

Flash Note

Wednesday, 27 June 2018



Cements

PIOC: Grinding mill capacity enhanced to 345 tons per hour

- Pioneer Cement Limited (PIOC) has notified the exchange that the Company has successfully enhanced the capacity of its cement grinding mill to 345 tons per hour.
- We expect the Company to capitalize PKR 900mn-1,000mn as operating fixed assets in this respect.
- The enhanced cement grinding mill capacity will resolve PIOC's existing cement manufacturing bottlenecks which have restricted it to operate at capacity utilization levels of 79% as against average industry levels of above 95%.
- We expect the Company to achieve industry consistent capacity utilization levels of above 95% in FY19 and estimate the installed capacity to contribute PKR 2.10/share towards its bottom-line for FY19.

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Time Horizon: Dec – 2018

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(Discounted Cash Flow)

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