

Cement: Mar-2025 Local dispatches decline 11% YoY

- Cement dispatches for Mar-2025 clocked in at 3.6mn tons, reflecting a 9% YoY decline, primarily due to an 11% drop in local dispatches in both the North and South regions amid Ramadan season. While export dispatches remained relatively flat YoY during the month as a 23% YoY increase in Southern exports was offset by an 85% decline in North exports.
- Cement prices in the North region continued their upward trend during the month, rising by Rs50–60/bag to approximately Rs1,400/bag – taking the cumulative increase to approximately Rs90/bag.
- Additionally, the government's announced power tariff reduction of Rs7.59/unit is expected to benefit grid-reliant players such as FCCL, KOHC, and ACPL having an impact of 6.8%, 4.6% and 8.6% on FY26E EPS.
- On the flip side, the proposed increase in limestone royalty charges for KPK-based companies – bringing them in line with rates applied in Punjab – is expected to impact earnings for CHCC, KOHC, FCCL, and LUCK, leading to a downward revision in our FY26 forecasts by 21%, 17%, 10% and 10%, respectively.

Mar-2025: Dispatches struggle amid lower local offtakes

Cement dispatches for Mar-2025 clocked in at 3.6mn tons, reflecting a 9% YoY decline, primarily due to an 11% drop in local dispatches in both the North and South regions. The decline was largely attributed to the slowdown in construction activity during the month of Ramadan. On the export front, dispatches saw a slight increase of 1% YoY, as a 23% rise in South-based exports was largely offset by an 85% drop in North-based exports, driven by Afghan border closure for most part of the month.

On a MoM basis, cement dispatches saw a modest 1% decrease mainly due to a 3% decline in local off-take while exports grew 14% mainly due to a 22% increase in Southern exports as companies in the South continue their focus on export markets to maintain capacity utilizations.

Cement Dispatches

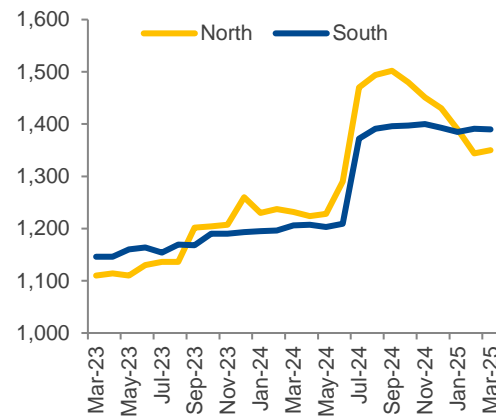
('000 tons)	Jan-25	Feb-25	Mar-25	YoYΔ	MoMΔ	9MFY24	9MFY25	YoYΔ
Total Dispatches	3,895	3,597	3,569	-9%	-1%	34,497	33,997	-1%
Local Dispatches	3,313	3,065	2,961	-11%	-3%	29,403	27,469	-7%
North Local	2,669	2,507	2,431	-11%	-3%	24,236	22,798	-6%
South Local	644	558	530	-11%	-5%	5,167	4,671	-10%
Export Dispatches	582	532	609	1%	14%	5,094	6,528	28%
North Export	59	50	19	-85%	-63%	1,040	1,119	8%
South Export	522	482	590	23%	22%	4,054	5,409	33%

Source: APCMA, JS Research

Wadee Zaman

wadee.zaman@js.com
+9221 111-574-111 Ext: 3035

Cement price trend – region-wise (Rs/bag)



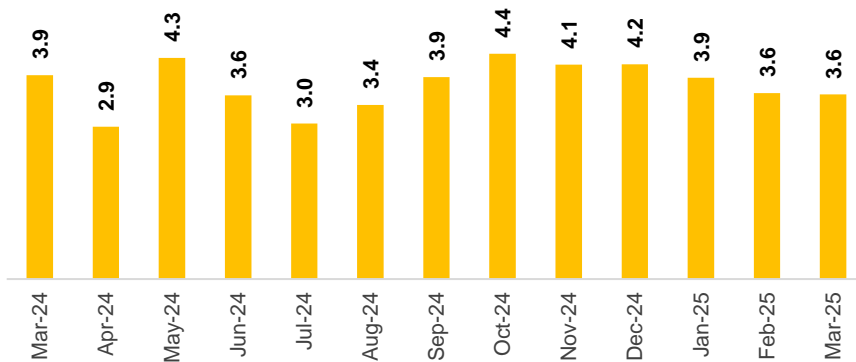
Source: PBS, JS Research

9MFY25 dispatches in negative territory

Cement dispatches during 9MFY25 show a slight decrease of 1% YoY at 34mn tons, as a drop of 7% YoY in local dispatches was offset by a surge in exports (up 32% YoY).

We expect the impact of the monetary easing cycle on cement demand to materialize from FY26 onwards, potentially driving a pickup in construction activity. This could also support a continued recovery in cement prices, which have already risen by Rs50–60/bag during the month – taking the cumulative increase to approximately Rs90/bag. Furthermore, any relief in duties and taxes on cement in the FY26 Budget, along with PSDP allocations and their actual disbursements or announcement of construction package, will play a critical role in shaping cement demand going forward.

Monthly cement dispatches (mn tons)



Source: APCMA, JS Research

Power tariff cut announced; Royalty on KPK proposed

The government's announced power tariff reduction of Rs7.59/unit (which after sales tax impact amounts Rs6.43/unit) is expected to benefit grid-reliant players such as FCCL (39% reliance), KOHC (33%), and ACPL (20%), based on FY26 forecasts.

On the flip side, proposed hike in limestone royalty charges for KPK-based companies – aligning them with Punjab's rates – is expected to weigh on earnings. This will particularly affect CHCC and KOHC, both with 100% capacity in KPK, as well as FCCL (35%) and LUCK (65%), prompting downward revisions in our FY26 earnings forecasts by 21%, 17%, 10%, and 10%, respectively.

FY26E EPS Sensitivity to Power tariff reduction and Royalty in KPK

Rs/sh	KOHC	FCCL	CHCC	LUCK*	ACPL
Base Case	55.34	5.76	44.90	106.02	17.96
Power Tariff reduction	2.10	0.35	0.00	0.13	1.54
% Impact	4.6%	6.8%	0.0%	0.1%	8.6%
Royalty increase	(9.50)	(0.60)	(9.50)	(11.10)	0.00
% Impact	-17%	-10%	-21%	-10%	0%
Combined impact	(7.40)	(0.25)	(9.50)	(10.97)	1.54
% Impact	-12.4%	-3.2%	-21.0%	-9.9%	8.6%

Source: JS Research; * standalone

JS Cement Universe

	PE (x)		DY		Market Cap (Rsmn)
	FY25E	FY26F	FY25E	FY26F	
FCCL	8.85	8.13	4%	5%	114,622
PIOC	9.62	8.70	5%	6%	47,731
KOHC	6.39	7.81	0%	3%	75,520
CHCC	5.94	7.52	3%	3%	49,992
MLCF	8.62	7.92	0%	0%	63,776
ACPL	32.80	13.74	1%	1%	33,916
DGKC	7.59	6.29	0%	3%	55,567
LUCK*	6.30	5.30	1%	1%	457,367

Source: JS Research. *Consolidated

Company wise dispatches

(tons)		Mar-25	Mar-24	YoYΔ	Feb-25	MoMΔ	9MFY25E	9MFY24	YoYΔ
Attock Cement	Local	105,188	102,821	2%	111,751	-6%	950,591	948,421	0%
	Export	48,451	55,468	-13%	106,059	-54%	943,532	822,429	15%
Bestway Cement	Local	564,777	573,002	-1%	569,890	-1%	5,030,432	5,262,336	-4%
	Export	1,538	7,648	-80%	7,130	-78%	84,702	99,802	-15%
Cherat Cement	Local	144,345	189,215	-24%	162,635	-11%	1,477,045	1,701,956	-13%
	Export	1,874	40,807	-95%	6,468	-71%	269,032	273,961	-2%
D.G Khan Cement	Local	288,494	314,171	-8%	286,178	1%	2,669,919	2,773,751	-4%
	Export	183,966	111,654	65%	156,142	18%	1,402,891	781,529	80%
Dewan Cement	Local	103,985	120,879	-14%	109,178	-5%	923,474	1,107,342	-17%
	Export	0	0	NM	0	NM	0	0	NM
Fauji Cement	Local	347,771	409,028	-15%	384,243	-9%	3,648,357	3,410,539	7%
	Export	4,354	38,434	-89%	18,419	-76%	361,455	379,905	-5%
Fecto Cement	Local	41,387	45,548	-9%	52,331	-21%	418,487	402,415	4%
	Export	0	630	NM	1,365	-100%	21,922	8,365	162%
Gharibwal Cement	Local	102,118	103,131	-1%	101,007	1%	916,246	891,545	3%
	Export	0	0	NM	0	NM	0	22	NM
Kohat Cement	Local	165,333	202,337	-18%	183,874	-10%	1,745,620	1,968,884	-11%
	Export	0	2,925	-100%	0	NM	17,435	34,148	-49%
Lucky Cement	Local	498,855	552,109	-10%	520,776	-4%	4,491,381	4,868,864	-8%
	Export	249,724	225,785	11%	218,236	14%	2,557,159	1,519,793	68%
Maple Leaf Cement	Local	308,160	344,937	-11%	309,164	0%	2,682,733	2,884,891	-7%
	Export	6,399	11,561	-45%	8,937	-28%	164,783	112,876	46%
Pioneer Cement	Local	181,818	213,508	-15%	159,481	14%	1,541,926	1,827,030	-16%
	Export	0	0	NM	0	NM	0	0	NM
Power Cement	Local	110,145	110,135	0%	114,047	-3%	958,366	989,573	-3%
	Export	112,308	110,230	2%	8,980	1151%	709,594	1,068,137	-34%

Source: APCMA, JS Research

Disclosure

JS Global hereby discloses that all its Research Analysts meet with the qualification criteria as given in the Research Analysts Regulations 2015 ('Regulations'). Each Analyst reports to the Head of Research and the Head of Research reports directly to the CEO of JS Global only. No person engaged in any non-research department has any influence over the research reports issued by JS Global and/or no person engaged in any non-research department (other than the CEO) has any influence on the performance of the Research Analysts or on their remuneration/compensation matters.

The Research Analyst(s), author of this report hereby certify that all of the views expressed in this research report accurately reflect their personal, unbiased and independent views about any and all of the subject issuer(s) or securities, and such views are based on analysis of various information compiled from multiple sources, including (but not limited to) annual reports, newspapers, public disclosures, financial models etc. The given sources appear to be and consequently are deemed to be reliable for forming an opinion and preparation of this report. Such information may not have been independently verified or checked by JS Global or the Research Analyst, and therefore, all such information as given in this report may or may not prove to be correct. It is hereby certified that no part of the compensation of JS Global or the Research Analyst was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Rating System

JS Global Capital Limited uses a 3-tier rating system i.e. Buy, Hold and Sell, based on the level of expected return. Time horizon is usually the annual financial reporting period of the company.

'Buy': Stock will outperform the average total return of stocks in our universe

'Hold': Stock will perform in line with the average total return of stocks in our universe

'Sell': Stock will underperform the average total return of stocks in our universe

Target price risk

Company may not achieve its target price for various reasons including company specific risks, competition risks, sector related risks, change in laws, rules and regulations pertaining to the business of the Company as well as a change in any governmental policy. The results of operations may also be materially affected by global and country-specific economic conditions, including but not limited to commodity prices, prices of similar products internationally and locally, changes in the overall market dynamics, liquidity and financial position of the Company and change in macro-economic indicators. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company may enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

Research Dissemination Policy

JS Global Capital Limited endeavours to make all reasonable efforts to disseminate research to all clients (without any preference, prejudice or biasness) in a timely manner through either physical or electronic distribution such as mail, fax and/or email.

Disclosure Pertaining To Shareholding/Conflict of Interest

The Research Analyst has not directly or indirectly received any compensation from the Subject Company for preparation of this report or for the views expressed herein, and the Subject Company is not associated with the Research Analyst in any way whatsoever.

No other material information (other than the one specifically disclosed in this report) exists (for JS Global as well as the Research Analyst) which could be a cause of conflict of interest in issuing this report.

Disclaimer of Liability

No guaranty, representation or warranty, expressed or implied, is made as to the accuracy, completeness, reasonableness, correctness, usability, suitability or purposefulness of the information contained in this report or of the sources used to compile the information contained in this report.

All information as given in this report may or may not prove to be correct, and is subject to change without notice due to market forces and/or other factors not in the knowledge of or beyond the control of JS Global or the Research Analyst(s), and neither JS Global nor any of its analysts, traders, employees, executives, directors, sponsors, officers or advisors accept any responsibility for updating this report and therefore, it should not be assumed that the information contained herein is necessarily complete, accurate, reliable or up-to-date at any given time.

The client is solely responsible for making his/her own independent investigation, appraisal, usability, suitability or purposefulness of the information contained in this report. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors who should seek further professional advice or rely upon their own judgment and acumen before making any investment. This report should also not be considered as a reflection on the concerned company's management and its performances or ability, or appreciation or criticism, as to the affairs or operations of such company or institution

Consequently, JS Global and its officers, directors, sponsors, employees, executives, consultants, advisors and analysts accept no responsibility or liability towards the Client, and assume no obligation to do (or not to do) anything with respect to the information contained in this report. Research Analyst(s) and JS Global shall also not be liable in any way and under any circumstances whatsoever for any loss, penalty, expense, charge or claim that may be suffered/incurred by the client as a result of receiving, using, or having complied and distributing this report.

Warning: This report may not be reproduced, distributed or published by any person for any purpose whatsoever. Action will be taken for unauthorized reproduction, distribution or publication.