

Cement

4QFY25: Cement sector earnings expected to rise 38% YoY, fueled by higher prices and exports

- For the 4QFY25, we expect sector earnings (IGI coverage cement universe) to post an earnings increase of 38% y/y to PKR 20.0bn compared to PKR 14.5bn during the same period last year, and down by -35%q/q compared to earnings of PKR 30.5bn during 3QFY25.
- The expected increase of 38% 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.
- During 4QFY25E, total cement dispatches increased by 6% y/y, reaching 11.45mn tons versus 10.77mn tons in the same quarter last year. The growth was mainly driven by a 33% y/y surge in export dispatches, which rose from 2.01mn tons to 2.68mn tons, while local dispatches maintained previous levels, standing at 8.78mn tons compared to 8.77mn tons in 4QFY24.

Cement Sector earnings to increase by 38%y/y during 4QFY25

For the 4QFY25, we expect sector earnings (IGI coverage cement universe) to post an earnings increase of 38% y/y to PKR 20.0bn compared to PKR 14.5bn during the same period last year, and down by -35%q/q compared to earnings of PKR 30.5bn during 3QFY25. This brings the total earnings of FY25 to 94.2Bn, up by 53%y/y from previous year during FY24.

Exhibit: Cement sector EPS preview for 4QFY25							
Period end = Jun 25							
EPS (PKR)	4Q'25E	3Q'25A	q/q	4Q'24A	y/y	FY25	y/y
LUCK	4.5	9.2	-51%	6.5	-30%	23.5	21%
PIOC	5.5	4.3	28%	5.9	-7%	22.0	-3%
CHCC	10.2	8.7	18%	4.4	1.3x	45.4	60%
KOHC	12.8	12.7	0%	13.0	-1%	62.9	30%
FCCL	1.3	0.9	49%	0.5	1.7x	5.1	53%
MLCF	2.4	7.5	-68%	0.9	1.5x	13.9	1.7x
DGKC	4.9	4.6	7%	-3.9	2.2x	17.5	13.1x
Total (in PKRbn)	20.0	30.5	-35%	14.5	38%	94.2	53%
DPS (PKR)	4Q'25E	3Q'25A		4Q'24A		FY25	
LUCK	4.5	0.0		0		4.5	
PIOC	0.0	5.0		10		5.0	
CHCC	0.0	0.0		4		0.0	
KOHC	0.0	0.0		0		0.0	
FCCL	0.0	0.0		1		0.0	
MLCF	0.0	0.0		0		0.0	
DGKC	0.0	0.0		0		0.0	

Source: Company Financials, PSX, IGI Research

IGI Research

Sania Bajwa

Sania.bajwa@igi.com.pk

Tel: +92 21 111 234 234 Ext: 569

Cement dispatches during the quarter under review increased by +6% y/y, reaching 11.45mn tons versus 10.77mn tons in the same quarter last year. The growth was mainly driven by a +33% y/y surge in export dispatches, which rose from 2.01mn tons to 2.68mn tons, while local dispatches maintained previous levels, standing at 8.78mn tons compared to 8.77mn tons in 4QFY24.

The expected increase of 35% in cement sector profitability on an year-on-year basis is likely attributable to declining international coal prices, lower power cost, higher cement prices locally, rise in export sales, and rise in local demand due to improving macroeconomic conditions and early impact of monetary easing.

Cement prices in the North have faced downward pressure since May 2025, declining by ~PKR 40 per bag to around PKR 1,400. In contrast, prices in the South have remained firm, with increases of up to PKR 25-30 per bag across various regions during the same period.

LUCK: Earnings to decrease by -30%y/y to PKR 4.5/share during 4QFY25

We expect LUCK to report quarterly earnings of PKR 6.6bn (EPS: PKR 4.5/share), down by -30% y/y during 4QFY25 compared to PKR 9.4bn (EPS: PKR 6.46/share) in 4QFY24. On quarter-on-quarter basis, the earnings are expected to decrease by -51%q/q. We attribute the decrease in earnings on a quarterly basis during 4QFY25 to a -9%q/q decrease in local dispatches by LUCK despite the surge in its exports dispatches by +17%q/q. On FY25 basis the company is expected to report earnings of PKR 33.9bn (EPS PKR 23.15/share) up by 21% compared to SPLY. Moreover, we expect LUCK to pay dividend of PKR 4.5/Share.

PIOC: Earnings to decrease by -7%y/y to PKR 5.5/share during 4QFY25

We expect Pioneer Cement Limited (PIOC) to register quarterly earnings of PKR 1.3bn (EPS: PKR 5.5/share), down by -7%y/y (up by +28%q/q) compared to PKR 1.35bn (EPS: PKR 5.93/share) in the same period last year. Earnings are expected to increase on a quarter-on-quarter basis owing to an increase of 1%q/q in local dispatches and better profit margins. On a FY25 basis the company is expected to report earnings of PKR 4.9bn (EPS PKR 22/share) down by -3% compared to SPLY. We do not expect the Company to announce any cash dividend along with the result.

CHCC: Earnings to increase by +1.3xy/y to PKR 10.2/share during 4QFY25

Cherat Cement Company Limited (CHCC) is projected to register quarterly earnings of PKR 1.9bn (EPS: PKR 10.2/share), up by 1.3x y/y (up by -28%q/q) during 4QFY25 compared to PKR 0.85bn (EPS: PKR 4.40/share) in the same period last year. This growth in profitability is attributable to a major spike in its exports dispatch by +6.1xq/q. On a FY25 basis the company is expected to report earnings of PKR 8.8bn (EPS PKR 45.3/share) up by 60% compared to SPLY. Furthermore, we do not expect CHCC to announce any cash dividends.

KOHC: Earnings to decrease by -1%y/y to PKR 12.77/share during 4QFY25

Kohat Cement Company Limited (KOHC) is likely to register quarterly earnings of PKR 2.35bn (EPS: PKR 12.77/share), down by -1% y/y (up by +0.5%q/q) during 4QFY25 compared to PKR 2.38bn (EPS: PKR 12.96/share) in the same period last year. On a FY25 basis the company is expected to report earnings of PKR 11.6bn (EPS PKR 62.9/share) up by 30% compared to SPLY. In addition, the Company is not expected to pay any dividends.

FCCL: Earnings to increase by +1.7xy/y to PKR 1.3/share during 4QFY25

We expect Fauji Cement Company Limited (FCCL) to register quarterly earnings of PKR 3.2bn (EPS: PKR 1.30/share), up by 1.7x y/y (up by -+49%q/q) during 4QFY25 compared to PKR 1.2bn (EPS: PKR 0.72/share) during the same period last year. This surge in profitability is driven by increased export dispatches by +4.3xq/q and uptick of +54% compared to SPLY. On a FY25 basis, the company is expected to report earnings of PKR 12.6bn (EPS PKR 5.14/share) up by 53% compared to SPLY. In addition, FCCL is not expected to pay a dividend.

MLCF: Earnings to increase by +1.5xy/y to PKR 2.37/share during 4QFY25

On unconsolidated basis, we expect Maple Leaf Cement Factory Limited (MLCF) to report quarterly earnings of PKR 2.5bn (EPS: PKR 2.37/share), up by +1.5xy/y (down by 68%q/q) during 4QFY25 compared to PKR 0.97bn (EPS: PKR 0.93/share) during the same period last year. In FY25, total cement dispatches declined by 1% YoY, with a 4% contraction in local sales largely offset by a robust 55% increase in export volumes. On FY25 basis, the company is expected to report earnings of PKR 14.5bn (EPS PKR 13.94/share) up by +1.77x compared to SPLY. Moreover, the Company is not expected to pay a dividend.

DGKC: Earnings to increase by +2.2x/y to PKR 4.9/share during 4QFY25

We expect DG Khan Cement Company Limited (DGKC) to register quarterly earnings of PKR 2.1bn (EPS: PKR 4.9/share) during 4QFY25, up by 2.2x y/y (up by 7% q/q) compared to PKR -1.69bn (LPS: PKR 3.9/share) in the same period last year. Despite a 4% drop in local sales, total dispatches rose 10% YoY in FY25, driven by strong export growth of 52%. On a FY25 basis, the company is expected to report earnings of PKR 7.6bn (EPS PKR 17.5/share) up by 13.1x compared to SPLY. DGKC is not expected to pay any dividend.

Important Disclaimer and Disclosures

Research Analyst(s) Certification: The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

Disclaimer: The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

Rating system: IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

Risk: Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

Basic Definitions and Terminologies used: **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2025 IGI Finex Securities Limited

Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2025 IGI Finex Securities Limited