

Cement

3QFY25: Cement Sector profitability to increase by 29%/y/y owing to rising prices and exports

- For the 3QFY25, we expect sector earnings (IGI coverage cement universe) to post an earnings increase of 29% y/y to PKR 17.4bn compared to PKR 13.5bn during the same period last year, and down by -29%q/q compared to earnings of PKR 24.7bn during 2QFY25.
- The expected increase of 29% in cement sector profitability on a year-on-year basis is likely attributable to declining international coal prices, higher cement prices locally, higher export sales, and due to monetary easing cycle by the State Bank of Pakistan.
- Cement dispatches during the quarter under review increased by 6%/y/y, with local dispatches recording a minor increase of 2%/y/y and the export dispatches increasing considerably by 33%/y/y. During the 9MFY25, the total cement dispatches largely stayed stable with a minor increment of 3% compared to the SPLY. Local dispatches on a 9MFY basis witnessed a decline of -6%/y/y and the export dispatches saw a significant increase of 46% compared to the SPLY.

Cement Sector earnings to increase by 29%/y/y during 3QFY25

For the 3QFY25, we expect sector earnings (IGI coverage cement universe) to post an earnings increase of 29% y/y to PKR 17.4bn compared to PKR 13.5bn during the same period last year, and down by -29%q/q compared to earnings of PKR 24.7bn during 2QFY25. This bring 9MFY25 earnings to PKR 61.1bn compared to PKR 47.7bn, up by +29%/y/y in SPLY.

Exhibit: Cement sector EPS preview for 3QFY25							
Period end = Mar 25							
EPS (PKR)	3Q'25E	2Q'25A	q/q	3Q'24A	y/y	9M'25	y/y
LUCK	21.5	24.8	-14%	16.9	27%	68.7	8%
PIOC	6.1	7.7	-21%	5.3	15%	18.3	9%
CHCC	7.3	11.7	-37%	6.4	15%	33.8	42%
KOHC	12.5	17.6	-29%	10.5	19%	47.6	43%
FCCL	1.1	1.6	-31%	0.7	57%	4.1	43%
MLCF	1.5	3.1	-50%	1.1	42%	5.6	37%
DGKC	3.4	6.2	-45%	2.7	26%	11.4	2.2x
Total (in PKRbn)	17.4	24.7	-29%	13.5	29%	61.1	29%
DPS (PKR)	3Q'25E	2Q'25A		3Q'24A		9M'25	
LUCK	0.0	0.0		0		0.0	
PIOC	0.0	5.0		0		5.0	
CHCC	0.0	0.0		0		0.0	
KOHC	0.0	0.0		0		0.0	
FCCL	0.0	0.0		0		0.0	
MLCF	0.0	0.0		0		0.0	
DGKC	0.0	0.0		0		0.0	

Source: Company Financials, PSX, IGI Research

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Cement dispatches during the quarter under review increased by 6%/y, with local dispatches recording a minor increase of 2%/y and the export dispatches increasing considerably by 33%/y. During the 9MFY25, the total cement dispatches largely stayed stable with a minor increment of 3% compared to the SPLY. Local dispatches on a 9MFY basis witnessed a decline of -6%/y and the export dispatches saw a significant increase of 46% compared to the SPLY.

The expected increase of 29% in cement sector profitability on an year-on-year basis is likely attributable to declining international coal prices, higher cement prices locally, higher export sales, and due to monetary easing cycle by the State Bank of Pakistan.

LUCK: Earnings to increase by 27%/y to PKR 21.5/share during 3QFY25

We expect LUCK to report quarterly earnings of PKR 6.3bn (EPS: PKR 21.5/share), up by 27% y/y during 3QFY25 compared to PKR 4.9bn (EPS: PKR 16.9/share) in 3QFY24. On quarter-on-quarter basis, the earnings are expected to decrease by -14%q/q. We attribute the decrease in earnings on a quarterly basis during 3QFY25 to a -30%q/q decrease in export dispatches by LUCK. On 9MFY25 basis the company is expected to report earnings of PKR 20.1bn (EPS PKR 68.7/share) up by 8% compared to SPLY. Moreover, we don't expect LUCK to pay any dividends.

PIOC: Earnings to increase by +15%/y to PKR 6.1/share during 3QFY25

We expect Pioneer Cement Limited (PIOC) to register quarterly earnings of PKR 1.4bn (EPS: PKR 6.1/share), up by 15%/y (down by -21%q/q) compared to PKR 1.2bn (EPS: PKR 5.3/share) in the same period last year. Earnings are expected to decrease on a quarter-on-quarter basis owing to a decline of -6%q/q in local dispatches. On a 9MFY25 basis the company is expected to report earnings of PKR 4.2bn (EPS PKR 18.3/share) up by 9% compared to SPLY. We do not expect the Company to announce any cash dividend along with the result.

CHCC: Earnings to increase by 15%/y to PKR 7.3/share during 3QFY25

Cherat Cement Company Limited (CHCC) is projected to register quarterly earnings of PKR 1.4bn (EPS: PKR 7.3/share), up by 15% y/y (down by -37%q/q) during 3QFY25 compared to PKR 1.2bn (EPS: PKR 6.4/share) in the same period last year. On a 9MFY25 basis the company is expected to report earnings of PKR 6.6bn (EPS PKR 33.8/share) up by 42% compared

to SPLY. Furthermore, we do not expect CHCC to announce any cash dividends.

KOHC: Earnings to increase by 19%/y/y to PKR 12.5/share during 3QFY25

Kohat Cement Company Limited (KOHC) is likely to register quarterly earnings of PKR 2.4bn (EPS: PKR 12.5/share), up by 19% y/y (down by --29%q/q) during 3QFY25 compared to PKR 2.0bn (EPS: PKR 10.5/share) in the same period last year. On a 9MFY25 basis the company is expected to report earnings of PKR 9.3bn (EPS PKR 47.6/share) up by 43% compared to SPLY. In addition, the Company is not expected to pay any dividends.

FCCL: Earnings to increase by 57%/y/y to PKR 1.1/share during 3QFY25

We expect Fauji Cement Company Limited (FCCL) to register quarterly earnings of PKR 2.8bn (EPS: PKR 1.1/share), up by +57% y/y (down by -31%q/q) during 3QFY25 compared to PKR 1.8bn (EPS: PKR 0.72/share) during the same period last year. On a 9MFY25 basis, the company is expected to report earnings of PKR 10.05bn (EPS PKR 4.1/share) up by 43% compared to SPLY. In addition, FCCL is not expected to pay a dividend.

MLCF: Earnings to increase by 42%/y/y to PKR 1.5/share during 3QFY25

On unconsolidated basis, we expect Maple Leaf Cement Factory Limited (MLCF) to report quarterly earnings of PKR 3.2bn (EPS: PKR 1.5/share), up by 42%/y/y (-50%q/q) during 3QFY25 compared to PKR 1.1bn (EPS: PKR 1.08/share) during the same period last year. On 9MFY25 basis, the company is expected to report earnings of PKR 5.9bn (EPS PKR 5.6/share) up by 37% compared to SPLY. Moreover, the Company is not expected to pay a dividend.

DGKC: Earnings to increase by 26%/y/y to PKR 3.4/share during 3QFY25

We expect DG Khan Cement Company Limited (DGKC) to register quarterly earnings of PKR 1.5bn (EPS: PKR 3.4/share) during 3QFY25, compared to PKR 1.2bn (EPS: PKR 2.7/share) in the same period last year. On a 9MFY25 basis, the company is expected to report earnings of PKR 5.0bn (EPS PKR 11.4/share) up by 2.2x compared to SPLY. DGKC is not expected to pay any dividend.

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