

Pakistan Cement Sector

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Cement Dispatches Rise 12.5% YoY in Aug'25 Amid Strong Export Growth

REP-300

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Best Investment Bank for M&A: '25
Best Bank for Research: '25
Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23

ASIAMONEY

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Best Investment Bank: '23

 **CFA Society
Pakistan**

Best Brokerage House: '23 – '21
Best Corporate Finance House: '23 - '13
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Best Research Analyst: '22 – '20

FinanceAsia

Best Broker'25
Best Equity Capital Market House'25

 **INTERNATIONAL
FINANCE**

Best Brokerage House: '23


PAKISTAN
STOCK EXCHANGE
LIMITED

Top 25 Companies
(17-'19)


ASSET ASIAN AWARDS
TRIPLE A

Best Gender Equality Bond: '24
Best Equity Advisor: '21


CENTRAL
DEPOSITORY
COMPANY

Excellence Award Leading
Brokerage House for RDA '21

Pakistan Cement Sector

Cement dispatches rise 12.5% YoY in Aug'25 amid strong export growth

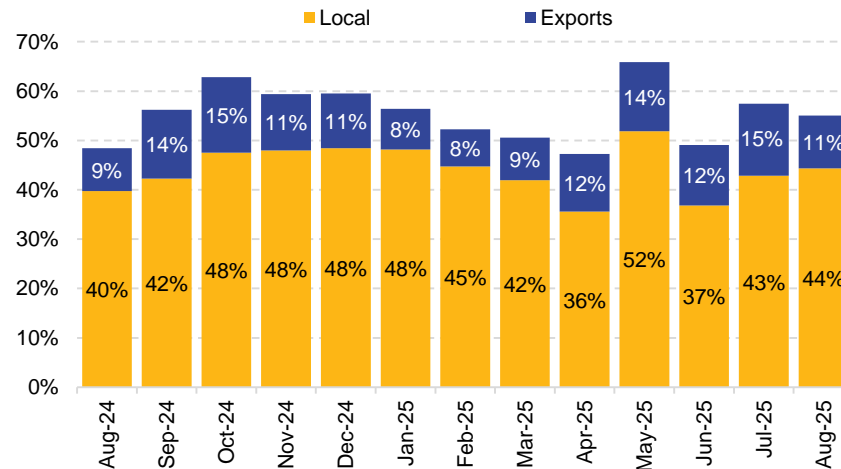
- Cement dispatches in Aug'25 increased by 12.5% YoY to 3.8mn tons, up from 3.4mn tons in the same period last year.
- Domestic cement dispatches increased 10.3% YoY to 3.1mn tons. On a monthly basis, total dispatches increased by 3.4% in Aug'25, despite monsoon season and flooding in the later part of the month.
- Regionally, northern local dispatches were up by 8.6% YoY to 2.6mn tons, while local dispatches in the south also up by 19.8% YoY, reaching 511K tons.
- Exports also saw a rise in Aug'25, growing by 22.1% YoY to 750K tons. Exports from the southern region grew by 32.3% YoY to 541K tons, while those from the northern region slightly increased by 1.8% YoY, reaching 209K tons compared to 205K tons during Jul'24. However, on a MoM basis, exports saw a decline of 26.6% due to a high base effect.
- Total dispatches for Aug'25 increased by 12.5% YoY. Regional performance showed a 19.8% YoY increase in total from the south, while the north experienced a 8.6% YoY increase in total dispatches.
- Utilization of the industry clocked in at 56% in Aug'25 with utilization of the North region settled at 47% while south region utilization clocked in at 95%.
- Cement dispatches during 2MFY26 totaled 7.8mn tons, marking a YoY increase of 21.1% from 6.5mn tons. Export dispatches continue to see a significant increase of 52.5% YoY, rising to 1.8mn tons compared to the same period last year.
- During 2MFY26, cement dispatches from the southern region increased to 2.4mn tons, reflecting a YoY growth of 45.3%. This rise was primarily driven by a significant 53.5% YoY increase in export volumes to 1.3mn tons.
- During 2MFY26, cement dispatches from the northern region also increased by 12.8% YoY, totaling 5.5mn tons.

Exhibit: Cement Dispatches

(000) tons	Aug-25	Jul-25	MoM	Aug-24	YoY	2MFY26	2MFY25	YoY
North	2,795	2,665	4.9%	2,585	8.1%	5,459	4,839	12.8%
Local	2,586	2,419	6.9%	2,380	8.6%	5,004	4,535	10.4%
Exports	209	246	-15.3%	205	1.8%	455	304	49.7%
South	1,052	1,350	-22.1%	835	25.9%	2,402	1,653	45.3%
Local	511	575	-11.2%	426	19.8%	1,086	796	36.5%
Exports	541	775	-30.2%	409	32.3%	1,316	857	53.5%
Total	3,846	4,015	-4.2%	3,421	12.5%	7,862	6,492	21.1%
Local	3,097	2,994	3.4%	2,807	10.3%	6,090	5,331	14.3%
Exports	750	1,021	-26.6%	614	22.1%	1,771	1,161	52.5%

Source (s): APCMA, AHL Research

Exhibit: Trend of Utilization



Source (s): APCMA, AHL Research

Pakistan Cement Sector

Cement dispatches rise 12.5% YoY in Aug'25 amid strong export growth

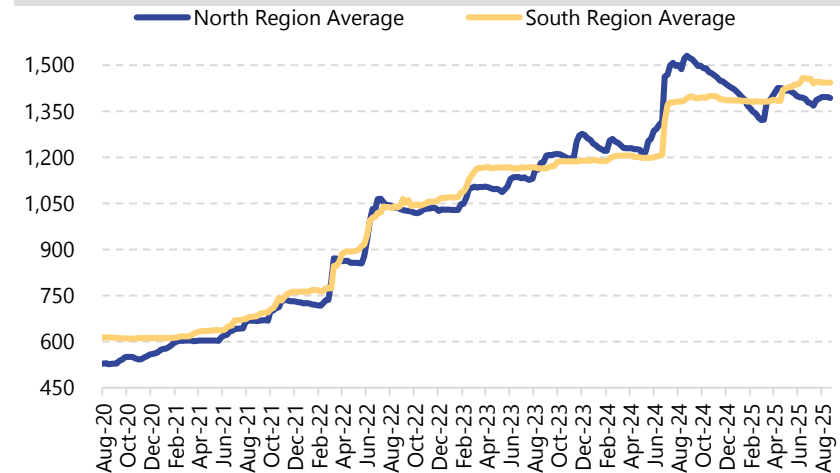
- In Aug'25, POWER's dispatches surged by 125% YoY to 214K tons, with local sales increasing 40% YoY, while exports jumped by 572%. During 2MFY26, the company's dispatches increased to 417K tons, with local sales increasing by 48%, and exports jumping by 178%.
- ACPL's dispatches increased by 80% YoY to 236K tons, with local sales increasing 19% YoY, while exports jumped by 234%. During 2MFY26, the company's dispatches increased to 574K tons, with local sales increasing by 37%, and exports jumping by 216%.
- KOHC's dispatches increased by 15% YoY to 231K tons, with local sales increasing 10% YoY, while exports jumped by 170%. During 2MFY26, the company's dispatches increased to 429K tons, with local sales increasing by 10%, and exports jumping by 110%.
- FCCL's dispatches increased by 10% YoY to 498K tons, with local sales increasing 3% YoY, while exports increased by 55%. During 2MFY26, the company's dispatches increased to 987K tons, with local sales increasing by 7%, and exports jumping by 109%.
- MLCF's dispatches increased by 7% YoY to 319K tons, with local sales increasing 15% YoY, while exports declined by 67%. During 2MFY26, the company's dispatches increased to 630K tons, with local sales increasing by 17%, but exports falling by 26%.
- LUCK's dispatches increased by 6% YoY to 779K tons, with local sales increasing 16% YoY, while exports declined by 11%. During 2MFY26, the company's dispatches increased to 1.6m tons, with local sales increasing by 18%, but exports seeing a slight decrease of 1%.
- Outlook:** Going forward, industry dynamics are expected to remain favorable. While cement demand may face temporary suppression due to flooding in the immediate term, activity is expected to pick up post-monsoon as infrastructure and private housing projects accelerate. Export momentum should remain strong on the back of Pakistan's competitive clinker pricing in regional markets, while improved local demand will support higher plant utilization. Overall, these factors point toward steady growth in dispatches over the near term.

Exhibit: Cement Dispatches - Company Wise

(000) tons	Aug-25	Jul-25	MoM	Aug-24	YoY	2MFY26	2MFY25	YoY
POWER	214	203	5%	95	125%	417	223	87%
ACPL	236	338	-30%	131	80%	574	279	106%
GWLC	101	101	0%	82	23%	202	158	28%
KOHC	231	197	17%	200	15%	429	381	13%
PIOC	179	164	9%	158	13%	343	304	13%
BWCL	561	526	7%	497	13%	1,087	927	17%
FCCL	498	489	2%	453	10%	987	839	18%
FECTC	46	45	3%	43	9%	92	82	12%
MLCF	319	311	3%	297	7%	630	554	14%
LUCK	779	798	-2%	732	6%	1,577	1,424	11%
DGKC	378	496	-24%	372	2%	874	665	31%
CHCC	220	245	-10%	218	1%	466	374	25%

Source (s): AHL Research

Exhibit: Historical Trend of Cement Prices (PKR/bag)

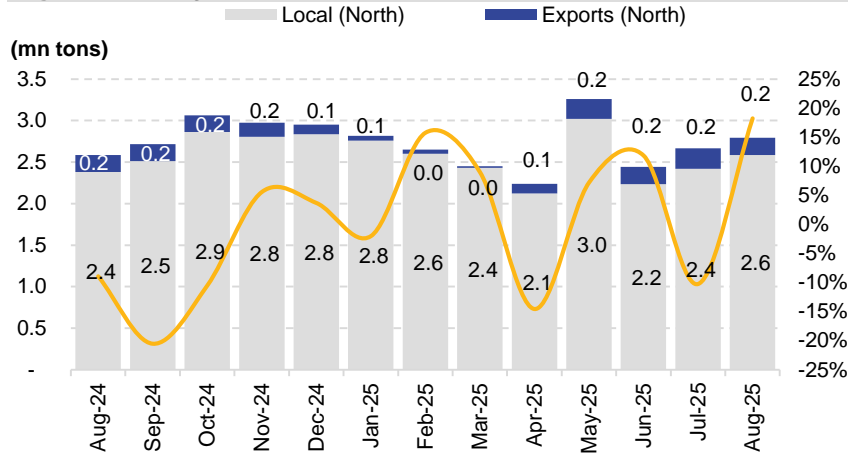


Source (s): PBS, AHL Research

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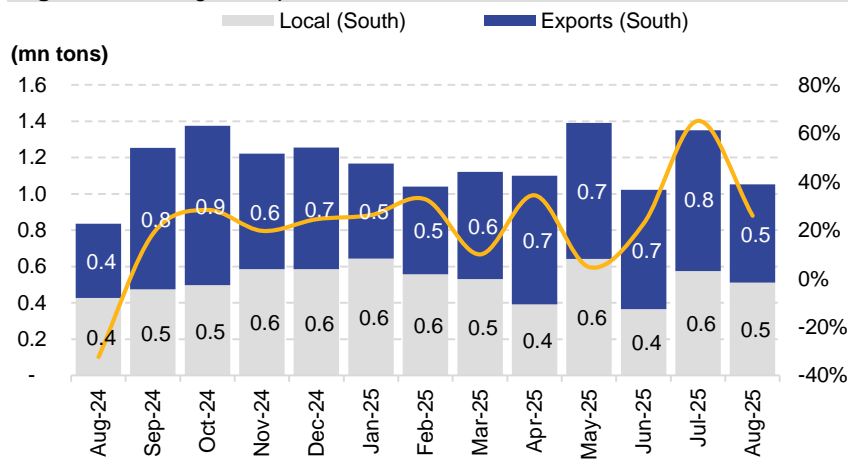
Region-wise dispatches trend & capacity utilization

Figure: North region dispatches



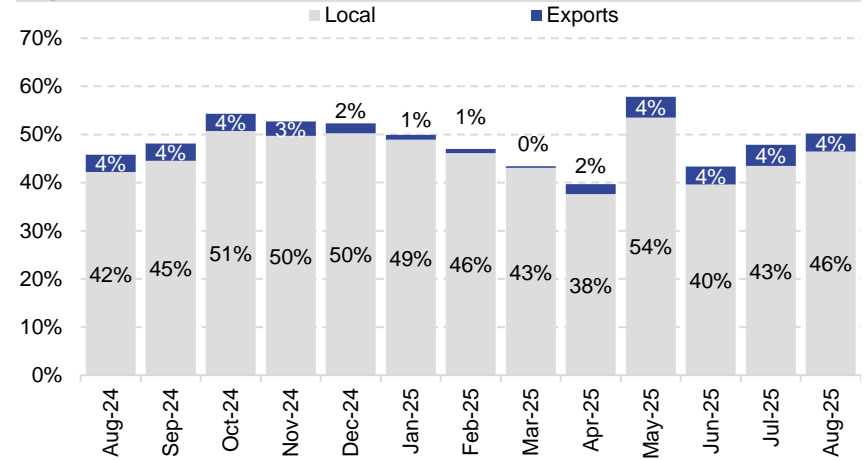
Source (s): APCMA, AHL Research

Figure: South region dispatches



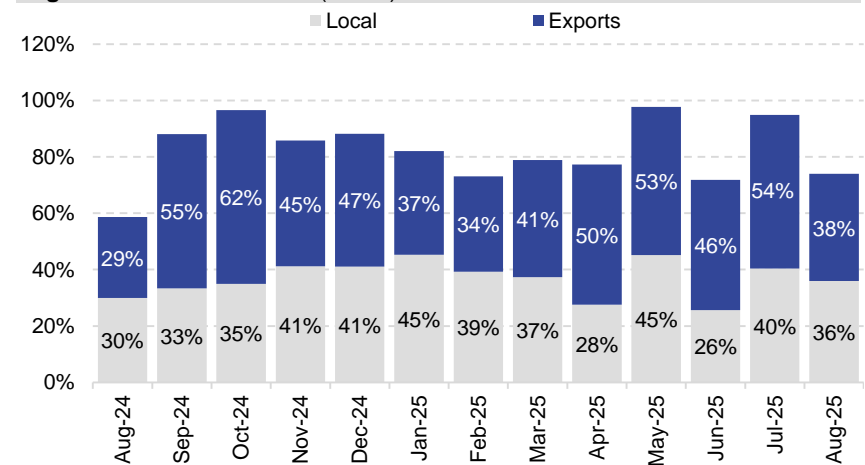
Source (s): APCMA, AHL Research

Figure: Trend of Utilization (North)



Source (s): APCMA, AHL Research

Figure: Trend of Utilization (South)



Source (s): APCMA, AHL Research

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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

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- Interest Rate Risk
- Exchange Rate (Currency) Risk

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