

Cement: Local dispatches recover in Feb-2025; 8MFY25 remains negative

- Cement dispatches for Feb-2025 clocked in at 3.6mn tons, depicting a 10% YoY increase, driven by a 7% increase in local sales and a 34% surge in exports. This was the second consecutive month for YoY growth for local cement dispatches.
- On a MoM basis, cement dispatches declined 8%, with both local (-7%) and export (-9%) volumes contributing to the drop, primarily due to fewer working days in February compared to January. Additionally, exports were further impacted by unrest at the Afghan border halting trade activity, leading to a 16% MoM decline in North-based export dispatches.
- Cement prices in the North, which had been under pressure since Dec-2024, have begun to recover, with around Rs50/bag increase in the last week, bringing prices to approximately Rs1,350/bag, depending on the region. However, prices remain well below their peak of ~Rs1,500/bag seen in Sep-2024. Additionally, declining international coal prices (-21% since Nov-2024) is expected to bode well for players with operations in the South which include DGKC, LUCK and ACPL.

Feb-2025: Increase in both local and export dispatches

Cement dispatches for Feb-2025 clocked in at 3.6mn tons, depicting a 10% YoY increase, driven by a 7% increase in local sales and a 34% surge in exports. Local dispatches increase YoY for the second consecutive month amid declining prices and some resumption in construction activity. Meanwhile, exports surged 34% YoY, as Southern players continued prioritizing exports (up 60% YoY) amid low local demand in the South to maintain capacity utilizations and cover fixed costs. While exports from the North to Afghanistan saw a major decline of 48% YoY due to unrest at the Afghan border halting trade activity between the two countries.

On a MoM basis, however, cement dispatches declined 8%, with both local (-7%) and export (-9%) volumes contributing to the drop, primarily due to fewer working days in February compared to January.

Cement Dispatches

('000 tons)	Dec-24	Jan-25	Feb-25	YoYΔ	MoMΔ	8MFY24	8MFY25	YoYΔ
Total Dispatches	4,154	3,895	3,597	10%	-8%	30,528	30,427	0%
Local Dispatches	3,371	3,313	3,065	7%	-7%	26,039	24,508	-6%
North Local	2,786	2,669	2,507	7%	-6%	21,494	20,367	-5%
South Local	585	644	558	5%	-13%	4,545	4,141	-9%
Export Dispatches	783	582	532	34%	-9%	4,489	5,919	32%
North Export	114	59	50	-48%	-16%	915	1,101	20%
South Export	669	522	482	60%	-8%	3,574	4,819	35%

Source: APCMA, JS Research

Local dispatches remain in negative territory in 8MFY25

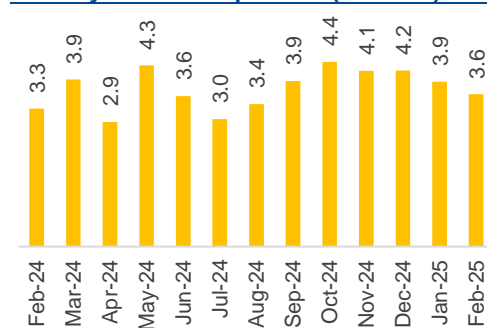
Cement dispatches during 8MFY25 remained flat at 30.4mn tons, as a drop of 6% YoY in local dispatches was offset by a surge in exports (up 32% YoY).

We expect local cement dispatches to remain in negative territory for the remainder of FY25, as a YoY growth of 13% would be required in the remaining four months

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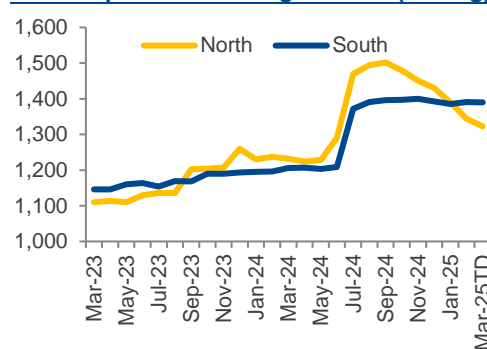
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Monthly cement dispatches (mn tons)



Source: APCMA, JS Research

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



Source: PBS, JS Research

for dispatches to break-even with last year. Additionally, Ramadan (shorter working days) and Eid holidays are likely to keep demand low. However, a recovery is anticipated from FY26 onwards, driven by the on-going monetary easing cycle and a low base effect from FY25. Moreover, the PSDP allocation in the FY26 Budget and its actual disbursement will have a significant impact on local dispatches.

Company wise dispatches

(tons)		Feb-25E	Feb-24	YoYΔ	Jan-25	MoMAΔ	8MFY25E	8MFY24	YoYΔ
Attock Cement	Local	111,751	95,277	17%	127,276	-12%	845,403	845,600	0%
	Export	106,059	127,945	-17%	93,122	14%	895,081	766,961	17%
Bestway Cement	Local	569,890	510,117	12%	621,140	-8%	4,465,655	4,689,334	-5%
	Export	7,130	10,317	-31%	7,322	-3%	83,164	92,154	-10%
Cherat Cement	Local	162,635	148,358	10%	181,380	-10%	1,332,700	1,512,741	-12%
	Export	6,468	22,297	-71%	9,391	-31%	267,158	233,154	15%
D.G Khan Cement	Local	286,178	262,607	9%	321,990	-11%	2,381,425	2,459,580	-3%
	Export	156,142	59,507	162%	109,660	42%	1,218,925	669,875	82%
Dewan Cement	Local	109,178	107,482	2%	130,758	-17%	819,489	986,463	-17%
	Export	0	0	NM	0	NM	0	0	NM
Fauji Cement	Local	384,243	359,693	7%	422,969	-9%	3,300,586	3,001,511	10%
	Export	18,419	30,556	-40%	15,492	19%	357,101	341,471	5%
Fecto Cement	Local	52,331	36,421	44%	51,060	2%	377,100	356,867	6%
	Export	1,365	1085	NM	1,855	-26%	21,922	7,735	183%
Gharibwal Cement	Local	101,007	80,576	25%	115,797	-13%	814,128	788,414	3%
	Export	0	22	NM	0	NM	0	22	NM
Kohat Cement	Local	183,874	179,761	2%	188,374	-2%	1,580,287	1,766,547	-11%
	Export	0	1,210	-100%	945	-100%	17,435	31,223	-44%
Lucky Cement	Local	520,776	490,451	6%	513,526	1%	3,992,526	4,316,755	-8%
	Export	218,236	97,999	123%	247,089	-12%	2,307,435	1,294,008	78%
Maple Leaf Cement	Local	309,164	276,353	12%	323,957	-5%	2,374,573	2,539,954	-7%
	Export	8,937	7,973	12%	11,426	-22%	158,384	101,315	56%
Pioneer Cement	Local	159,481	173,089	-8%	181,747	-12%	1,360,108	1,613,522	-16%
	Export	0	0	NM	0	NM	0	0	NM
Power Cement	Local	114,047	101,749	12%	132,752	-14%	848,221	879,438	-4%
	Export	8,980	37,024	-76%	85,389	-89%	597,286	957,907	-38%

Source: APCMA, JS Research

Cement prices rebound; International coal prices drop

Cement prices in the North, which had been under pressure since Dec-2024, have begun to recover, with a Rs50/bag increase in the last week, bringing prices to approximately Rs1,350/bag, depending on the region. However, prices remain below their peak of ~Rs1,500/bag seen in Sep-2024. We anticipate further recovery as demand improves. Additionally, declining international coal prices (21% decline since Nov-2024) is expected to bode well for players with operations in the South which include DGKC, LUCK and ACPL.

FCCL remains our top pick from the sector with a Dec-2025 TP of Rs55, giving a potential upside of 22% from current levels.

JS Cement Universe

	PE (x)		DY		Market Cap (Rsmn)
	FY25E	FY26F	FY25E	FY26F	
FCCL	8.23	6.59	2%	6%	110,820
PIOC	9.63	7.64	5%	7%	48,489
KOHC	6.91	6.45	0%	6%	78,987
CHCC	6.19	6.10	3%	7%	53,625
MLCF	8.17	8.00	0%	0%	61,607
ACPL	NM	14.47	1%	1%	35,710
DGKC	8.08	6.34	0%	3%	58,940
LUCK*	5.91	4.97	1%	1%	428,984

Source: JS Research. *Consolidated

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