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EQUITY RESEARCH · CEMENT

Fauji Cement Company Limited **FCCL**

INITIATION OF COVERAGE · PUBLISHED 14 AUGUST 2026

Our initiation examines domestic demand recovery, the structurally lower cost base built on solar, waste-heat recovery and local coal, and the earnings contribution from the ACPL investment.

FY26E revenue

PKR 93.7bn

FY26E EPS

PKR 6.60

FY26E EBIT margin

28.5%

In this note

- Demand recovery
- A structurally lower cost base
- The ACPL investment
- Key risks

Demand recovery

Domestic cement dispatches are the main driver of the investment case. This section walks through the demand outlook by region and what a recovery in construction activity means for FCCL's utilisation and pricing.

A structurally lower cost base

Solar capacity, waste-heat recovery and a higher share of local coal lower FCCL's energy cost per tonne. We set out how each lever feeds into the EBIT margin and how durable the advantage is.

The ACPL investment

The investment in ACPL adds capacity and earnings. We explain how its contribution is reflected in our FY26E estimates and what to watch as integration progresses.

Key risks

- A slower recovery in domestic construction activity
- Higher international coal prices or a weaker rupee
- Pricing pressure as industry capacity comes online

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