# Flash Note

Tuesday, October 28, 2025

Cement

## Pioneer Cement Company Limited (PIOC)

**Earnings:** Pioneer Cement Company Limited (PIOC) reported consolidated earnings of PKR 1.3bn (EPS: PKR 5.61) for 1QFY26, up +25% y/y and +13% q/q compared to PKR 1.0bn (EPS: PKR 4.50) in 1QFY25 and PKR 1.1bn (EPS: PKR 4.97) in 4QFY25. The improvement in profitability on q/q basis was driven by higher gross margins (30% vs 27%), and on y/y basis, it is likely driven by significant decline in finance cost, which is partially offset by higher taxation in the same period.

**Dividend/Payout:** The Company did not announce any cash dividend along with the result

**Operating Performance:** Net sales clocked in at PKR 8.4bn, reflecting a 7% y/y increase but a 2% q/q decline (PKR 7.9bn in 1QFY25 vs PKR 8.6bn in 4QFY25). The y/y growth stemmed from stable demand (cement dispatches rose +18%y/y and+3%q/q) and improved retention prices while the slight sequential dip of -2% is likely driven by a sharp increase (+59%q/q) in admin expenses. Gross profits improved 4% y/y and 8% q/q to PKR 2.5bn (vs PKR 2.4bn in 1QFY25 and PKR 2.3bn in 4QFY25), with gross margins holding steady at 30% vs 31% SPLY and up from 27% in the preceding quarter. Finance cost declined by -57% y/y and -24% q/q, reflecting effective deleveraging and lower borrowing costs. Taxation stood at PKR 0.8bn, up 25% y/y but slightly down -1% q/q, translating into an effective tax rate of 39% versus 38% in the same period last year and 42% in the previous quarter.

**Exhibit: Pioneer Cement Company Limited (PIOC) Financial highlights**
For period ending: 1q/26

| PKRbn | 1q/26 | 4q/25 | 3q/25 | 2q/25 | 1q/25 | ΔYoY | ΔQoQ |
|---|---|---|---|---|---|---|---|
| Net Sales | 8.4 | 8.6 | 7.9 | 8.9 | 7.9 | 7% | -2% |
| Gross Profits | 2.5 | 2.3 | 2.0 | 3.7 | 2.4 | 4% | 8% |
| Admin | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 2% | 59% |
| EBIT | 2.3 | 2.2 | 1.9 | 3.2 | 2.2 | 6% | 2% |
| Finance cost | 0.2 | 0.3 | 0.3 | 0.3 | 0.5 | -57% | -24% |
| Profit before tax | 2.1 | 1.9 | 1.6 | 2.9 | 1.7 | 25% | 7% |
| Taxation | 0.8 | 0.8 | 0.6 | 1.1 | 0.7 | 25% | -1% |
| Profit after Tax | 1.3 | 1.1 | 1.0 | 1.8 | 1.0 | 25% | 13% |
| **EPS*** | **5.61** | **4.97** | **4.29** | **7.70** | **4.50** | **25%** | **13%** |
| **DPS** | **0.00** | **5.00** | **0.00** | **5.00** | **0.00** | | |
| Gross Margins | 30% | 27% | 26% | 42% | 30% | -1% | 11% |
| EBIT Margins | 27% | 26% | 24% | 36% | 28% | 0% | 5% |
| Effective tax | 39% | 42% | 38% | 39% | 38% | 0% | -7% |
| Net Margins | 15% | 13% | 12% | 20% | 13% | 2% | 16% |

Source: Company Accounts, IGI Research, *Number of Shares (mn): 227.1

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- Justified Price to Book
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- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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