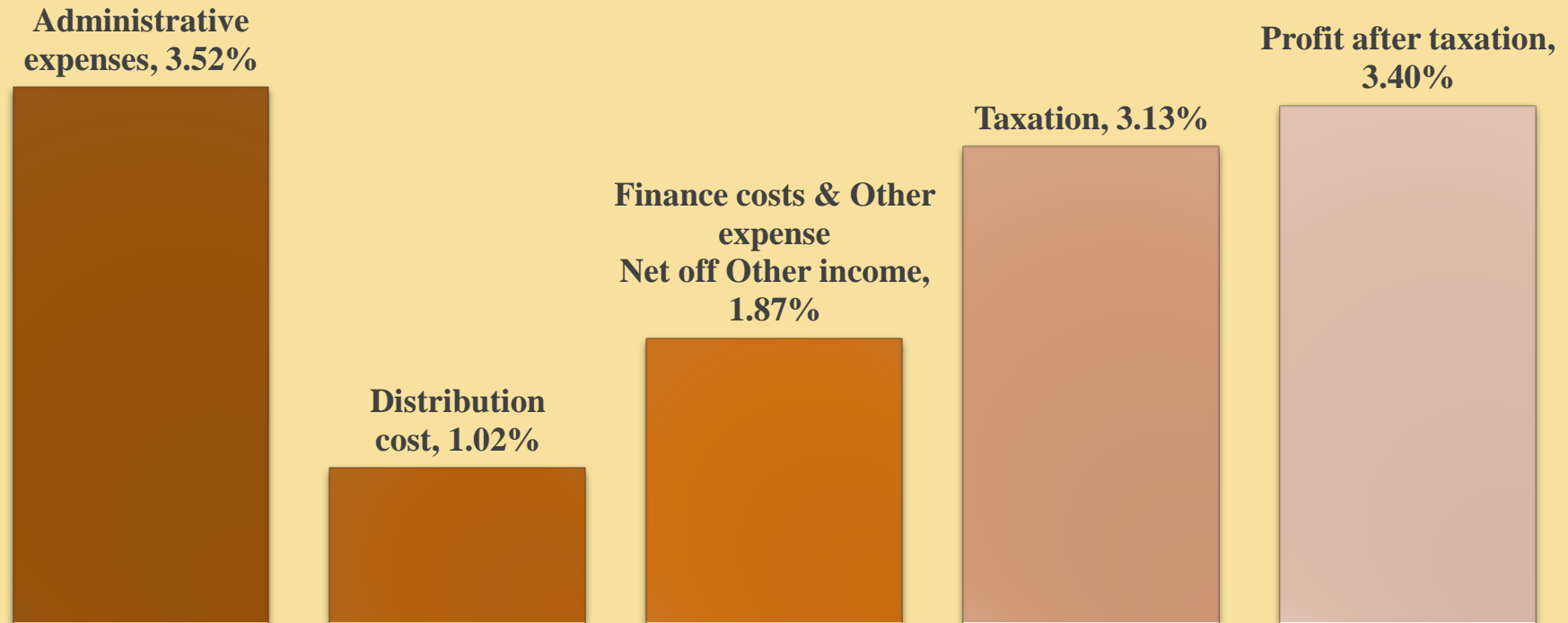
For the Period ended September 30, 2023

	2023	2022	Change	% Change
	Rupees in '000'			
Sales revenue - net	2,625,901	1,770,906	854,995	48%
Cost of sales	(2,286,044)	(1,680,604)	(605,440)	36%
Gross profit	<u>339,857</u>	<u>90,302</u>	<u>249,555</u>	<u>276%</u>
Administrative expenses	(92,434)	(70,336)	(22,098)	31%
Distribution costs	(26,793)	(21,705)	(5,088)	23%
Other expenses	(9,022)	-	(9,022)	100%
	(128,249)	(92,041)	(36,208)	39%
Other income	34,473	17,640	16,833	95%
Operating Profit	<u>246,081</u>	<u>15,901</u>	<u>230,180</u>	<u>1448%</u>
Finance costs	(74,655)	(66,914)	(7,741)	12%
Profit / (Loss) / before taxation	<u>171,426</u>	<u>(51,013)</u>	<u>222,439</u>	<u>-436%</u>
Taxation:				
Current	(27,775)	(17,975)	(9,800)	55%
Deferred	(54,398)	8,151	(62,549)	767%
	(82,173)	(9,824)	(72,349)	736%
Profit / (Loss) after taxation	<u>89,253</u>	<u>(60,837)</u>	<u>150,090</u>	<u>247%</u>
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>89,253</u>	<u>(60,837)</u>	<u>150,090</u>	<u>247%</u>



DISTRIBUTION OF GROSS PROFIT – 1st QUARTER 2024

Gross profit 13%





KEY OPERATING AND FINANCIAL HIGHLIGHTS

For Six Years from Year 2018 to Year 2023

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
----- Quantity in Metric Ton -----						
Clinker:						
- Production	632,116	618,559	734,323	599,016	593,312	744,402
- Capacity Utilization	70%	69%	89%	72%	72%	90%
Cement:						
- Production	646,530	712,757	729,167	640,576	680,133	793,063
- Sales	641,956	712,644	731,069	641,450	682,612	791,555

	----- Rupees in '000' -----					
Financial Position						
Assets Employed						
Property, plant and equipment	2,708,837	3,067,900	2,270,083	1,792,313	1,895,270	1,976,349
Right of use assets	76,812	108,442	106,020	51,730	51,164	21,651
Investment Property	102,260	-	-	-	-	-
Long term investments	401,511	330,850	318,009	284,350	319,650	-
Long term deposits	10,101	10,273	5,321	6,294	6,486	6,805
Long term loans and advances	8,466	8,776	6,722	10,757	12,606	14,534
Deferred tax asset	113,586	-	29,821	-	-	-
Current Assets	3,904,906	3,424,013	3,297,031	2,688,362	2,781,387	3,210,309
Total Assets	7,326,479	6,950,254	6,033,007	4,833,806	5,066,563	5,229,648



KEY OPERATING AND FINANCIAL HIGHLIGHTS

For Six Years from Year 2018 to Year 2023

FY 2023 FY 2022 FY 2021 FY 2020 FY 2019 FY 2018

----- Rupees in '000' -----

Financial Position

Financed By

Shareholders' Equity	3,596,755	3,750,774	3,467,062	3,508,011	4,331,567	4,210,161
Long-term liabilities						
Long term financing	860,641	1,017,637	520,529	87,217	-	-
Lease liabilities	48,398	67,173	61,605	24,809	34,322	14,757
Deferred Grant Income	140,528	184,544	69,343	10,476	-	-
Deferred Liabilities	-	33,874	-	33,430	355,892	341,866
Current Liabilities	2,680,157	1,896,252	1,914,468	1,169,863	344,782	662,864
Total Equity and Liabilities	7,326,479	6,950,254	6,033,007	4,833,806	5,066,563	5,229,648

Turnover & Profit

Sales

Sales - Gross	11,549,441	9,243,510	7,059,214	5,437,681	6,654,725	6,884,338
Less : Excise duty	(1,040,271)	(1,029,161)	(1,014,506)	(1,142,212)	(924,475)	(912,662)
Sales tax	(1,826,987)	(1,439,782)	(1,083,333)	(831,565)	(989,754)	(1,068,892)
Sales - Net	8,682,183	6,774,567	4,961,375	3,463,904	4,740,496	4,902,784



KEY OPERATING AND FINANCIAL HIGHLIGHTS

For Six Years from Year 2018 to Year 2023

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
	----- Rupees in '000' -----					
Profitability						
Gross Profit / (loss)	312,420	873,621	287,499	(715,437)	594,303	1,027,305
EBITDA	421,572	786,507	150,898	(893,286)	255,354	716,633
EBIT	130,274	584,095	12,434	(1,005,673)	135,720	602,894
Profit / (loss) before tax	(172,929)	428,860	(63,381)	(1,034,246)	130,343	599,628
Provision for taxation	39,684	(142,157)	(3,906)	264,175	(41,368)	(157,890)
Profit / (loss) after tax	(133,245)	286,703	(67,287)	(770,071)	88,975	441,738
Cash Flow						
Net Cash generated from / (used in) Operating Activities	(194,635)	835,314	(259,341)	(735,513)	(9,607)	327,582
Net Cash generated from / (used in) Investing Activities	42,387	(873,374)	(541,910)	56,134	(172,941)	(193,505)
Net Cash generated from / (used in) Financing Activities	(237,301)	313,595	554,941	351,681	(125,901)	(118,641)
Increase / (Decrease) in Cash and Cash Equivalents	(389,549)	275,535	(246,310)	(327,698)	(308,449)	15,436
Cash and Cash Equivalents at beginning of the Year	(134,118)	(409,653)	(163,343)	164,355	472,804	457,368
Cash and Cash Equivalents at end of the Year	(523,667)	(134,118)	(409,653)	(163,343)	164,355	472,804



Industry Analysis



QUANTITATIVE ANALYSIS OF THE INDUSTRY ANNUAL

DESCRIPTION	2023	2022	INC./(DEC.)	INC./(DEC.)
	Tons in '000'			%
LOCAL	40,000	47,635	(7,635)	-16%
EXPORT	4,570	5,256	(686)	-13%
TOTAL DISPATCHES	44,570	52,892	(8,322)	-16%

QUANTITATIVE ANALYSIS OF THE COMPANY ANNUAL

DESCRIPTION	2023	2022	Inc./(Dec.)	Inc./(Dec.)
	Tons in '000'			%
LOCAL	620	686	(66)	-10%
EXPORT	22	27	(4)	-17%
TOTAL DISPATCHES	642	713	(71)	-10%

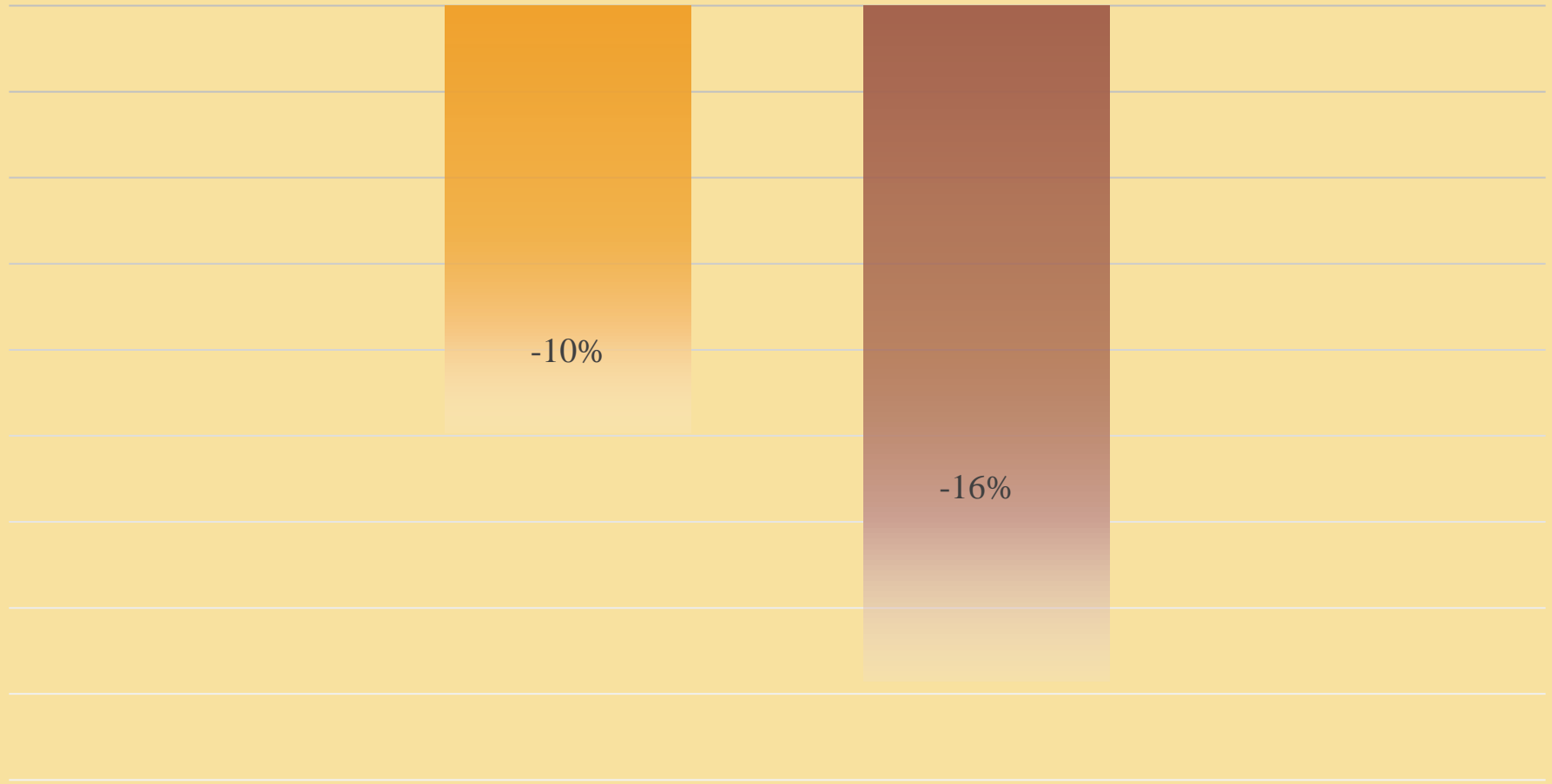


INDUSTRY GROWTH AND FCL MARKET SHARE - ANNUAL

(BASED ON DISPATCHES)

FCL

INDUSTRY





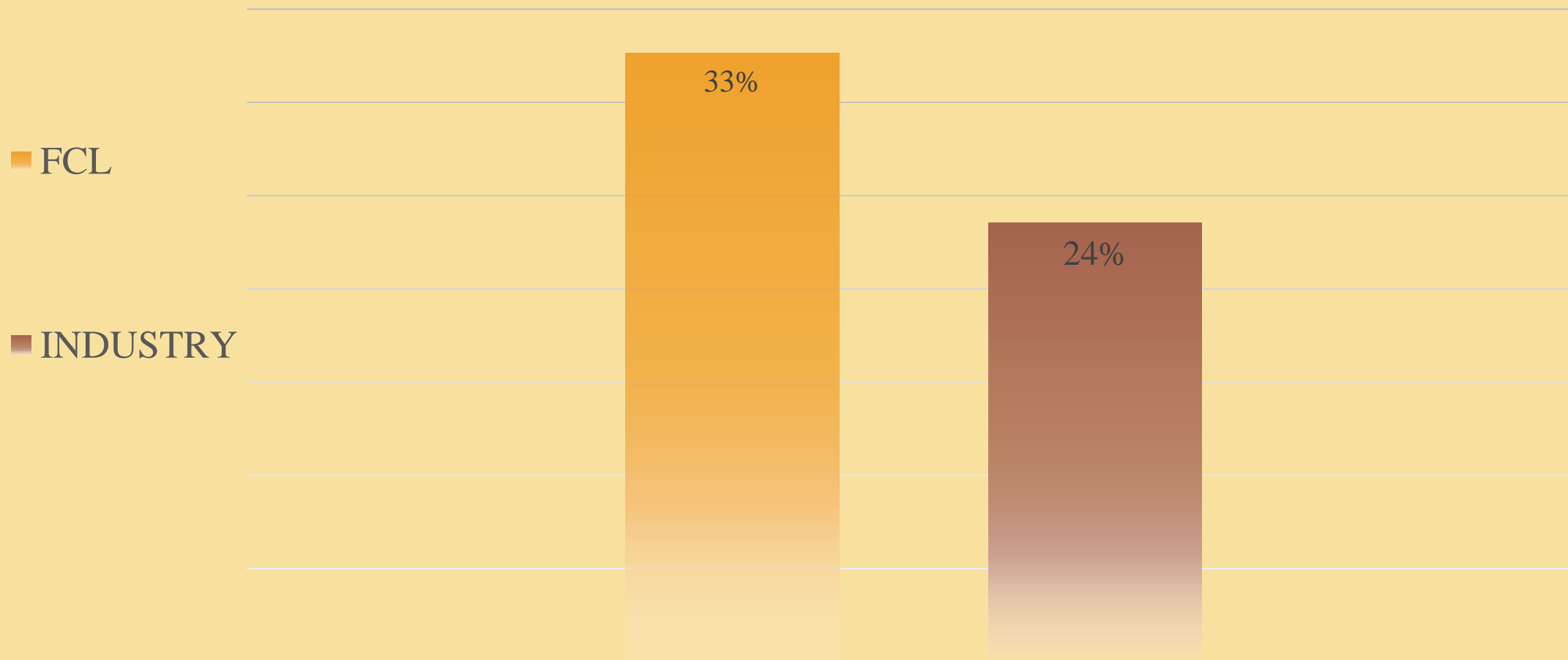
QUANTITATIVE ANALYSIS OF THE INDUSTRY 1ST QUARTER

DESCRIPTION	2024	2023	INC./(DEC.)	INC./(DEC.)
	Tons in '000'			%
LOCAL	10,130	8,602	1,528	18%
EXPORT	1,750	1,019	731	72%
TOTAL DISPATCHES	11,880	9,621	2,259	23%



INDUSTRY GROWTH AND FCL MARKET SHARE

1ST QUARTER (BASED ON DISPATCHES)



Q&A

A 3D rendering of the letters 'Q&A' in a blue, sans-serif font. The letters are thick and have a slight shadow on the white surface below them. The ampersand is a simple, stylized design. The entire graphic is set against a plain white background.



**THANK
YOU**