

3QFY25E – Profitability to decrease by 21%QoQ

- › We expect TSL cement universe PAT to clock-in at PKR 20.2Bn, down 21%QoQ on the back of drop in total dispatches by 13% QoQ (Net sales expected to fall by 10%QoQ in 3QFY25) i.e. domestic dispatches were down notably by 7%QoQ to 9.3Mn tons in 3QFY25 as construction demand plummeted due to winter effect and seasonality i.e. Ramadan and Eid Holidays. Further, Export dispatches dropped drastically by 35% to 1.7Mn tons in 3QFY25 owing to lower demand mainly.
- › TSL Cement universe gross margins are expected to arrive at 32%, down 2pptsQoQ due to drop in retail prices mainly in the North region (-6%QoQ) which put significant pressure on retention prices for North based players during the quarter. To note, capacity utilization in 3QFY25 fell to 51% compared to 58% during the previous quarter. Net income is expected to arrive at PKR 8.1Bn, down 9%QoQ.
- › During 3QFY25, we expect South based players to improve their margins on account of flat retail prices compared to the previous quarter along with lower international coal prices which has sustained higher retention prices during the quarter. To note, Richard Bay Coal prices averaged at USD 95.6/ton in 3QFY25, down 13% over the previous quarter.
- › During 9MFY25, North and South-based domestic dispatches dropped by 6% and 10% respectively over the SPLY on account of a slowdown in construction activities due to surge in the cost of construction materials and higher taxes. In terms of exports, North-based dispatches were recorded at 1.1Mn tons, up 8% YoY in 9MFY25. South-based export dispatches arrived at 5.4Mn tons, up 33%YoY in 9MFY25. Total domestic sales during 9MFY25 fell by 7%YoY. Whereas, total export sales were up 28%YoY in 9MFY25, respectively.

Average Regional Prices

PKR per bag	3QFY25A	3QFY24A	YoY	2QFY25A	QoQ
North	1,367	1,240	10%	1,458	-6%
South	1,382	1,197	15%	1,391	-1%

Source: PBS & TSL Research

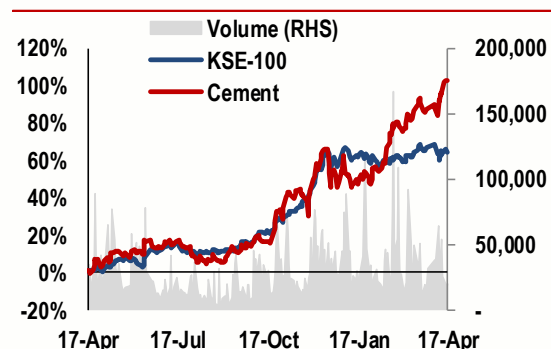
TSL Cement Universe - 3QFY25E

PKR	EPS	DPS
LUCK	21.1	Nil
LUCK*	70.0	Nil
DGKC	4.7	Nil
ACPL	3.1	Nil
MLCF*	2.6	Nil
CHCC	8.6	Nil
FCCL	1.2	Nil
PIOC	6.6	Nil
KOHC	13.7	Nil

Source: Company Accounts & TSL Research

*Consolidated

12 Month Performance of Cements



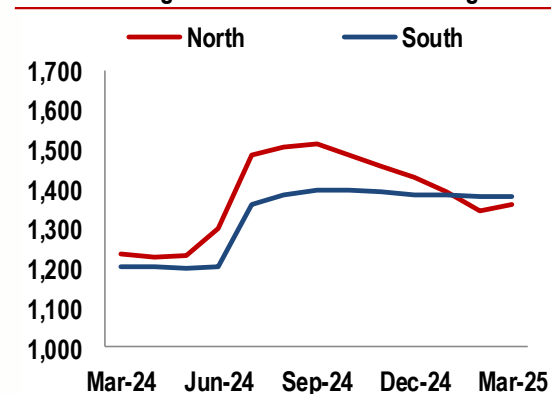
Source: PSX and TSL Research

Coal Prices (USD/Ton) – FY25TD



Source: Bloomberg & TSL Research

12-Month Region-wise Cement Prices/bag



Source: PBS & TSL Research

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92-021-35216403

LUCK: 3QFY25 EPS to clock-in at PKR 70.0

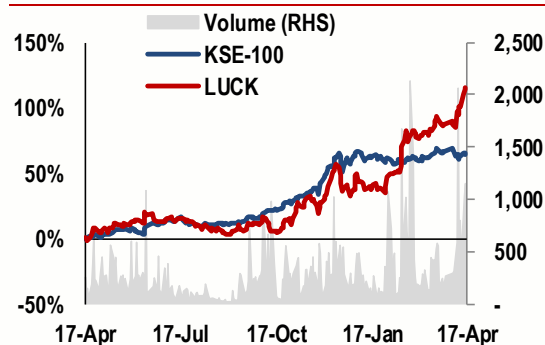
LUCK: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	32,432	27,523	18%	34,498	-6%	96,753	87,404	11%
Cost of sales	(21,730)	(19,591)	11%	(22,334)	-3%	(64,060)	(57,651)	11%
Gross profit	10,703	7,932	35%	12,164	-12%	32,693	29,752	10%
Finance cost	(389)	(389)	0%	(467)	-17%	(1,216)	(1,195)	2%
Other income	3,329	2,869	16%	3,541	-6%	10,808	9,064	19%
Profit after tax	6,185	4,938	25%	7,278	-15%	20,025	18,649	7%
EPS - Unconsolidated	21.1	16.9		24.8		68.3	62.4	
EPS - Consolidated	70.0	53.2		73.2		204.4	170.5	
DPS	Nil	Nil		Nil		Nil	Nil	

Source: Company Accounts & TSL Research

- LUCK's net sales to clock-in at ~PKR 32Bn, down 6%QoQ mainly on the back of decrease in overall dispatches (14%QoQ) i.e. Domestic dispatches fell 4%QoQ and Exports dropped 30%QoQ during 3QFY25. Gross margins are expected to hover around 33% during 3QFY25, down 2pptsQoQ. Net earnings to arrive at PKR 6.2Bn in 3QFY25, down 15%QoQ. Moreover, consolidated EPS is expected to arrive at ~PKR 70.0/sh. in 3QFY25, driven by continued contribution from subsidiaries including LCI, Lucky Electric & Luck Motors etc.

12 Month Performance of LUCK



Source: PSX and TSL Research

CHCC: 3QFY25 EPS to clock-in at PKR 8.6

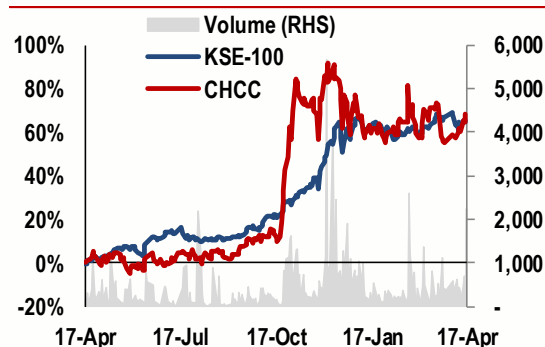
CHCC: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	8,445	8,640	-2%	10,643	-21%	28,747	28,931	-1%
Cost of sales	(5,574)	(6,081)	-8%	(6,815)	-18%	(18,181)	(19,765)	-8%
Gross profit	2,871	2,559	12%	3,828	-25%	10,566	9,166	15%
Finance cost	(169)	(321)	-47%	(227)	-26%	(551)	(1,132)	-51%
Other income	456	139	2.3x	523	-13%	1,327	329	3.0x
Profit after tax	1,675	1,244	35%	2,271	-26%	6,823	4,645	47%
EPS	8.6	6.4		11.7		35.1	23.9	
DPS	Nil	Nil		1.5		Nil	1.5	

Source: Company Accounts & TSL Research

- CHCC's net sales are expected to clock-in at ~PKR 8.4Bn in 3QFY25, down 21%QoQ due to significant drop in total dispatches by 22%QoQ i.e. Domestic and Export dispatches plunged by 11%QoQ and 83%QoQ, respectively. Gross margins are expected to hover around 34% during 3QFY25, down 2pptsQoQ on account of drop in retail prices and higher production cost. PAT to arrive at PKR 1.7Bn in 3QFY25, down significantly by 26%QoQ. Lastly, we do not expect the Company to announce any cash dividend for the quarter.

12 Month Performance of CHCC



Source: PSX and TSL Research

FCCL: 3QFY25 EPS to clock-in at PKR 1.2

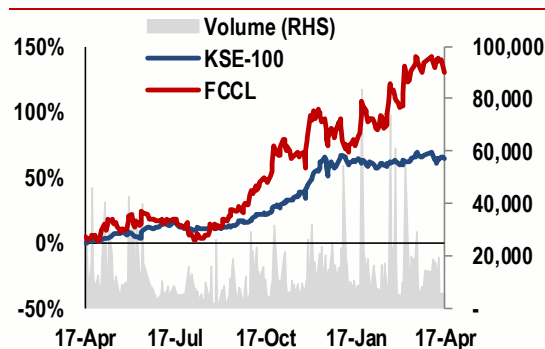
FCCL: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	21,047	19,048	10%	24,888	-15%	68,891	59,400	16%
Cost of sales	(13,891)	(13,697)	1%	(15,987)	-13%	(44,950)	(41,190)	9%
Gross profit	7,156	5,352	34%	8,901	-20%	23,941	18,210	31%
Finance cost - Net	(905)	(1,569)	-42%	(1,053)	-14%	(3,314)	(3,574)	-7%
Other income	189	173	9%	213	-11%	576	373	54%
Profit after tax	3,056	1,769	73%	4,020	-24%	10,323	7,043	47%
EPS	1.2	0.7		1.6		4.2	2.9	
DPS	Nil	Nil		Nil		Nil	Nil	

Source: Company Accounts & TSL Research

- FCCL's revenue is expected to clock-in at PKR 21Bn, down 15% QoQ on account of decrease in overall dispatches (Domestic and Export sales dropped by 13%QoQ and 76%QoQ, respectively) by 20%QoQ. Further, gross margin to hover at 34% for the quarter, down 2pptsQoQ due to decline in retail prices i.e. North Region. In addition, finance cost to stand at PKR 905Mn, down 14%QoQ. PAT is expected to arrive at PKR 3.0Bn, down 24%QoQ. Lastly, we do not expect the Company to announce a dividend for quarter.

12 Month Performance of FCCL



Source: PSX and TSL Research

KOHC: 3QFY25 EPS to clock-in at PKR 13.7

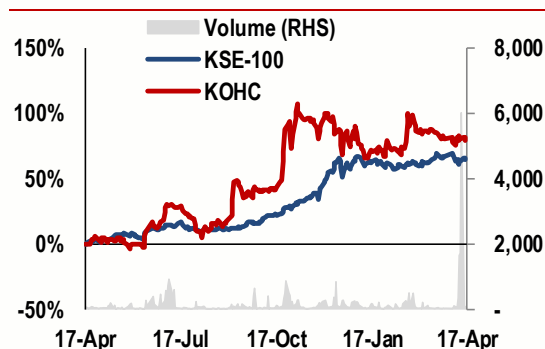
KOHC: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	9,166	8,510	8%	10,580	-13%	29,830	29,972	0%
Cost of sales	(5,592)	(5,963)	-6%	(6,115)	-9%	(17,476)	(21,470)	-19%
Gross profit	3,575	2,547	40%	4,465	-20%	12,353	8,502	45%
Finance cost	(73)	(151)	-52%	(94)	-22%	(283)	(535)	-47%
Other income	1,375	1,078	28%	1,585	-13%	4,431	3,144	41%
Profit after tax	2,684	2,058	30%	3,446	-22%	9,569	6,511	47%
EPS	13.7	10.5		17.6		48.9	33.1	
DPS	Nil	Nil		Nil		Nil	Nil	

Source: Company Accounts & TSL Research

- KOHC's revenue is expected to arrive at ~PKR 9.2Bn in 3QFY25, down 13%QoQ due to decline in total dispatches by 14%. Gross margin is expected to stand at 39% during 3QFY25, down 3pptsQoQ. Other income is expected to arrive at PKR 1.3Bn, down 13%QoQ due to lower interest income from financial instruments amid cut in interest rates during the quarter. Lastly, we do not expect the Company to announce a cash dividend for the quarter.

12 Month Performance of KOHC



Source: PSX and TSL Research

DGKC: 3QFY25 EPS to clock-in at PKR 4.7

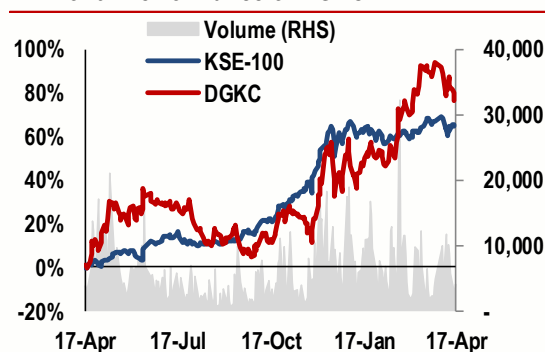
DGKC: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	19,387	14,266	36%	21,690	-11%	56,379	49,051	15%
Cost of sales	(14,734)	(10,623)	39%	(16,239)	-9%	(43,280)	(39,864)	9%
Gross profit	4,653	3,644	28%	5,451	-15%	13,098	9,187	43%
Finance cost	(872)	(1,957)	-55%	(1,050)	-17%	(3,512)	(6,073)	-42%
Other income	1,028	1,013	1%	1,119	-8%	3,184	3,177	0%
Profit after tax	2,070	1,180	75%	2,719	-24%	5,593	2,235	1.5x
EPS	4.7	2.7		6.2		12.8	5.1	
DPS	Nil	Nil		Nil		Nil	Nil	

Source: Company Accounts & TSL Research

- DGKC's topline is expected to be recorded at ~PKR 19Bn in 3QFY25, down 11%QoQ as total dispatches decreased 13%QoQ due to lower construction demand and drop in exports i.e down 13%QoQ. Gross margins are expected to arrive at ~24%, down 1pptsQoQ. Finance cost is expected to clock-in at PKR 872Mn, down 17%QoQ. PAT to arrive at PKR 2.0Bn in 3QFY25, down 24%QoQ. Lastly, we do not expect the Company to announce any cash dividend for the quarter.

12 Month Performance of DGKC



Source: PSX and TSL Research

MLCF: 3QFY25 EPS to clock-in at PKR 2.6

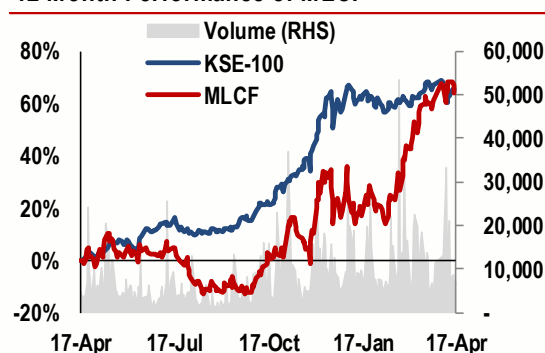
MLCF: Result Preview (Consolidated) - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	18,008	15,980	13%	19,028	-5%	52,756	50,729	4%
Cost of sales	(11,345)	(11,195)	1%	(11,451)	-1%	(34,276)	(34,334)	0%
Gross profit	6,663	4,785	39%	7,577	-12%	18,480	16,395	13%
Finance cost	(1,261)	(825)	53%	(1,416)	-11%	(3,778)	(2,687)	41%
Other income	1,096	170	5.5x	1,158	-5%	2,296	316	6.3x
Profit after tax	2,690	1,505	79%	3,735	-28%	6,958	5,374	29%
EPS - (1,048Mn shares)	2.6	1.4		3.6		6.6	5.0	
DPS	Nil	Nil		Nil		Nil	Nil	

Source: Company Accounts & TSL Research

- Sales to arrive at ~PKR 18Bn in 3QFY25, down 5%QoQ due to decrease in overall dispatches by 6%QoQ (Domestic and Export dispatches plunged by 2% and 61%, respectively). Gross margin to stand at ~37%, down 3pptsQoQ mainly due to lower overall retail prices in the North Region and higher cost of production. Distribution and Admin expenses are expected to fall by 9% QoQ and 1%QoQ, respectively. 3QFY25 PAT to clock-in at PKR 2.7Bn, down 28%QoQ mainly due to lower dispatches compared to the previous quarter. Lastly, we do not expect MLCF to announce any cash dividend for the quarter.

12 Month Performance of MLCF



Source: PSX and TSL Research

PIOC: 3QFY25 EPS to clock-in at PKR 6.6

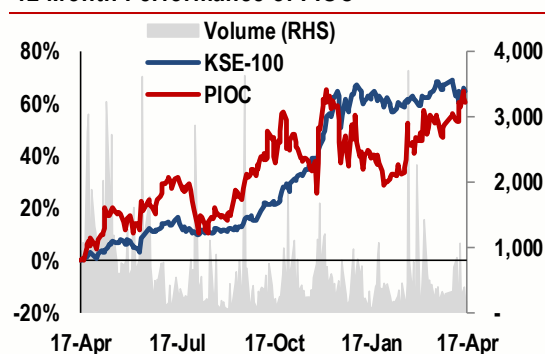
PIOC: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	8,417	8,550	-2%	8,901	-5%	25,208	27,375	-8%
Cost of sales	(5,219)	(5,810)	-10%	(5,190)	1%	(15,899)	(18,492)	-14%
Gross profit	3,198	2,740	17%	3,710	-14%	9,310	8,883	5%
Finance cost	(311)	(680)	-54%	(347)	-10%	(1,152)	(2,256)	-49%
Other income	24	54	-56%	25	-5%	102	171	-40%
Profit after tax	1,498	1,202	25%	1,750	-14%	4,271	3,828	12%
EPS	6.6	5.3		7.7		18.8	16.9	
DPS	Nil	Nil		5.0		5.0	5.0	

Source: Company Accounts & TSL Research

- Net sales are expected to record at ~PKR 8.4Bn in 3QFY25, down 5%QoQ amid fall in domestic dispatches by 6%QoQ. Gross margin to hover at ~38%, down 4pptsQoQ on the back of drop in retail prices (lower demand during the quarter) and elevated cost of production. 3QFY25 PAT to arrive at PKR 1.5Bn, down 14%QoQ. Lastly, we do not expect the Company to announce a cash dividend for the quarter.

12 Month Performance of PIOC



Source: PSX and TSL Research

ACPL: 3QFY25 EPS to clock-in at PKR 3.1

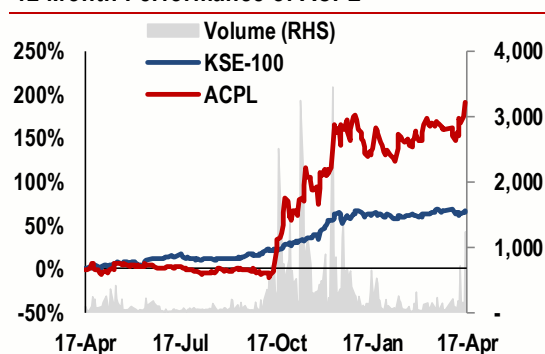
ACPL: Result Preview - 3QFY25E

PKR (Mn)	3QFY25E	3QFY24A	YoY	2QFY25A	QoQ	9MFY25E	9MFY24A	YoY
Sales	7,895	7,056	12%	8,925	-12%	23,247	21,694	7%
Cost of sales	(6,158)	(5,779)	7%	(7,036)	-12%	(18,526)	(17,630)	5%
Gross profit	1,737	1,276	36%	1,889	-8%	4,721	4,064	16%
Finance cost	(592)	(96)	5.2x	(690)	-14%	(1,414)	(186)	6.6x
Other income	632	56	10.4x	733	-14%	1,395	139	9.0x
Profit after tax	425	178	1.4x	581	-27%	1,068	2,219	-52%
EPS	3.1	1.3		4.2		7.8	16.1	
DPS	Nil	Nil		Nil		Nil	2.5	

Source: Company Accounts & TSL Research

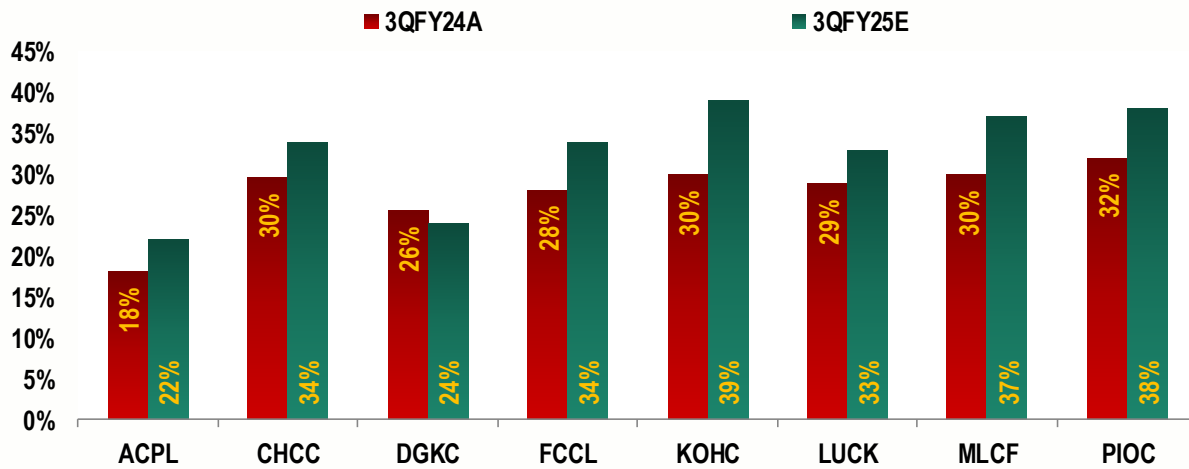
- ACPL's net sales are expected to clock-in at ~PKR 7.9Bn in 3QFY25, down significantly by 12%QoQ as export dispatches fell drastically by 39%QoQ amid weak demand outlook from export destinations (Domestic sales up 1%QoQ). We expect the Company's exports to be lower in a going forward scenario amid shifting in US policy measures towards the global economies (increase in tariffs may negatively impact the overall cement exports across the regions i.e. Pakistan may also suffer from this global phenomena). Gross margin to hover at ~22%. Moreover, earnings to decrease significantly by 27%QoQ to ~PKR 425Mn in 3QFY25. Lastly, we do not expect the Company to announce a cash dividend for the quarter.

12 Month Performance of ACPL



Source: PSX and TSL Research

TSL Universe Gross Margins (%)



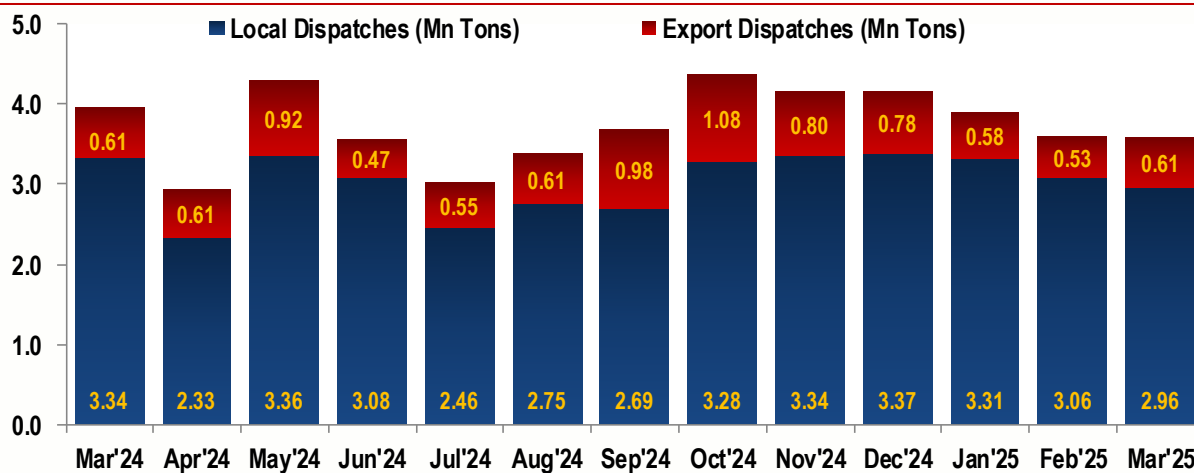
Source: Company Accounts & TSL Research

Region-wise Cement Dispatches during March 2025

Mn'Tons	Mar'25	Feb'25	MoM	Mar'24	YoY	9MFY25	9MFY24	YoY
North	2.45	2.56	-4%	2.87	-15%	23.91	25.28	-5%
Local	2.43	2.51	-3%	2.74	-11%	22.79	24.24	-6%
Exports	0.02	0.05	-63%	0.12	-85%	1.12	1.04	8%
South	1.12	1.04	8%	1.08	4%	10.09	9.23	9%
Local	0.53	0.56	-5%	0.60	-11%	4.67	5.17	-10%
Exports	0.59	0.48	22%	0.48	23%	5.42	4.06	33%
Total Local	2.96	3.06	-3%	3.34	-11%	27.46	29.40	-7%
Total Exports	0.61	0.53	14%	0.61	1%	6.54	5.10	28%
Total Dispatches	3.57	3.60	-1%	3.94	-9%	34.00	34.50	-1%

Source: APCMA, The News & TSL Research

Monthly Cement Dispatches Trend



Source: APCMA, The News & TSL Research

SECP Research Entity Notification Number: REP-040

Thursday, April 17, 2025

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Thursday, April 17, 2025

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Valuation Methodology

To arrive at our period end target prices, TSL uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: <https://jamapunji.pk/>

Frequently Used Acronyms

TP	Target Price	DCF	Discounted Cash Flows	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DDM	Dividend Discount Model
SOTP	Sum of the Parts	P/E	Price to Earnings ratio	P/Bv	Price to Book ratio
P/S	Price to Sales	EVA	Economic Valued Added	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	DY	Dividend Yield
ROE	Return on Equity	ROA	Return on Assets	JPB	Justified Price to Book