JS Research Beep

Pakistan Cement Sector

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JS Global Capital Limited

POWER – Corporate briefing key takeaways

Power Cement Ltd (POWER) held its corporate briefing to discuss its FY26 and 1QFY27 financial performance and outlook. In FY26, company's EPS increased 4.64x YoY to Rs2.93, largely driven by an 15.1% YoY increase in net sales, 43.9% YoY increase gross profit and 39.8% YoY decline in finance costs. In 1QFY27, EPS rose 30.7% YoY to Rs0.81, mainly supported by 36.3% YoY growth in sales on the back of a 32.3% YoY increase in dispatches.

- POWER recorded total dispatches of 2.6mn tons in FY26, up 7.5% YoY, broadly in line with the industry's growth of 7.3%. Domestic dispatches increased 1.8% YoY to 1.36mn tons, while export dispatches rose 14.8% YoY to 1.20mn tons.
- During 1QFY27, total dispatches increased 32.3% YoY to 791k tons primarily driven by 108.7% YoY increase in clinker exports to 411.3k tons, while local dispatches increased 5.4% YoY to 379k tons. Consequently, exports accounted for 52% of total dispatches (~40% in 1QFY26). Management expects 5-7% growth in local cement volumes during FY27.
- POWER exports to several markets across the Middle East, South Asia, East and West Africa, the UK, USA and China. Management indicated that local cement retention prices currently range between Rs17k–18k/ton, depending on the region, compared to an average of Rs16k–17k/ton during FY26.
- POWER's gross margin improved 7.1ppt YoY to 35.6% in FY26 owing to optimized power mix. Fuel and power accounts for 66% of production costs, with coal and alternative fuels contributing 48% and electricity 18%.
- Management stated that the blended cost of coal remained volatile at ~US$130–150/ton during FY26, while port-to-plant transportation costs stood at around Rs7k/ton.
- Company currently maintains a fuel mix comprising approximately 86% imported coal, 9% alternative fuels and 5% local coal, with plans to increase alternative-fuel usage to 20%, subject to availability and pricing.
- POWER successfully commissioned its 7.5 MW wind power project at Nooriabad in May-2026. Project generated 3.9mn kWh of electricity during FY26 and reduced reliance on grid electricity by over 10%. Electricity generated through the wind project is approximately 30%

Bloomberg Code: POWER PA

Market Price: Rs21.95

Market Cap: Rs28bn, US$103mn

1-yr ADTO: 2.4mn shares, Rs48mn, US$0.2mn

1-yr High / Low: Rs23.77 / 14.93

Estimated free float: 453mn shares (35%)

POL: Key Statistics

Rs mn	FY25	FY26	1QFY27
Revenue	**29,520**	**33,979**	**10,648**
YoY Growth	-5.0%	15.1%	36.3%
PAT	**815**	**3,784**	**1,051**
YoY Growth	NM	4.64x	30.7%
EPS (Rs) ^	**0.63**	**2.93**	**0.81**
DPS (Rs)	0.00	0.00	0.00
P/E (x)	12.47	6.08	6.74*
DY	0%	0%	0%

Source: Company accounts, JS Research
FY25 & FY26 multiples calculated on avg prices
^EPS @1291.73mn shares
** Annualized*

cheaper than grid, currently priced at Rs32–34/kWh. Renewable energy is expected to contribute more than 50% of power requirements, subject to seasonal wind conditions and efficient utilization. The company's combined installed clean energy capacity now stands at 26 MW, comprising 11.5 MW WHR, 7 MW solar and 7.5 MW wind. Consequently, grid's share in the power mix declined from 66% in 1QFY26 to 43% in 1QFY27, while WHR increased from 29% to 38% and wind contributed 14%, with solar remaining unchanged at 5%.

- Net finance costs also declined 39.08% YoY to Rs1.83bn in FY26, supported by cheaper sponsor loans and debt repayments. During 1QFY27, net finance cost dropped to Rs410.4mn, down 18.7% YoY. Management shared that sponsor loan of Rs400mn was also repaid during 1QFY27.

- Management indicated that the company maintains coal inventory equivalent to ~45-60 days of consumption, depending on prevalent prices, while cement and clinker inventories are maintained for ~1.5–2 months, supported by advance orders. Average cost of coal held in inventory was ~Rs40k–42k/ton.

- POWER continues to evaluate potential expansion and M&A opportunities, although no specific plans have been announced.

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