

Cement: South led growth in dispatches

- Cement dispatches stood at 4.6mn tons in Sep-2026, up 6.0% YoY, mainly driven by a strong 23% YoY increase in local dispatches from the South, where low base and favorable weather supported demand. North local dispatches also grew, albeit at a slower pace of 4.7% YoY.
- North exports remained nil for the 11th consecutive month due to the continued closure of the Afghan border, while South exports rose 36% YoY due to strong orders from regional markets and Africa, and healthy export pricing.
- On a MoM basis, dispatches increased 14.4%, led by a 15.4% MoM rise in domestic dispatches, following the low base in the previous month. Cumulatively, in 1QFY27, total dispatches grew 3.9% YoY, while local dispatches were up 7.8% YoY.
- We remain overweight on the sector, given earnings visibility going forward as the industry is likely to navigate challenges, particularly high inflation and increased coal prices (+47% CY26TD) through timely price increases and strong dispatch growth potential. The sector trading at a cheap FY27F PE of 6.44x (our 8 coverage companies) compared to FY26 PE of 7.63x.

Sep-2026: Domestic volumes drive 6% YoY dispatch growth

Cement dispatches clocked in at 4.6mn tons in Sep-2026, up 6.0% YoY, mainly driven by a strong 23% YoY increase in local dispatches from the South, where favourable weather supported demand. North local dispatches also grew, albeit at a slower pace of 4.7% YoY. North exports remained nil for the 11th consecutive month due to the continued closure of the Afghan border, while South exports rose 36% YoY due to strong orders from regional markets and Africa and, healthy export pricing.

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Cement Dispatches

('000 tons)	Aug-26	Sept-26	YoYΔ	MoMA	1QFY26	1QFY27	YoYΔ
Total Dispatches	4,039	4,621	6.0%	14.4%	12,650	13,141	3.9%
Local Dispatches	3,282	3,789	7.4%	15.4%	10,062	10,845	7.8%
North Local	2,691	3,164	4.7%	17.6%	8,377	8,946	6.8%
South Local	591	625	23.0%	5.7%	1,685	1,899	12.7%
Export Dispatches	757	832	0.0%	10.0%	2,588	2,296	-11.3%
North Export	0	0	NM	NM	662	0	NM
South Export	757	832	36.3%	10.0%	1,927	2,296	19.2%

Source: APCMA, JS Research

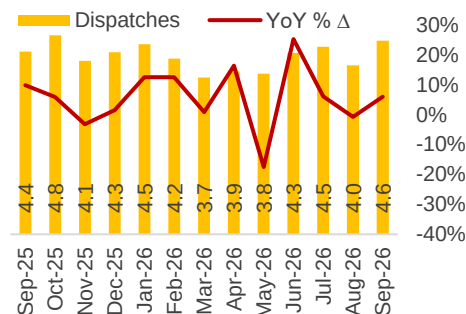
MRPs remain flat; Coal prices remain elevated

Cement MRPs in the North region witnessed a moderate Rs11/bag decrease in price during Sep-2026 to an average of Rs1,552/bag, while prices in the South region remained flat MoM at around Rs1,545/bag. Having said this, The North

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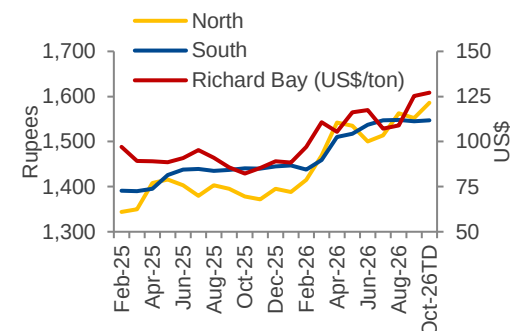
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Cement Dispatches (mn tons)



Source: APCMA, Bloomberg, JS Research

Cement MRPs and coal prices trend



Source: APCMA, Bloomberg, JS Research

region has witnessed a ~Rs50/bag increase during the first week of October, taking prices close to Rs1,600/bag.

Average international coal prices rose 14.6% MoM to US\$125/ton in Sep-2026 (highest levels since Oct-2023), as renewed geopolitical tensions between the US and Iran heightened concerns over supply disruptions and pushed coal prices higher. Similarly, local coal prices have also seen a significant increase to around Rs50k/ton.

Industry navigating challenges; overweight maintained

We remain overweight on the sector, given earnings visibility going forward as the industry is likely to navigate challenges, particularly high inflation and increased coal prices (+47% CY26TD) through timely price increases and strong dispatch growth potential. The sector trading at a cheap FY27F PE of 6.44 (our 8 coverage companies) compared to FY26 PE of 7.63x.

Our top picks from the sector include MLCF and FCCL.

Company wise dispatches

(tons)		Sep-26	Sep-25	YoYΔ	Aug-26	MoMΔ	1QFY27	1QFY26	YoYΔ
Attock Cement	Local	138,259	102,459	35%	149,738	-8%	414,039	331,953	25%
	Export	181,363	152,631	19%	105,062	73%	421,174	492,729	-15%
Bestway Cement	Local	667,107	616,540	8%	638,718	4%	1,867,799	1,661,455	12%
	Export	0	15,265	NM	0	Nm	0	42,444	NM
Cherat Cement	Local	208,817	194,209	8%	192,104	9%	582,308	543,171	7%
	Export	0	40,600	NM	0	Nm	0	157,172	NM
D.G Khan Cement	Local	337,864	300,652	12%	330,791	2%	958,997	863,055	11%
	Export	204,702	174,648	17%	172,010	19%	650,497	486,215	34%
Dewan Cement	Local	107,833	105,244	2%	119,359	-10%	328,854	289,526	14%
	Export	0	0	NM	0	NM	0	0	NM
Fauji Cement	Local	519,478	442,382	17%	497,703	4%	1,452,111	1,237,742	17%
	Export	0	72,975	NM	0	NM	0	264,976	NM
Fecto Cement	Local	87,289	85,276	2%	78,394	11%	237,833	240,157	-1%
	Export	0	1,515	NM	0	NM	0	2,950	NM
Gharibwal Cement	Local	52,779	115,037	-54%	105,721	-50%	219,831	317,379	-31%
	Export	0	0	NM	0	NM	0	0	NM
Kohat Cement	Local	245,182	239,796	2%	231,682	6%	678,848	650,351	4%
	Export	0	31,171	NM	0	NM	0	49,426	NM
Lucky Cement	Local	596,788	564,288	6%	615,065	-3%	1,739,601	1,610,673	8%
	Export	294,342	278,808	6%	252,245	17%	778,165	809,164	-4%
Maple Leaf Cement	Local	364,780	348,975	5%	347,406	5%	1,017,757	946,620	8%
	Export	0	21,402	NM	0	NM	0	54,062	NM
Pioneer Cement	Local	210,232	205,096	3%	198,551	6%	585,952	548,397	7%
	Export	0	0	NM	0	NM	0	0	NM
Power Cement	Local	120,733	97,018	24%	132,705	-9%	367,517	359,583	2%
	Export	151,766	42,951	253%	176,750	-14%	444,957	229,425	94%

Source: APCMA, JS Research

JS Cement Universe

	FY26		FY27F		Market cap (Rsmn)
	PE (x)	DY	PE (x)	DY	
FCCL	7.58	3%	6.15	4%	122,642
PIOC	7.96	0%	5.97	0%	52,474
KOHC	7.31	1%	6.56	1%	78,251
CHCC	7.11	2%	6.10	3%	51,568
MLCF*	7.78	0%	5.95	0%	92,437
ACPL	9.60	0%	8.40	0%	32,786
DGKC	7.02	1%	6.35	1%	80,176
LUCK*	6.71	1%	6.03	1%	597,046

Source: Company accounts, JS Research

* Consolidated ^FY26 KOHC estimates

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