



Annual Corporate Briefing 2022





About FCCL

Sustainability Initiatives

Industry Overview

Financial Overview

Future Outlook

About Fauji Cement

Vision & Mission



Vision

To be a role model cement manufacturing Company, benefiting all stakeholders and fulfilling corporate social responsibilities while enjoying public respect and goodwill

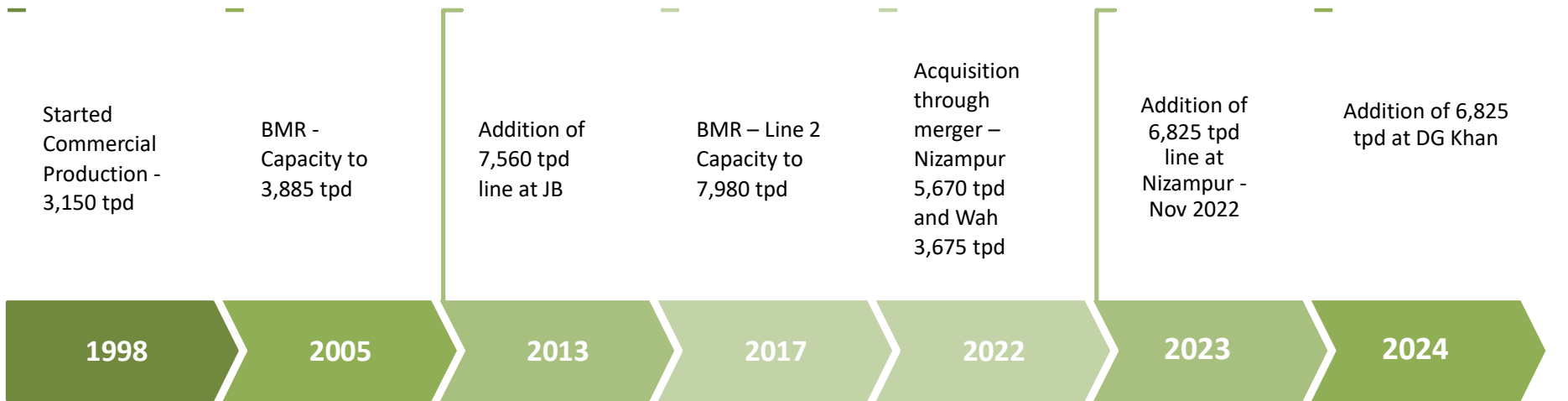
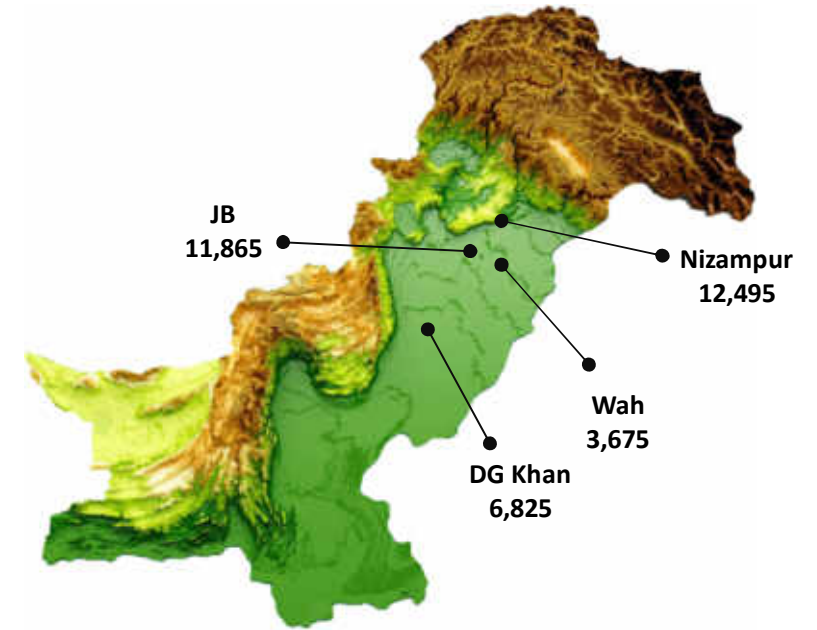
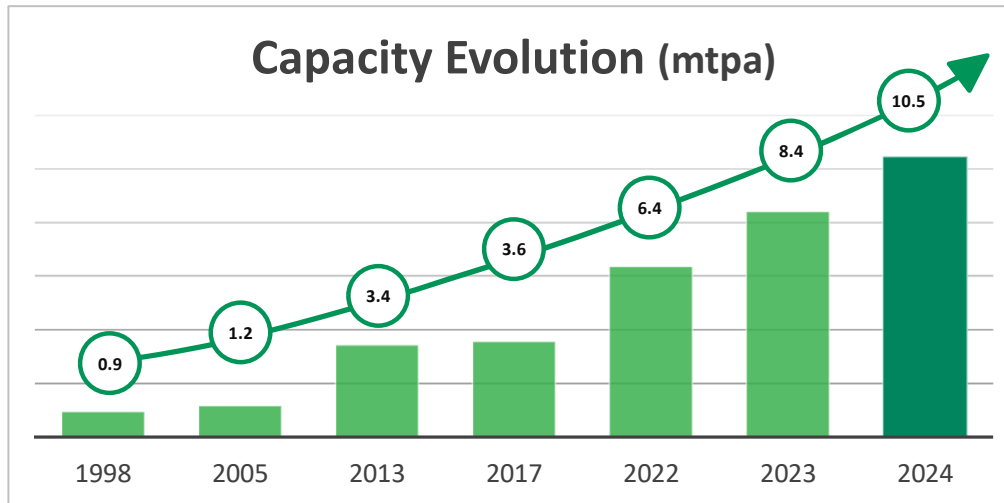


Mission

FCCL while maintaining its leadership position in quality of cement maximizes profitability through reduced cost of production and enhanced share in domestic and international markets

About Fauji Cement

Journey Towards becoming 3rd Largest – Balanced Growth



Cement Capacity

About Fauji Cement

Integrated Operation, Strong Manufacturing Capability with Control Over Supply Chain



Raw Material & Packing

Captive Power Plants

Production

Human Capital

Limestone & Clay

- Key input for manufacturing cement
- 100% sourcing from captive mines
- Long-term leases

Captive power plants capacity 89 MW

- **Solar Power** **28 MW**
- **WHRPP Generation** **40 MW**
- **Thermal Power** **21MW**

Green energy meets 45% of total power requirement

Captive power plant capacity under construction

- **Solar Power** **11 MW**
- **WHRPP Generation** **14 MW**

Gypsum, Iron Ore, Fly Ash

- Procured from open market
- Easily available
- No supplier concentration
- Low criticality

Fuel & Packing Material

- Easily available through established relationships with local and foreign suppliers

Particulars	UOM	Current
Grey Cement	MTPA	6.4
Tile Bond	TPA	60,000

Employees **2,226**

Dedicated, highly skilled and committed workforce with very low turnover

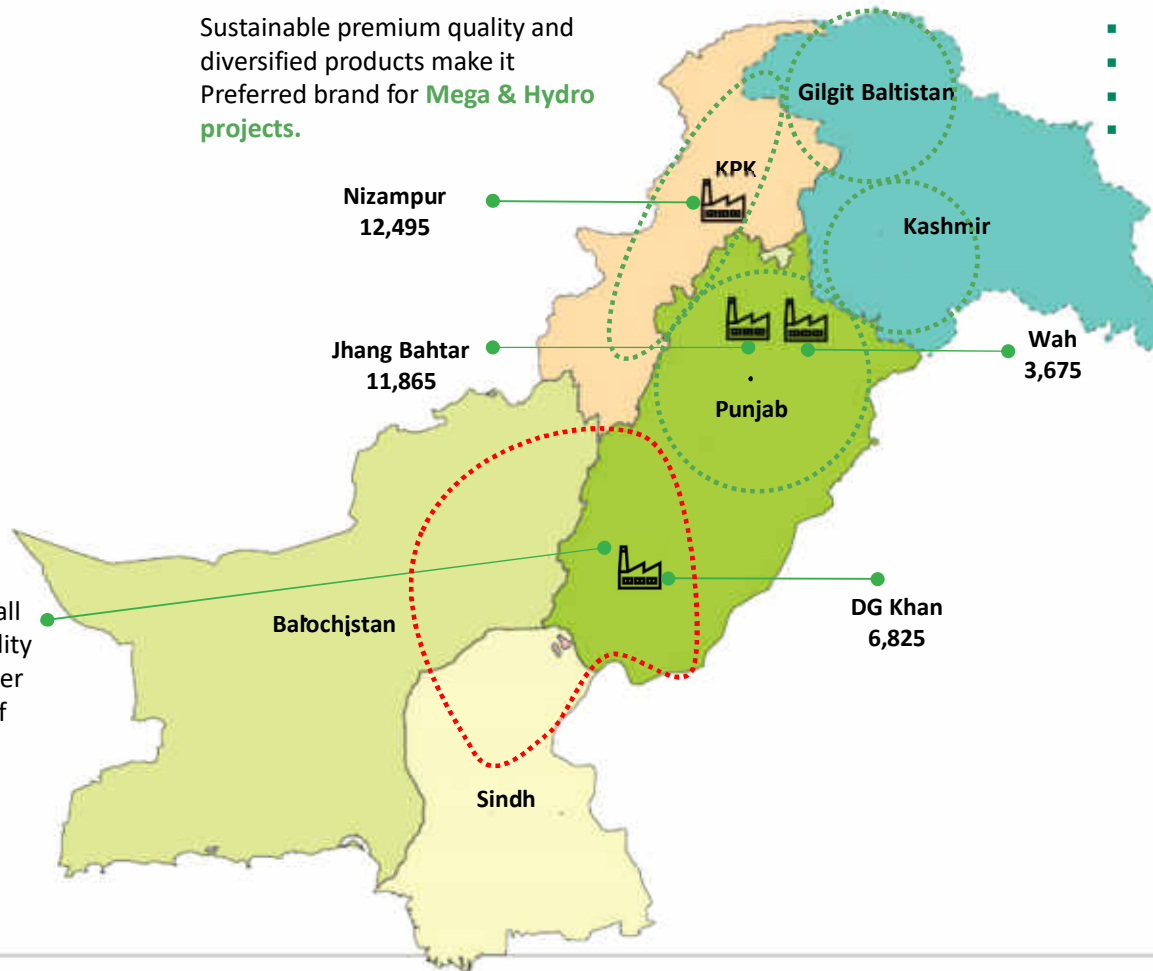
About Fauji Cement

Journey Towards 3rd largest – Strong Market Fundamentals

Sustainable premium quality and diversified products make it Preferred brand for **Mega & Hydro projects.**

Strong presence and market Leader through premium cement products in

- KPK
- AJK
- Hazara
- North Punjab
- Central Punjab



Enhancing Geographical outreach all over Pakistan to increase accessibility and customer base to achieve better retentions after commencement of DG Khan Operations

- Southern Punjab
- Balochistan
- Lower Sindh

About Fauji Cement

Strong Market Fundamentals – Diversified Products



Introducing **Fauji Tile Bond**

About Fauji Cement

Financial Strength

Strong Balance Sheet

- Debt maturities and Capex plan well covered with available liquidity and Loans
- Strong Assets base of Rs 113.7 billion
- Moderate Debt to equity ratio
- Property Plant & Equipment of Rs 74.126 billion



Strong Liquidity

- Sufficient liquidity available to manage working capital and future expansion requirements
- Financial covenants relating to borrowing facilities maintained diligently by company



Financial Strength

Credit Rating

- PACRA
- A+ for Long term Loans
 - A1 for short term loans



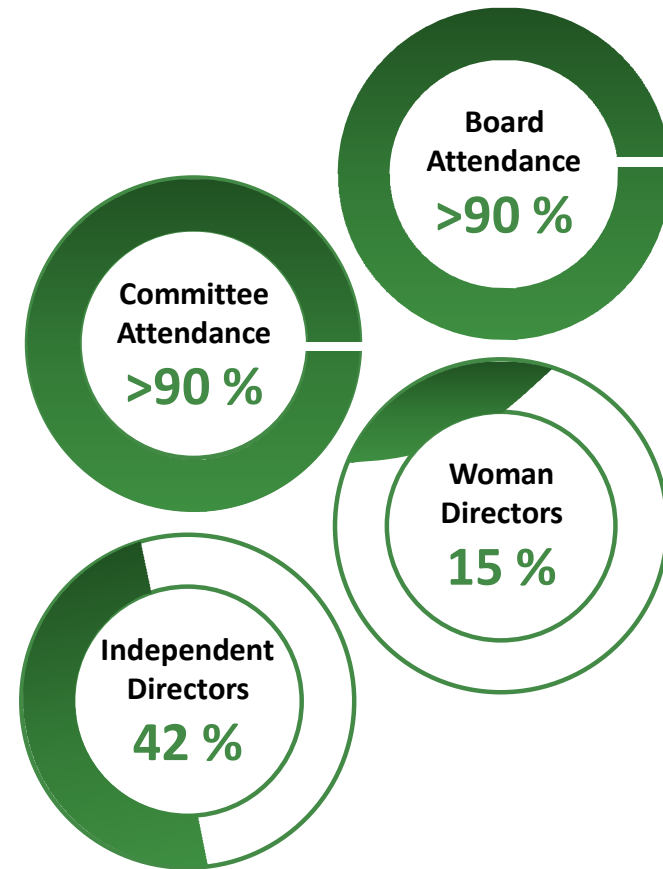
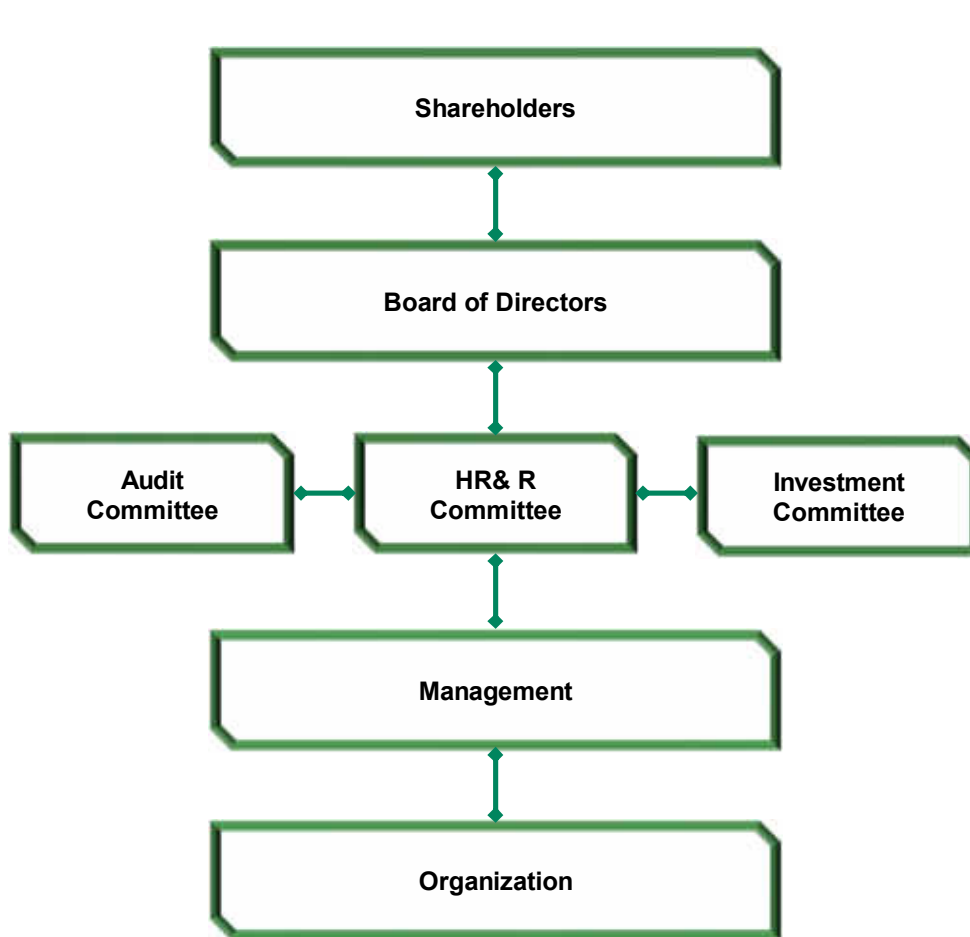
Excellent Cash Generation

- Rs 15.67 billion EBITDA in FY 22
- Rs 2.0 billion free cash flows to Equity holders.



About Fauji Cement

Board Structure and Compliance



About Fauji Cement

Highly Experienced and Diversified Board



Mr. Waqar Ahmed Malik
Chairman



Mr. Qamar Haris Manzoor
CEO / MD



Dr. Nadeem Inayat
Director



Maj Gen Naseer Ali, Khan, (Retd)
Director



Syed Bakhtiyar Kazmi
Director



Mr. Sami ul Haq Khilji
Independent Director



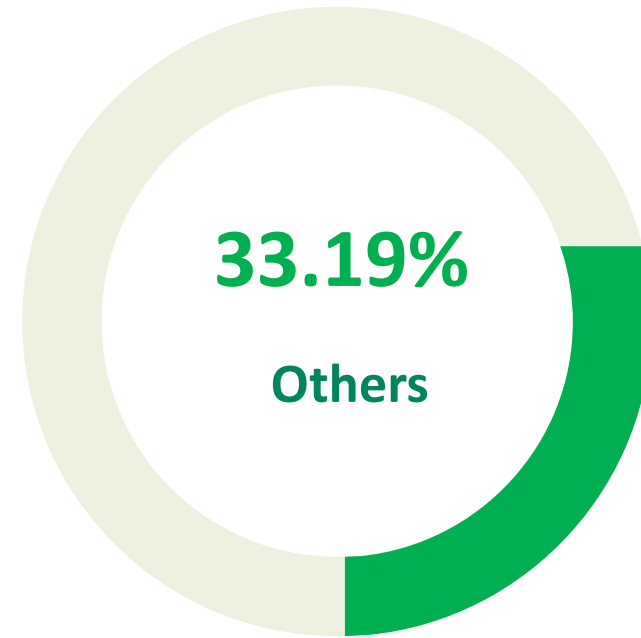
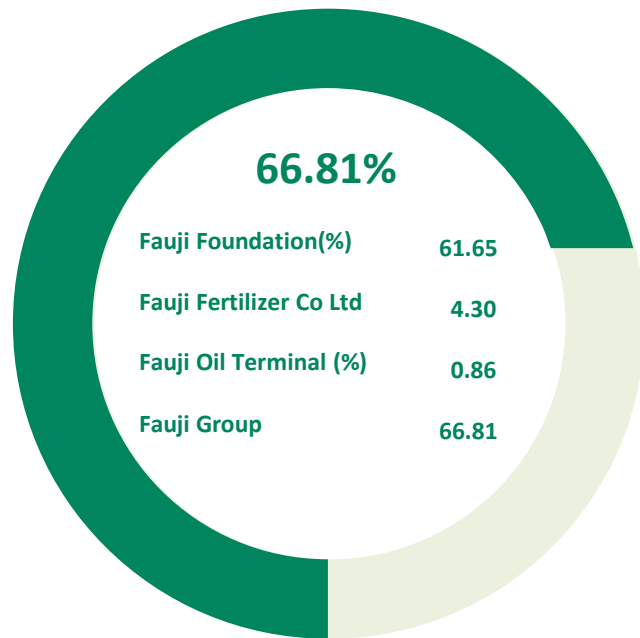
Mr. Tariq Ahmad Khan
Independent Director



Ms Naila Kassim
Independent Director

About Fauji Cement

Shareholding Structure



Fauji Foundation is one of the largest conglomerates in Pakistan with Investments in Cement, Fertilizer, Oil and Gas, Power, Food and allied Industries.

About Fauji Cement Awards & Certificates





About FCCL

Sustainability Initiatives

Industry Overview

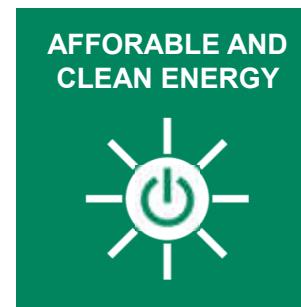
Financial Overview

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Sustainability Initiatives

Renewable Energy Generation

- Increase substantially the share of renewable energy in the global energy mix.
- Achieve the sustainable management and efficient use of natural resources.
- Substantially reduce waste generation through prevention, reduction, recycling, and reuse, to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production

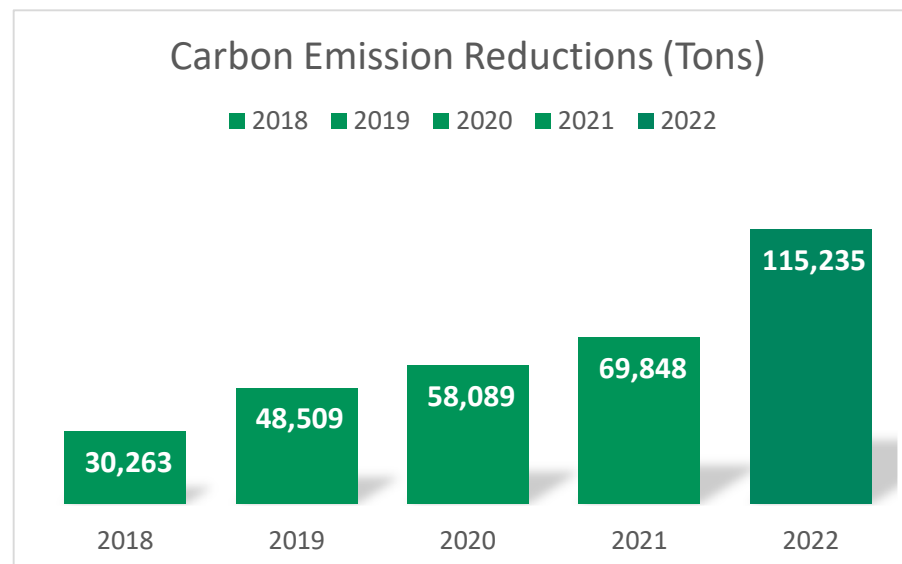


CAPTIVE SOLAR POWER PLANTS

	Jang Bahtar	Wah	Nizampur
Capacity MW	20	8.6	11.5
Generation Annual (MWH)	30,100	12,870	17,210
CO2 avoided (Tons)	15,766	6,741	9,015
FY 2021-2022	26,121.55	-	-

WASTE HEAT RECOVERY POWER PLANTS

	Jang Bahtar	Wah	Nizampur
Capacity MW	21	7.5	12
Generation 2021-22 (MWH)	105,949	33,657	53,464
CO2 avoided (Tons)	55,496	17,630	28,004






Carbon Credits earned during 2022: **90,005 Tons**

Sustainability Initiatives

Tree Plantation and Co2 Sequestration

- Substantially increase afforestation and reforestation
- Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

PLANTATION DRIVE 2021-2022

Phase I	Phase II	Phase III
<ul style="list-style-type: none">• Lake view Orchard spread on 9 Acre area containing 1568 different fruit tree plants.• Hill Side Orchard spread on 23 Acre area comprising 4076 different fruit tree plants 	<ul style="list-style-type: none">• Afforestation performed on 37 acres of Old Clay Land Area.• Plantation of 64,000 native trees 	<ul style="list-style-type: none">• Extension of Hill Side Orchard.• 19-acre areas of Hill Side Orchard developed and ready for plantation• 1500 Olive and 2000 Orange plants that will be added during the upcoming monsoon season 

HONEY BEE FARMING



Among the countless fruitful initiatives of the FCCL Administration Horticulture team, are its efforts to promote benefits of the honey bee population in the local vicinity and ensure complete focus on biodiversity of the surrounding areas through the implementation of an expandable pilot project of a Honey Bee Farm at FCCL fruit orchards. This will assist in maintaining the ecological balance in local flora and fauna by increased pollination of crops and orchards in surrounding villages up to 3 kilometers and production of pure honey



Sustainability Initiatives

Corporate Social Responsibilities

We pride ourselves in being a responsible corporate entity and hence, firmly believe in our contribution towards the fulfillment of society's needs. For this purpose, significant initiatives are under implementation to address the societal demands, especially those relevant to our local population

FAUJI MODEL SECONDARY SCHOOL

One of the most prominent facilities at the Plant is the model school as a means to provide quality education to the children of employees, as well as those of adjoining areas. The School houses numerous facilities including a state of the art Computer Centre, a well-stocked library and advanced laboratories.



FAUJI WOMEN VOCATIONAL TRAINING INSTITUTE

FWVTI founded in May 2015 provides hundreds of female students residing in the vicinity of the Plant, with the opportunity to register themselves to avail quality vocational training free of cost, on Plant premises. A Basic Course of 07-month duration is run annually, that trains approximately 70-80 female students from the local community every year.



HEALTH CARE / MEDICAL FACILITY

Since March 2019, a novel Medical Dispensary with enhanced infrastructure and improved amenities has been running effectively on the premises of the plant and has provided free medical treatment (including medicines) to a total of 55,659 patients. Since its inception. In addition, the Medical Facility at FCCL Jhang Bahtar also provides an ambulance service for immediate and effective evacuation of critical patients to the main hospitals.





About FCCL

Sustainability Initiatives

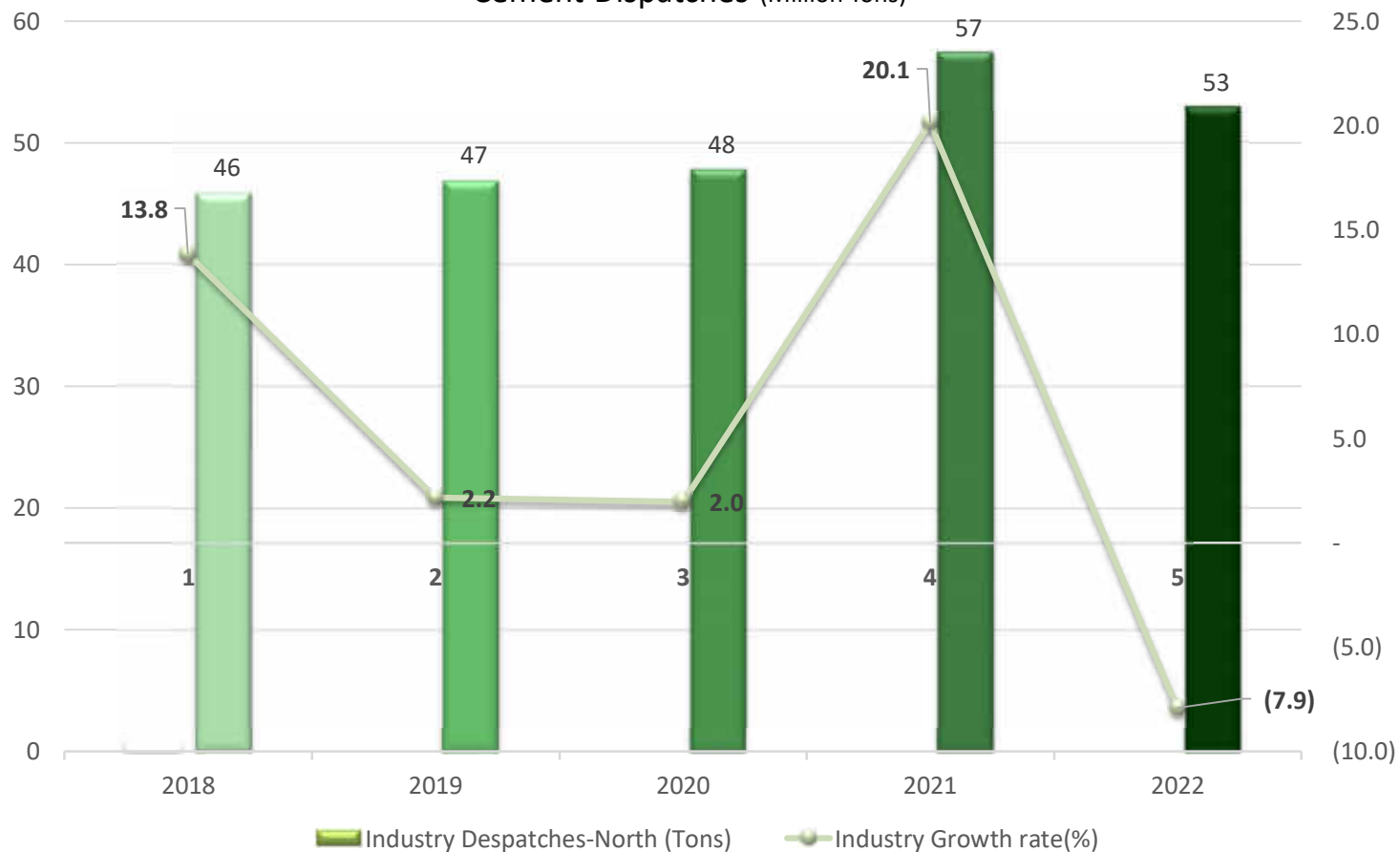
Industry Overview

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Cement Industry Overview

Cement Dispatches (Million Tons)



DISPATCHES

INDUSTRY (MT)			
	2022	2021	Var. (%)
Local	48	48	-
Export	5	9	(-44)
Total	53	57	(-8)

FCCL (MT)			
	2022	2021	Var. (%)
Local	5.3	3.2	66
Export	0.3	0.3	-
Total	5.6	3.5	60



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Financial Overview — FY 21-22

Key Events



Merger of Askari Cement with and into Fauji Cement



Enhancement in Captive Clean Energy Capacity



Work on Cement Expansions (Nizampur and DG Khan)



Kick off SAP implementation

Financial Overview — FY 21-22

Merger Outcomes

Industry Standing Over All
From 8th to 4th Position



Capacity
From 3.6 to 6.4 Million Tons



Brand
Addition of well established
ACL Brands



Production flexibility
Plant Locations from 1 to 3



Strong Financial Position
Better Capital Structure
and Leveraging Ability



Market Share
From 8.07 % to 13.98 % in North



Marketing flexibility
Increase in Geographical
Outreach

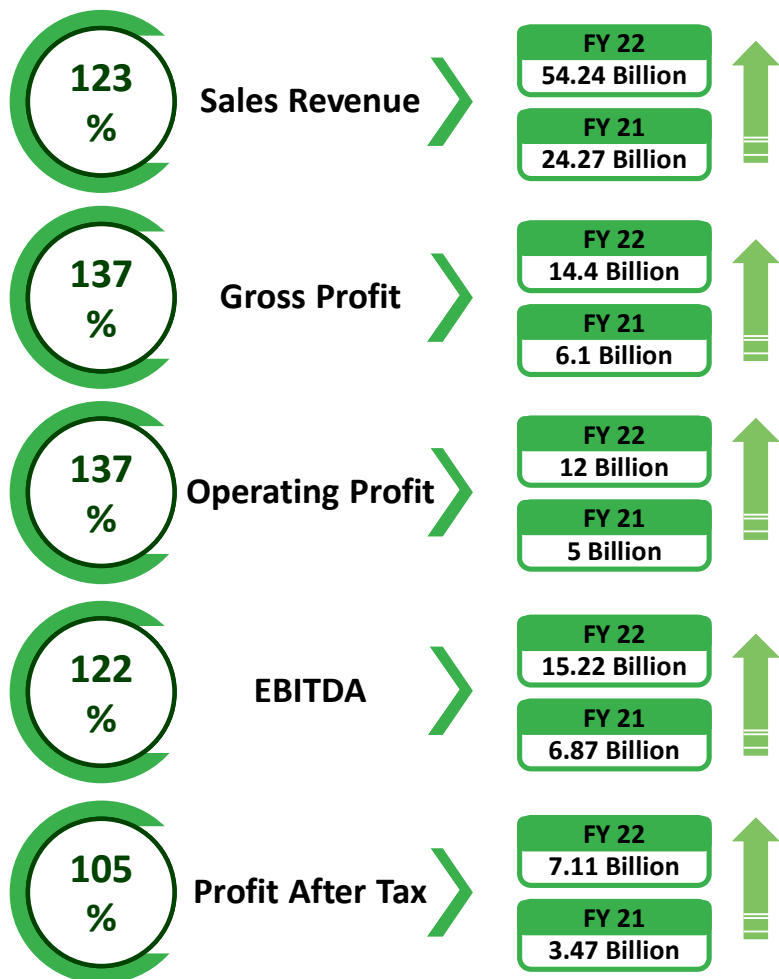


Profit earning Asset
PBT of Rs 3.3 Billion



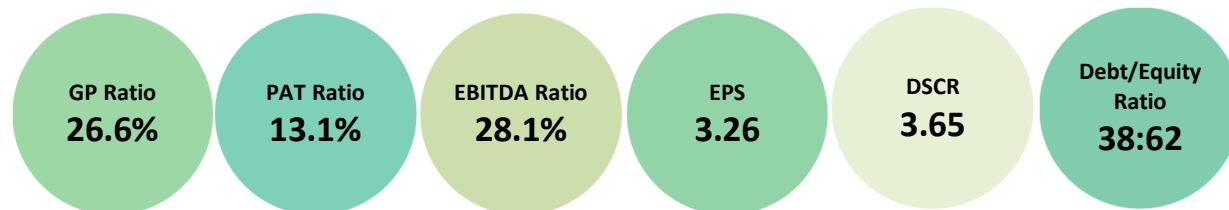
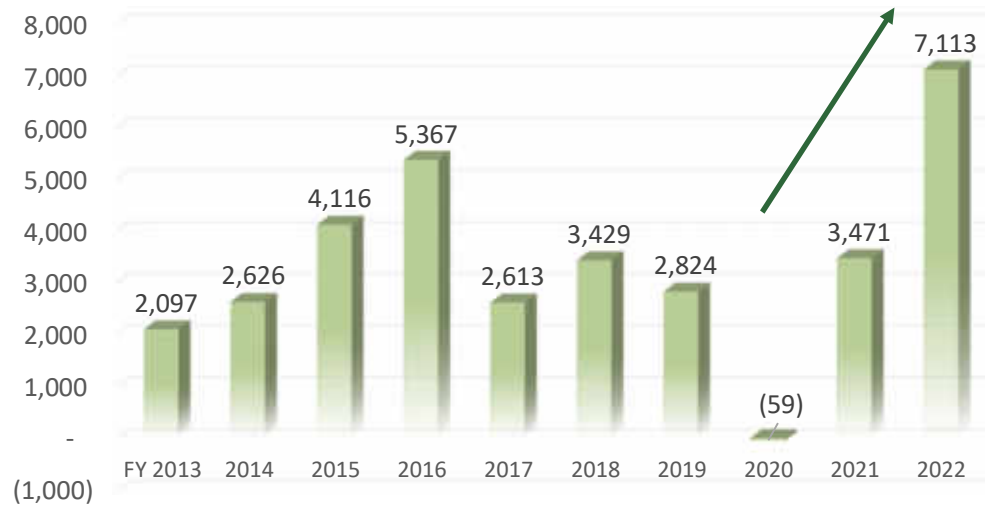
Financial Overview — FY 21-22

A Year of Accomplishments



Highest Ever Profit

PROFIT AFTER TAX (RS IN MILLION)

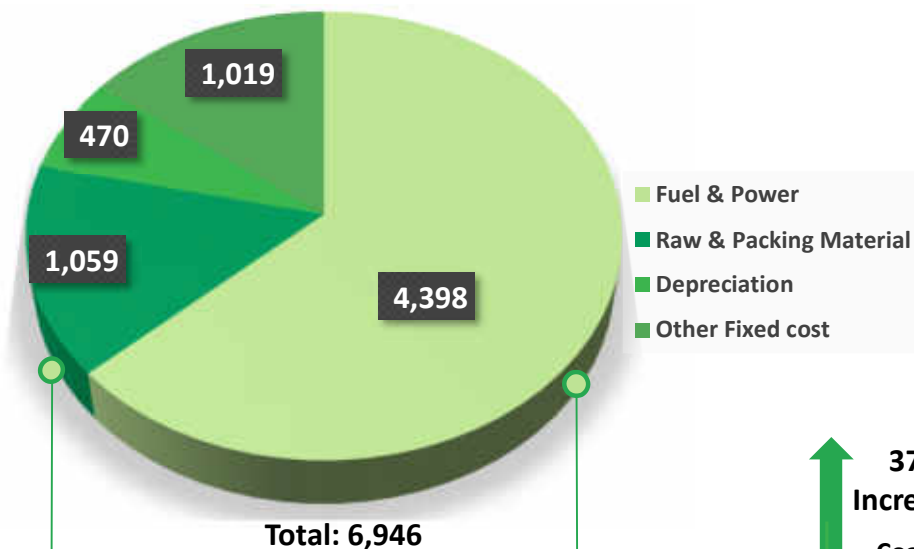
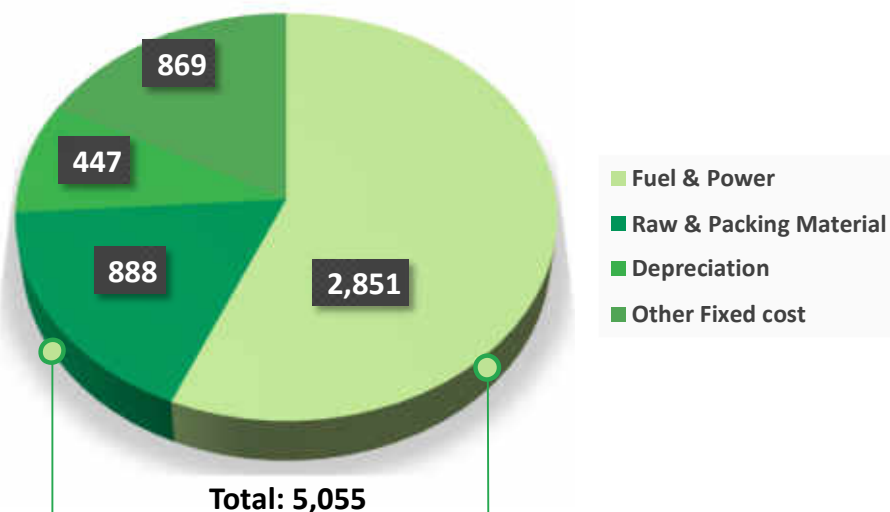


Financial Overview — FY 21-22

COP Analysis

2021

2022



Power Mix	
Own Generation	52%
National Grid	48%

Fuel Mix	
Imported Coal	60%
Afghan/Local Coal	40%

Power Mix	
Own Generation	42%
National Grid	58%

Fuel Mix	
Imported Coal	30%
Afghan/Local Coal	70%

↑ 37% Increased
Coal Energy Fuel

- Mitigated High Cost of Imported Coal through use of combination of Afghan/Local coal
- Increased captive generation capacity through addition of solar power

Financial Overview — FY 21-22

Expansion Update - Nizampur

Project Cost: Rs 27,000 Million

Production: 2.05 Million Ton

Debt: Rs 17,000 Million

LTF & TERF 58%

STFA 42%

Equity Rs 10,000 Million

Project Commencement : November 2022



Kick off



Oct 22

Financial Overview — FY 21-22

Expansion Update – DG Khan



Project Cost: Rs 32,400 Million

Production: 2.05 Million Ton

Debt: Rs 20,400 Million

LTF & TERF 44%

STFA 56%

ICG Rs 12,000 Million

Project Commencement : Q3 2024



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Future Outlook - Industry

- Outlook for Cement Demand remains positive as:
 - Pakistan still has a very low per capita cement consumption compared to regional peers (182kg vs 500Kg)
 - With increasing rate of urbanization there is need for more housing and Infrastructure
 - Requirement of Dams to meet sustained energy and water for agriculture
 - Increase in commodity prices due to geo political tensions especially Fuel and Power has resulted in massive increase in all construction material prices which is demand negative in the short term
 - High inflation and increased interest rates discourages mortgage financing for consumers and also increases cost of borrowings for businesses
 - Exports to Afghanistan are showing signs of recovery in FY 23
-

Future Outlook - Company

- Developing a comprehensive ESG Policy
 - Timely completion of Expansions- Nzp and DG to improve market share
 - Continuing journey to become lowest cost producer
 - Adding to existing Captive Power Generation
 - Business process improvement through Go Live of SAP
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Q & A Session

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