

# Pakistan Cement Sector: Result Preview 4QFY25



Thursday, July 17, 2025



**EUROMONEY**

Euromoney Market Leaders  
Investment Banking (Notable) -  
2022

**PAC**  
Insider

Best Equity Market Consultants  
Pakistan 2022

**Global  
Business  
Outlook**

Most Innovative Corporate Finance  
Advisory Firm - Pakistan 2022  
Fastest Growing Asset Manager -  
Pakistan 2022

**CFA Society  
Pakistan**

Best Brokerage House 2017  
Best Brokerage House 2016 (Runner-up)  
Best Analyst & Trader 2013 (Runner-up)

**ASIAMONEY**

Sector Coverage of Bank,  
Insurance, Power, Macroeconomics,  
Small Caps, Materials  
Runner Up

# Profitability is expected to rise due to DGKC, FCCL and CHCC stronger earnings

**Cement sector to report core earnings of PkR 22.9bn:** BMA Cement Universe is anticipated to report core earnings of PkR 22.6bn in 4QFY25, reflecting a 46% YoY increase compared to PkR 15.6bn in 4QFY24, but a 12% QoQ decline. The YoY growth is primarily driven by higher earnings from DGKC, FCCL, and CHCC, while the QoQ decline is attributed to a reduction in cement dispatches and lower earnings from LUCK due to decreased other income.

**Net sales are expected to grow by 4% YoY:** Net sales are expected to grow by 4% YoY, reaching PkR 114.1bn in 4QFY25. This growth is driven by a 12% YoY increase in average cement prices and a 33% YoY rise in exports.

Local cement dispatches on YoY basis are flattish due to (i) higher cost of construction, and (ii) muted government spending on infrastructure. Capacity utilization of the cement sector clocked in at 55.6% in 4QFY25, compared to 52.9% in 4QFY24 and 55.0% in 3QFY25.

**Gross margin to settle at 34.8%:** The sector's gross margin is expected to improve by 4.9 ppts YoY to 34.8% in 4QFY25, compared to 30.0% in 4QFY24 and 32.5% in 3QFY25, driven by higher cement prices and lower coal prices. Cement prices for 4QFY25 are estimated at PkR 1,407 per bag in the North (up 12% YoY, up 3% QoQ) and PkR 1,377 per bag in the South (up 12% YoY, up 2% QoQ).

**YoY decline in coal prices:** During 4QFY25, cement producers in the South region primarily relied on Richards Bay coal, while those in the North region utilized a mix of Afghan and local coal. Richards Bay coal prices averaged USD 89.5 per ton in 4QFY25, reflecting a 17% YoY and 6% QoQ decline from USD 107.5 per ton and USD 95.7 per ton in 4QFY24 and 3QFY25 respectively.

**Lower financial charges:** The sector's financial charges are expected to decline by 51% YoY and 21% QoQ to PkR 2.7bn. This decline is attributed lower debt on the balance sheet along with the reduced KIBOR.

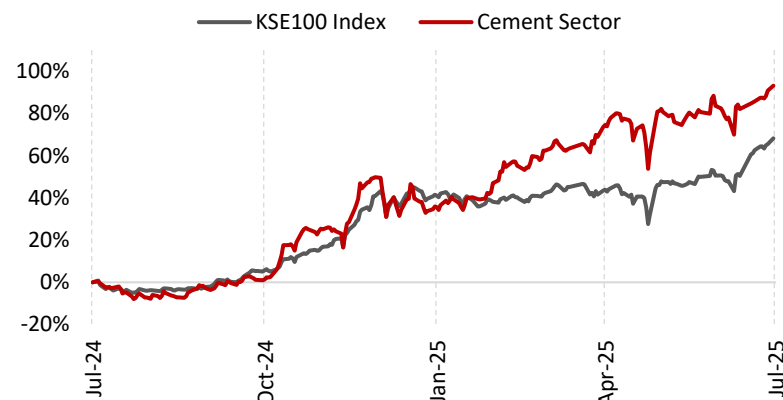
Cement Price					
PkR/Bag	4FY25A	4QFY24A	YoY	3QFY25A	QoQ
North	1,407	1,259	12%	1,371	3%
South	1,377	1,230	12%	1,343	2%

Source: PBS, BMA Research

**Other income to drop to PkR 6.5bn:** Other income of the sector is estimated to clock in at PkR 6.5bn in 4QFY25, down 39% YoY and 53% QoQ. LUCK is expected to contribute 50% in sector's other income.

We have an **Overweight** stance on Pakistan Cement sector with **Thatta Cement (THCCL)**, **Fauji Cement (FCCL)**, **Lucky Cement (LUCK)** and **Maple Leaf Cement (MLCF)** as our top picks.

## KSE-100 Index and Cement Sector Performance



Source: PSX, BMA Research

## Pakistan Cement Dispatches

Mn Tons	4QFY25A	4QFY24A	YoY	3QFY25A	QoQ
Local	8.8	8.8	0%	9.6	-9%
North	7.4	7.3	1%	7.8	-5%
South	1.4	1.5	-5%	1.8	-23%
Exports	2.7	2.0	33%	1.7	55%
Total	11.5	10.8	6%	11.3	1%

Source: APCMA, BMA Research

**Fahad Hussain Khan**  
Senior Research Analyst  
**BMA Capital Management Ltd.**  
E-mail: [fahad.hussain@bmacapital.com](mailto:fahad.hussain@bmacapital.com)

# Company wise earnings estimates

**Lucky Cement (LUCK):** We expect LUCK's consolidated earnings to increase by 38% YoY and 13% QoQ to PkR 13.8 per share in 4QFY25, primarily driven by higher profits from portfolio companies.

On an unconsolidated basis, LUCK is expected to report an EPS of PkR 4.8, reflecting a 26% YoY and 48% QoQ decline. This decrease is mainly due to lower other income and reduced local dispatches. The gross margin is projected to reach 36% in 4QFY25, compared to 32% in 4QFY24 and 33% in 3QFY25. Along with the results, we expect LUCK to announce a cash dividend of PkR 3.5 per share.

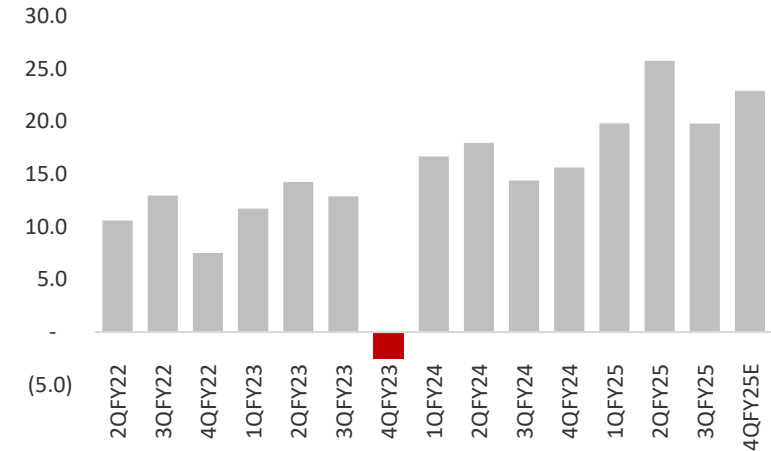
**Maple Leaf Cement (MLCF):** MLCF is expected to report a consolidated EPS of PkR 3.0 in 4QFY25, reflecting a 104% YoY and 13% QoQ increase. The growth is primarily driven by higher total cement dispatches, increased cement prices, and improved gross margins. Gross margins are projected at 40% for 4QFY25, compared to 38% in 4QFY24 and 35% in 3QFY25. Along with the results, we do not expect a cash dividend from MLCF, given potential investment needs arising from its hospital venture.

**Fauji Cement (FCCL):** We expect FCCL's earnings to reach PkR 1.5 per share in 4QFY25, reflecting a more than 3.0x YoY increase and a 1.1x QoQ rise. This growth is driven by higher total dispatches, lower finance costs, and increased cement prices. The gross margin is expected to reach 35% in 4QFY25, compared to 36% in 4QFY24 and 32% in 3QFY25. Along with the results, we expect FCCL to announce a cash dividend of PkR 2.0 per share.

**DG Khan Cement (DGKC):** We expect DGKC to report an unconsolidated EPS of PkR 5.3 in 4QFY25, compared to a loss of PkR 3.9 in the same period last year. The YoY improvement in earnings is driven by a lower effective tax rate, higher cement prices, and reduced finance costs. On a QoQ basis, earnings are also expected to rise, supported by a 3% increase in cement prices and lower finance costs. Gross margins are projected to reach 25% in 4QFY25, compared to 8% in 4QFY24 and 26% in 3QFY25. Along with the results, we expect DGKC to announce a cash dividend of PkR 4 per share.

**Kohat Cement (KOHK):** KOHC is expected to report an EPS of PkR 13.0 in 4QFY25, reflecting a 7% YoY and 9% QoQ increase. The YoY growth is primarily driven by higher cement prices, improved gross margins, and lower finance costs. The QoQ increase is attributed to a 4% rise in total cement dispatches and a 3% increase in cement prices. Gross margins are expected to reach 39% in 4QFY25, compared to 32% in 4QFY24 and 40% in 3QFY25. Along with the results, we do not anticipate any cash dividend from KOHC.

**Cement Sector Quarterly Profitability Trend (PkR Bn)**



Source: Company Accounts, BMA Research

**Pakistan Cement EPS estimates**

PkR	4QFY25E	4QFY24A	YoY	3QFY25A	QoQ	FY25E	FY24A	YoY
LUCK*	13.8	10.0	38%	12.3	13%	52.9	44.7	18%
MLCF*	3.0	1.5	104%	2.7	13%	10.5	6.6	59%
FCCL	1.5	0.5	205%	0.9	68%	5.3	3.4	58%
DGKC	5.3	(3.9)	NM	4.6	17%	17.9	1.2	NM
KOHC	13.0	12.2	7%	11.9	9%	60.1	45.4	32%
CHCC	12.0	4.4	173%	8.7	38%	47.2	28.3	67%
PIOC	6.0	5.9	1%	4.3	39%	22.5	22.8	-1%
THCCL	1.2	1.2	-4%	1.1	5%	4.6	3.0	52%

Source: Company Accounts, BMA Research, \* Consolidated

# Company wise earnings estimates

**Cherat Cement (CHCC):** CHCC is expected to report an EPS of PkR 12.0 in 4QFY25, compared to PkR 4.4 in the same period last year. The YoY increase in earnings is primarily driven by higher gross margins. On a QoQ basis, earnings are expected to rise by 38%, supported by higher cement prices and increased cement dispatches. Gross margins are projected to reach 38% in 4QFY25, compared to 28% in 4QFY24 and 40% in 3QFY25. Along with the results, we expect CHCC to announce a cash dividend of PkR 4 per share.

**Pioneer Cement (PIOC):** We expect PIOC to report an EPS of PkR 6.0 in 4QFY25, compared to PkR 5.9 in 4QFY24, reflecting a 1% YoY increase, driven by higher cement prices and lower finance costs. On a QoQ basis, earnings are projected to rise by 39%, supported by a 3% increase in cement prices, 1% growth in cement dispatches, and improved gross margins. Gross margins are expected to settle at 35% in 4QFY25, in line with 35% in 4QFY24 and up from 26% in 3QFY25. Along with the results, we expect PIOC to announce a cash dividend of PkR 10 per share.

**Thatta Cement (THCCL):** THCCL is expected to report an EPS of PkR 1.2 in 4QFY25, unchanged from the same period last year. The YoY decline in earnings is primarily due to a 24% decrease in cement dispatches. On a QoQ basis, earnings are projected to improve by 5%, supported by a higher gross margin and increased other income. Gross margins are anticipated to reach 34% in 4QFY25, compared to 31% in 4QFY24 and 24% in 3QFY25. Along with the results, we expect THCCL to announce a cash dividend of PkR 0.25 per share.

Company wise cement dispatches					
Mn Tons	4QFY25	4QFY24	YoY	3QFY25	QoQ
<b>LUCK</b>	<b>2.23</b>	<b>2.16</b>	<b>3%</b>	<b>2.25</b>	<b>-1%</b>
Local	1.39	1.42	-2%	1.53	-9%
Exports	0.84	0.74	13%	0.72	17%
<b>DGKC</b>	<b>1.28</b>	<b>1.29</b>	<b>-1%</b>	<b>1.35</b>	<b>-5%</b>
Local	0.80	0.84	-5%	0.90	-11%
Exports	0.48	0.45	5%	0.45	6%
<b>MLCF</b>	<b>1.00</b>	<b>0.90</b>	<b>11%</b>	<b>0.97</b>	<b>4%</b>
Local	0.91	0.85	7%	0.94	-3%
Exports	0.09	0.05	75%	0.03	234%
<b>FCCL</b>	<b>1.38</b>	<b>1.30</b>	<b>7%</b>	<b>1.19</b>	<b>16%</b>
Local	1.18	1.16	2%	1.15	2%
Exports	0.20	0.14	45%	0.04	427%
<b>PIOC</b>	<b>0.53</b>	<b>0.53</b>	<b>-1%</b>	<b>0.52</b>	<b>1%</b>
Local	0.53	0.53	-1%	0.52	1%
Exports	-	-	-	-	-
<b>CHCC</b>	<b>0.64</b>	<b>0.65</b>	<b>-1%</b>	<b>0.51</b>	<b>27%</b>
Local	0.52	0.52	0%	0.49	6%
Exports	0.13	0.13	-5%	0.02	610%
<b>KOHC</b>	<b>0.56</b>	<b>0.57</b>	<b>-1%</b>	<b>0.54</b>	<b>4%</b>
Local	0.56	0.56	-1%	0.54	4%
Exports	0.00	0.01	-61%	0.00	191%
<b>THCCL</b>	<b>0.11</b>	<b>0.15</b>	<b>-24%</b>	<b>0.12</b>	<b>-2%</b>
Local	0.11	0.15	-24%	0.12	-2%
Exports	-	-	-	-	-

Source: APCMA, BMA Research



This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report, nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by BMA Capital Management Limited from publicly available information and sources that BMA Capital Management Limited believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of BMA Capital Management Limited gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of BMA Capital Management Limited has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of BMA Capital Management Limited. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of BMA Capital Management and/or their respective principals, directors, officers and employees may own, have positions or effect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

BMA Capital Management Limited and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. BMA Research Policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis.

## Stock Rating

Investors should carefully read the definitions of all rating used within every research reports. In addition, research reports carry an analyst's independent view and investors should ensure careful reading of the entire research reports and not infer its contents from the rating ascribed by the analyst. Ratings should not be used or relied upon as investment advice. An investor's decision to buy, hold or sell a stock should depend on said individual's circumstances and other considerations. BMA Capital Limited uses a three-tier rating system: i) Buy, ii) Neutral and iii) Underperform (new rating system effective Jan 1'18) with our rating being based on total stock returns versus BMA's index target return for the year. A table presenting BMA's rating definitions is given below:

## Old rating system

## Valuation Methodology

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

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

## **BMA CAPITAL MANAGEMENT LIMITED** **TREC HOLDER AT PAKISTAN STOCK EXCHANGE LIMITED**

### **HEAD OFFICE:**

Level 8, Unitower, I.I. Chundrigar Road, Karachi - 74000, Pakistan  
Tel: +92 21 111 262 111 | Fax: +92 21 3243 0748 | [www.bmacapital.com](http://www.bmacapital.com) | [info@bmacapital.com](mailto:info@bmacapital.com)

### **Stock Exchange Branch:**

Room 141, Pakistan Stock Exchange,  
Stock Exchange Road, Karachi.  
Tel: (021) 32410617

### **Bahadurabad Branch:**

Office # 3, Mezzanine Floor,  
Akber Manzil, Main Bahadurabad  
Roundabout, Karachi  
Tel: (021) 3486 0393-98  
Fax: (021) 3493 1396

### **Gulshan-e-Iqbal Branch:**

Commercial Office premises bearing,  
B-29 Mezzanine Floor 13/A, Main  
University Road, Gulshan-e-Iqbal  
Karachi.  
Tel: (021) 34825023

### **North Nazimabad Branch:**

D-14 Office No 02, 2nd Floor Block H,  
MCB Building, Near 5 Star Round About,  
North Nazimabad Karachi.  
Tel: (021) 36672301-00.

### **Awami Markaz Branch:**

G13, Ground floor, Awami Markaz,  
Shahrah-e-Faisal Karachi.  
Tel: (021) 34300578

### **Lahore Cavalry Branch:**

Office No. 74, 2nd Floor, Commercial  
Area, Main Cavalry Ground, Lahore Cantt,  
Lahore.  
Tel: (042) 3667 6614-20  
Fax: (042) 3661 9912

### **Lahore Gulberg Branch:**

Commercial Office No. 402, 7th Floor,  
Mega Tower 63-B, Main Boulevard,  
Gulberg II, Lahore.  
Tel: (042) 35762953-57

### **Lahore LSE Branch:**

1st Floor Room# 110-111, LSE Building,  
19- Khayaban-e-Aiwan-e-Iqbal, Lahore.  
Tel: (042) 36280931-34

### **Islamabad Branch:**

104, 1st Floor, 82-East,  
Muhammad Gulistan Khan House,  
Fazel e Haq, Blue Area, Islamabad  
Pakistan  
Tel: (051) 280 2354-5  
Fax: (051) 280 2356

### **Sialkot Branch:**

2nd Floor, Sialkot Business & Commerce  
Centre, Paris Road, Sialkot, Adjacent to  
Sialkot Chamber of Commerce.  
Tel: (052) 4260091-94

### **Multan Branch:**

Office No. 607/A, 6th Floor,  
The United Mall, Plot No. 74  
Abdali Road, Multan  
Tel: (061) 457 6611-15  
Fax: (061) 457 6615

### **Sargodha Branch:**

Ground floor, Shan Plaza, Block No 16,  
Main Khushab Road, Near Allied Bank  
Limited, Sargodha.  
Tel: (048) 3767 817-18

### **Faisalabad Branch:**

Mezzanine Floor, State Life Building #2,  
Plot No. 833 Liaquat Road, Faisalabad.  
Tel: (041) 2612261-5.

### **Gujranwala Branch:**

51-H block Near Standard Chartered  
Bank  
Trust Plaza GT road Gujranwala.  
Tel: (055) 3848501-05

### **Chakwal Branch:**

Office No. 12, 1st Floor, Ejaz Plaza,  
Talagang Road Chakwal.  
Tel: (0543) 553850, 0543-  
543720, 0543-543721.

### **Jhelum:**

2nd Floor, Khalid Plaza, Plot#7/89,  
Kazim Kamal Road, Jhelum, Punjab.  
Tel: (054) 4620594-97

### **Peshawar Branch:**

Shop No.F1 & F2, 1st Floor Mall Tower  
35,  
The Mall Peshawar Cantt.  
Tel: (091) 5274770-72

### **Abbottabad Branch:**

Gohar Son's Arcade 1st Floor Office# 4,  
Supply Bazar Sikandarabad Abbottabad,  
KPK.  
Tel: (0992) 400346-47

### **Gujar Khan Branch:**

1st Floor, Office# 101 & 102, Akbar  
Kayani Plaza, GT Road, GujarKhan.  
Tel: (051) 3762083

### **Bahawalpur Branch:**

Plot # 13-A, 1st Floor, Office # 2,  
Model Town B, Bahawalpur  
Tel: (062) 2883158, 2884158