

Cement

1QFY27: Cement sector earnings expected to rise 16%YoY

- Cement sector profits are projected to increase by 16% y/y led by higher cement prices and dispatches.
- For the 1QFY27, we expect sector earnings (IGI coverage cement universe) to post an increase of 16% y/y. Profits are also anticipated to increase by 16% q/q. Domestic dispatches for 1QFY27 rose 7.8% y/y to 10.845mn tons, while exports fell 11.32% y/y to 2.3mn tons. North based mills domestic dispatches grew 6.8% y/y, while South based mills grew 12.71% y/y.
- Average international coal prices have increased 14.6% m/m to US\$125/ton in Sep 2026 (highest levels since Oct-2023), as renewed geopolitical tensions between the US and Iran heightened concerns over supply disruptions and pushed coal prices even further. Additionally, local coal prices have also seen a significant increase to around Rs50k/ton.

Cement Sector earnings to increase by 16%y/y during 1QFY27

For the 1QFY27, we expect sector earnings (IGI coverage cement universe) to post an increase of 16% y/y. Profits are also anticipated to increase by 16% q/q. Domestic dispatches for 1QFY27 rose 7.8% y/y to 10.85mn tons, while exports fell 11.32% y/y to 2.3mn tons. North based plants domestic dispatches grew 6.8% y/y, while South based plant grew 12.71% y/y.

Exhibit: Cement sector EPS preview for 1QFY27

Period end = Sep 26

EPS (PKR)	1Q'27E	1Q'26	y/y	4Q'26	q/q
CHCC	9.15	10.79	-15%	8.95	2%
DGKC	7.14	4.93	45%	7.01	2%
FCCL	1.96	1.34	46%	2.20	-11%
KOHC	3.19	3.2	0%	3.58	-11%
LUCK	8.65	9.98	-13%	6.76	28%
MLCF	2.49	2.49	0%	2.26	10%
PIOC	7.83	5.61	39%	10.2	-23%

IGI Research

Syed Muzammil Hasan Rizvi

muzammil.rizvi@igi.com.pk

Tel: +92 21 111 234 234 Ext: 888

Average international coal prices have increased 14.6% m/m to US\$ 125/ton in Sep-26 (highest levels since Oct-2023), as renewed geopolitical tensions between the US and Iran heightened concerns over supply disruptions and pushed coal prices even further. Additionally, local coal prices have also seen a significant increase to around PKR 50k/ton.

DGKC: EPS is projected to increase 45% y/y to PKR 7.14

EPS is projected to increase 45% y/y to PKR 7.14, reflecting a 2% q/q increase. Plant utilization stood strong at 93%, with sales volumes hitting 1.6 million tons (up 19% y/y and 29% q/q).

LUCK: Earnings is expected to decrease by 13% y/y to PKR 8.65

Unconsolidated EPS is expected to decrease by 13% y/y to PKR 8.65, while up by +28%q/q. Plant Utilization stood at 58% while total dispatches increased by +4%y/y and +2.34%q/q).

FCCL: EPS is forecasted to rise to PKR 1.96 (up 46% y/y and decline - 11% q/q).

EPS is forecasted to rise to PKR 1.96 (up 46% y/y and decline by -11% q/q). Plant Utilization stood at 55% while sales volume declined 3.38% on yearly basis while increased by +7.1%q/q.

PIOC: EPS is expected to reach PKR 7.83 (a 39% y/y increase but a major 23% q/q slip).

EPS is expected to reach PKR 7.83 (a 39% y/y increase but a major 23% q/q slip). Plant Utilization stood at 47% while total dispatches increased by 6.92% y/y while had a +2.86%q/q.

CHCC: Projected EPS of PKR 9.15 (down 15% y/y and +2% q/q).

Projected EPS of PKR 9.15 (down 15% y/y and up + 2% q/q). Plant utilization reached 51%, with total sales at 0.58 million tons (down 16.8% y/y while up +10.6%q/q).

KOHC: EPS is projected at PKR 3.19, declining by 11% q/q.

EPS is projected at PKR 3.19, declining 11% q/q. Total dispatches reached 0.68 million tons (down by 4.44% y/y and +18.2% q/q) with capacity utilization at 54%.

MLCF: EPS expected at PKR 2.49 increasing by +10% q/q.

EPS is anticipated at PKR 2.49 increasing by 10% q/q. Plant utilization was recorded at 50% as dispatches came in at 1.01 million tons (up 1.67% y/y and +6.9%q/q).

Important Disclaimer and Disclosures

Research Analyst(s) Certification: The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

Disclaimer: The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution. All Research Analysts are receiving fixed pay and reporting directly to Head of Research who reports to CEO.

Rating system: IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

Risk: Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

Basic Definitions and Terminologies used: **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2026 IGI Finex Securities Limited

Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Saher Hussain	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	saher.hussain@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001
Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69

LSE Plaza
Office No.1A at North Mezzanine Floor of the LSE
Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.
Tel: (+92-42) 38303565

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2026 IGI Finex Securities Limited