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SectorCementChase Research

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Symbol: **BWCL**Current Price: **PKR 447.05**Market Cap (PKR bn): **266.55**Total Shares (mn): **596.25**Free Float (mn): **59.62**52 Week High: **PKR 665.00**52 Week Low: **PKR 386.00**

Bestway Cement Limited (BWCL)

Bestway Cement Limited (BWCL) reported earnings per share of PKR 43.20 for FY26 (FY25: PKR 40.02). Furthermore, in 4QFY26, the company reported earnings per share of PKR 13.16 (4QFY25: PKR 10.60).

Total dispatches reached 7.04 tons vs 6.85 tons in FY25. Capacity utilization improved slightly to 46.0% up from 44.7% in FY25 based on total rated cement capacity of 15.3 tons across 8 lines at 5 production sites.

Management noted that regional conflicts and the closure of the border with Afghanistan severely restricted export dispatches from Northern plants.

BWCL holds a direct 9.7% equity stake in UBL, which provides a recurring and growing dividend income stream.

BWCL has officially launched white cement in FY26 targeting local and export markets. BWCL aims to capture a 50% market share in the white cement segment going forward. The company has also expanded into premium tile adhesives and tile grouts.

Management noted that the company runs a fuel mix of 80% local coal and 20% imported coal. Imported South African coal costs around PKR 58,000 per ton, local high grade costs PKR 57,000–60,000 per ton, and local low grade costs PKR 35,000–40,000 per ton. Inland freight to transport coal from Karachi ports to Northern plants adds PKR 15,000 per ton. The company maintains a 45-day coal inventory buffer.

55% of power is generated internally via captive thermal, waste heat recovery, and 115 MW solar. While 45% is drawn from the national grid at an average tariff of PKR 32/kWh. Management is actively evaluating battery energy storage systems to improve solar power utilization.

Royalty in Khyber Pakhtunkhwa increased by 10% in FY26 to PKR 385 per ton (up from PKR 350 per ton).

The royalty dispute with the Punjab government remains pending in federal court; BWCL continues to accrue liability prudently at 6% of Ex-factory price.

Packaging material costs average PKR 1,100 per ton. Supply chain disruptions in Middle East polypropylene (PP) bags forced a temporary shift toward paper bags, driving up packing expenses.

Going forward, management forecasts 7% to 8% industry dispatch growth in FY27, noting that domestic dispatches were already up 8% YoY in the first two months. Management is cautiously optimistic that lower domestic interest rates and government infrastructure/housing projects will support ongoing demand recovery.

Extended regional conflicts raising international fuel, coal, and freight costs; continued closure of the Afghan border restricting Northern exports; and domestic input price volatility.

Bestway Cement Limited extended a loan of PKR 4.29 billion to its subsidiary, Bestway Automotive, during FY26. Bestway Automotive is a subsidiary of Bestway Cement Limited created to diversify the group's business into Pakistan's automotive sector.

Management declined to discuss specific sales targets or profit margins for the auto business during the cement briefing, noting that full operational details were disclosed in a dedicated press conference held 2 to 3 weeks prior.

PKR million	4QFY25	4QFY26	YoY	FY25	FY26	YoY
Net sales	25,759	25,892	1%	107,759	108,282	0%
Cost of sales	(16,960)	(16,739)	-1%	-	-75,821	8%
Gross profit	8,799	9,152	4%	37,278	32,461	-13%
Gross margin	34%	35%		35%	30%	
Selling/distribution expenses	(346)	(323)	-7%	(1,602)	(1,221)	-24%
Administrative expenses	(653)	(1,410)	116%	(2,073)	(3,149)	52%
Operating profit	7,800	7,419	-5%	33,603	28,091	-16%
Depreciation & amortisation	1,528	218	-86%	6,092	7,997	31%
EBITDA	9,328	7,636	-18%	39,695	36,088	-9%
Financial charges	(1,325)	(1,378)	4%	(7,625)	(5,359)	-30%
Other income	121	213	76%	1,490	679	-54%
Other charges	(420)	(420)	0%	(1,764)	(1,575)	-11%
Share of associates' profit/(loss)	3,254	3,610	11%	10,746	14,548	35%
Profit before tax	9,428	9,445	0%	36,450	36,384	0%
Taxation	(3,105)	(1,601)	-48%	(12,586)	(10,627)	-16%
Profit after tax	6,323	7,844	24%	23,864	25,757	8%
Net margin	25%	30%		22%	24%	
EPS (PKR)	10.60	13.16	24%	40.02	43.20	8%
DPS (PKR)	10.00	10.00	0%	34.00	40.00	18%

Source: Company financials, PSX

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