



# Cement | Result Preview | 4QFY24 | DGKC | FCCL | MLCF



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REP # 048



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## FCCL: FY24 profitability to roar by c.25%YoY

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- Fauji Cement Company (FCCL) to announce its financial result for the 4QFY24. We believe FCCL to post profit after tax (PAT) of Rs.2.2bn (EPS Rs.0.91) compared to PAT of Rs.0.6bn (EPS: Rs.0.14) in the same period of last fiscal year. Furthermore, on cumulative basis company to post EPS: Rs.3.78 in FY24 compared to EPS: Rs.3.2, reflecting gain of 19%. This is mainly due to high margins and commence of new plant operations.
- During the quarter, sales are expected to reach Rs.21.6bn, indicating increase of 22%/13% YoY/OoQ. This is mainly due to high retention prices and higher dispatches.
- We expect selling and distribution expenses are expected to remain elevated due to axle load implementation and financial cost is anticipated to clock in at Rs.1.6bn in 4QFY24.
- Gross margin is anticipated at 30% in 4QFY24, compared to 36% in 4QFY23, and net profit margin is expected to reach 10% in 4QFY24.

FCCL	4QFY24E	4QFY23A	YoY	3QFY24A	QoQ	FY24E	FY23A	YoY
Sale	21,598	17,703	22%	19,048	13%	80,998	68,069	19%
Cost of sale	15,107	11,344	33%	13,697	10%	56,297	47,651	18%
<b>Gross profit</b>	<b>6,492</b>	<b>6,359</b>	<b>2%</b>	<b>5,352</b>	<b>21%</b>	<b>24,702</b>	<b>20,418</b>	<b>21%</b>
Profit before taxation	3,318	2,920	14%	2,646	25%	14,061	12,900	9%
Profit after taxation	2,223	611	264%	1,769	26%	9,265	7,440	25%
<b>EPS (Rs)</b>	<b>0.9</b>	<b>0.1</b>		<b>0.7</b>		<b>3.8</b>	<b>3.2</b>	
Gross margin	30%	36%		28%		30%	30%	
Net margin	10%	3%		9%		11%	11%	

Source: Financials, ASL Research

## DGKC: EPS of Rs.7.7/sh. on back of improved margins during FY24

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- DG Khan Cement (DGKC) to announce its financial result for the 4QFY24. we believe DGKC to post unconsolidated profit after tax (PAT) of Rs.1.15bn (EPS: Rs.2.6) compared to loss of Rs.5.7bn (LPS: Rs.13.1) in the same period of last fiscal year. Furthermore, on cumulative basis company to post EPS: Rs.7.7 in FY24 compared to LPS: Rs.8.3 in FY23, This is mainly due to Higher gross margins and lower effective tax rate.
- During the quarter, sales are expected to reach Rs.17.4bn, indicating increase of 3%/22% YoY/OoQ. This is mainly due to high retention prices and increase in export dispatches in 4QFY24. we expect distribution expenses will remain high amid implementation of axle load and increase in export dispatches.
- Gross margin is anticipated at 22% in 4QFY24, compared to 11% in 4QFY23, and net profit margin is expected to reach 7% in 4QFY24.

DGKC	4QFY24E	4QFY23A	YoY	3QFY24A	QoQ	FY24E	FY23A	YoY
Sale	17,428	16,940	3%	14,266	22%	66,479	64,984	2%
Cost of sale	13,594	15,122	-10%	10,623	28%	53,458	55,428	-4%
<b>Gross profit</b>	<b>3,834</b>	<b>1,818</b>	<b>111%</b>	<b>3,644</b>	<b>5%</b>	<b>13,021</b>	<b>9,556</b>	<b>36%</b>
Profit before taxation	1,883	5.7	32938%	1,921	-2%	5,547	3,163	75%
Profit after taxation	1,149	-5,748	NM	1,180	-3%	3,383	-3,636	NM
<b>EPS (Rs)</b>	<b>2.6</b>	<b>-13.1</b>		<b>2.7</b>		<b>7.7</b>	<b>-8.3</b>	
Gross margin	22%	11%		26%		20%	26%	
Net margin	7%	-34%		8%		5%	7%	

Source: Financials, ASL Research

## MLCF: to post EPS of Rs.1.1/sh. during 4QFY24

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- Maple Leaf Cement (MLCF) to announce its financial result for the 4QFY24. We believe MLCF to post unconsolidated profit after tax (PAT) of Rs.1.18bn (EPS: Rs.1.1) compared to loss of Rs.0.58bn (LPS: Rs.0.5) in the same period of last fiscal year.
- Furthermore, on cumulative basis company to post EPS: Rs.5.3 in FY24 compared to EPS: Rs.4.2 in FY23, reflecting a 26% YoY growth. This is mainly due to Higher gross margins and lower effective tax rate.
- During the quarter, sales are expected to reach Rs.16bn, indicating increase of 7% YoY basis, while on QoQ basis sales to remain flat due to high retention prices being offset by lower dispatches.
- We expect selling and distribution expenses are expected to remain elevated due to axle load implementation
- Gross margin is anticipated at 30% in 4QFY24, compared to 24% in 4QFY23, and net profit margin is expected to reach 7% in 4QFY24.

MLCF	4QFY24E	4QFY23A	YoY	3QFY24A	QoQ	FY24E	FY23A	YoY
Sale	16,050	14,986	7%	15,980	0%	66,778	62,075	8%
Cost of sale	11,307	11,441	-1%	11,541	-2%	46,627	45,652	2%
<b>Gross profit</b>	<b>4,743</b>	<b>3,545</b>	<b>34%</b>	<b>4,439</b>	<b>7%</b>	<b>20,152</b>	<b>16,424</b>	<b>23%</b>
Profit before taxation	1,902	1,727	10%	1,877	1%	8,544	9,251	-8%
Profit after taxation	1,179	-565	NM	1,132	4%	5,654	4,492	26%
<b>EPS (Rs)</b>	<b>1.1</b>	<b>-0.5</b>		<b>1.1</b>		<b>5.3</b>	<b>4.2</b>	
Gross margin	30%	24%		28%		30%	26%	
Net margin	7%	-4%		7%		7%	7%	

Source: Financials, ASL Research

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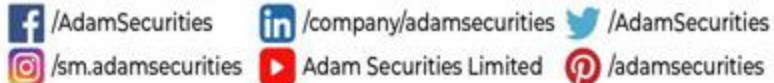
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