FCL Fast Cables Ltd

PSX · CABLE & ELECTRICAL GOODS

Is FCL positioned to capture the coming wave of DISCO-driven demand as power sector liberalization unfolds?

THE STORY

We are positive on Fast Cables Ltd (FCL), and the story here starts with a structural shift in the power sector rather than with the company's own numbers alone. The government has initiated the privatization of Faisalabad Electric (FESCO), and the NML group is a frontrunner in acquiring it. As you'd expect, we see this as meaningful for FCL because the company is well positioned to capitalize on demand from DISCOs.

In this context, we think FCL will likely receive project-based orders from privatized DISCOs, which would flow through to its core verticals: solar cables, overhead conductors, and building wires, among others.

On the fundamentals, FCL continues to report sales and profit growth. FCL reported FY26 EPS of **PKR 3.28/sh** versus **PKR 1.97/sh** reported last year (FY25), a clear step up in per-share earnings.

Our broader read is that liberalization of transmission and distribution (T&D;) will spur a surge in companies exposed to this theme, Fast Cables and Pakistan Cables among them. As you know, we view FCL's fortunes as tied closely to demand for cables and related electrical products, so this is the lens we are watching it through.

THE NUMBERS

FY26 EPS
PKR 3.28/sh
current fiscal year, reported

FY25 EPS (last year)
PKR 1.97/sh
prior year comparison as stated by the analyst

WHAT WE ARE WATCHING

- Progress and outcome of the FESCO privatization process, and whether the NML group completes the acquisition
- Whether privatized DISCOs begin awarding project-based orders to FCL
- Continued liberalization of T&D; and its effect on demand for cables and related electrical products across the sector
- Sustained sales and profit growth trajectory at FCL across coming quarters

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

EPS growth as an earnings indicator

Earnings per share (EPS) measures how much profit a company generates for each outstanding share. Comparing EPS across periods shows whether a company's profitability is improving or deteriorating on a per-share basis, which is useful because it accounts for changes in share count over time. Investors often watch the trend in EPS, rather than a single period's figure, to judge whether growth is durable.

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

Sector liberalization and its effect on suppliers

When a regulated utility sector opens up to private ownership or competition, it is often called liberalization. This can change how infrastructure and equipment are procured, sometimes shifting from centralized, slower procurement to more commercially driven, project-based ordering. Suppliers of materials and equipment used by that sector can see demand patterns change as a result, though the timing and scale of any pickup depends on how quickly the transition actually unfolds.