

FCCL: Result Preview for FY15

EPS to clock in at PKR 2.67 in FY15 (up 48%YoY)

- Fauji Cement Company Limited (FCCL) is scheduled to unveil its financial result for FY15 on Thursday, August 24, 2015. FCCL is expected to post NPAT of PKR 3.79bn in FY15, depicting growth of 45%YoY as compared to PKR 2.626bn recorded in FY14. The upsurge in earnings is attributed to increase in local dispatches and retention prices along with significant fall in coal and power cost. Additionally, we expect FCCL to announce DPS of PKR 1 taking full year DPS to PKR 2.
- The top line of the company is expected to rise by 6%YoY. Increase in prices and growth in volumetric sales by 3%YoY, which is primarily backed by private sector construction activities evident from mega housing schemes are the major reasons to increase in sales revenue. Additionally, COGS is expected to climb up 3%YoY, but it will decrease in terms of percentage to sales due to dip in coal prices and reduction in electricity tariff due to fuel adjustment as company relies on national grid. Therefore, the gross profit of the company is likely to elevate by 11%YoY.
- Decrease in finance cost by 23%YoY and increase in other Income by 22%YoY will impact positively on bottom-line of the company. As a result, PBT is anticipated to inch up 19%YoY.
- Analyzing 4QFY15, we expect an incline of 4%QoQ in quarterly sales and 21%QoQ/9%YoY growth in gross profit. Decrease in operating expenses by 3%YoY further enhances the PBT by 23%QoQ. However, Government imposed additional super tax, which will raise tax payment by 42%QoQ. Therefore, we expect FCCL to declare EPS of PKR 0.86 against PKR 0.47 in same period last year.

FCCL Result Preview for FY15

(PKR MN)	FY15E	FY14	YoY	4QFY15E	4QFY14	YoY	QoQ
Net Sales	18,595	17,532	6%	5,177	4,994	4%	17%
Gross Profit	6,760	6,084	11%	1,966	1,806	9%	21%
Op. Expense	589	532	11%	154	189	-18%	8%
Op. Profit	6,171	5,552	11%	1,812	1,617	12%	22%
PBT	5,373	4,510	19%	1,597	1,374	16%	23%
NPAT	3,798	2,626	45%	1,142	630	81%	16%
EPS	2.67	1.80	48%	0.86	0.47	81%	16%

Source: Company Accounts., Darson Research

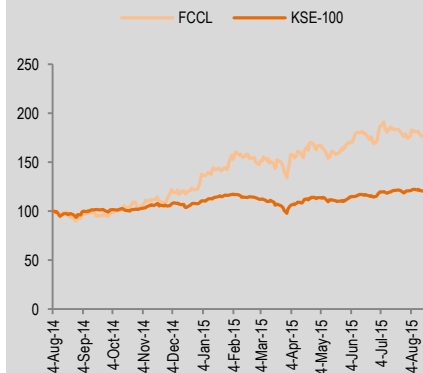
Bloomberg: FCCL PA | Reuters: FCCL.KA

CURRENT MARKET DATA

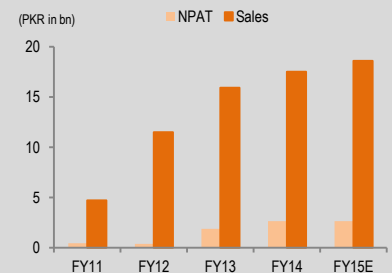
Current Price	33.97
Market Cap (PKR mn)	43,660
Market Cap (USD mn)	429
Index Weightage (%)	1.43
P/B	2
P/E	12.53
Free Float (%)	55

Source: KSE, Bloomberg

FCCL – stock performance



Source: KSE, Bloomberg



Source: Company Accounts, Darson Research



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