

Cement: Domestic volumes drive 7.2% YoY dispatch growth in FY26

- Cement dispatches clocked in at 50.5mn tons in FY26, up 7.2% YoY, driven by a 9.5% YoY rise in domestic dispatches. Export dispatches fell 2.2% YoY driven by a sharp 54% decline in northern exports, amid closure of the Afghanistan border, which outweighed the 9.4% growth in southern exports.
- Jun-2026 cement dispatches stood at 4.3mn tons, up 18.4% YoY and 13% MoM, driven by a 26.8% YoY increase in local dispatches as construction activity resumed following the Eid holidays amid higher number of working days compared to May-2026. Meanwhile, exports declined 8.7% YoY, reflecting the 8th consecutive month of nil exports from the North region.
- We expect domestic cement dispatch growth at 5% for FY27F, supported by a decrease in property transaction taxes and housing incentives such as Apna Ghar scheme. We, however, note that provincial governments in their respective budgets have reduced their Annual Development Programs (ADPs) cumulatively by 28%, which could weigh on volumes.

FY26: Local volumes up 9.5% YoY, Exports fall 2.2%

Cement dispatches clocked in at 50.5mn tons in FY26, up 7.2%, driven by a 9.5% YoY rise in domestic dispatches. Export dispatches fell 2.2% YoY driven by a sharp 54% decline in northern exports, amid closure of the Afghanistan border, which outweighed the 9.4% YoY growth in southern exports. Average capacity utilization in FY26 settled at 58.3% as compared 53.2% in FY25.

Jun-2026 cement dispatches stood at 4.3mn tons, up 18.4% YoY and 13.0% MoM. The increase was driven by a 26.8% YoY rise in domestic dispatches, supported by a low base effect from fewer working days in Jun-2025 due to Eid holidays, along with the resumption of construction activity and higher working days compared to the previous month. Meanwhile, export dispatches declined 8.7% YoY, marking the 8th consecutive month of zero exports from the northern region.

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Cement Dispatches

('000 tons)	May-26	Jun-26	YoYΔ	MoMΔ	FY25	FY26	YoYΔ
Total Dispatches	3,838	4,331	18%	13%	47,116	50,515	7%
Local Dispatches	3,205	3,541	27%	10%	37,906	41,507	9%
North Local	2,657	3,019	27%	14%	31,329	34,720	11%
South Local	548	522	28%	-5%	6,577	6,787	3%
Export Dispatches	633	790	-9%	25%	9,210	9,008	-2%
North Export	0	0	NM	NM	1,683	777	-54%
South Export	633	790	20%	25%	7,526	8,230	9%

Source: APCMA, JS Research

JS Cement Universe

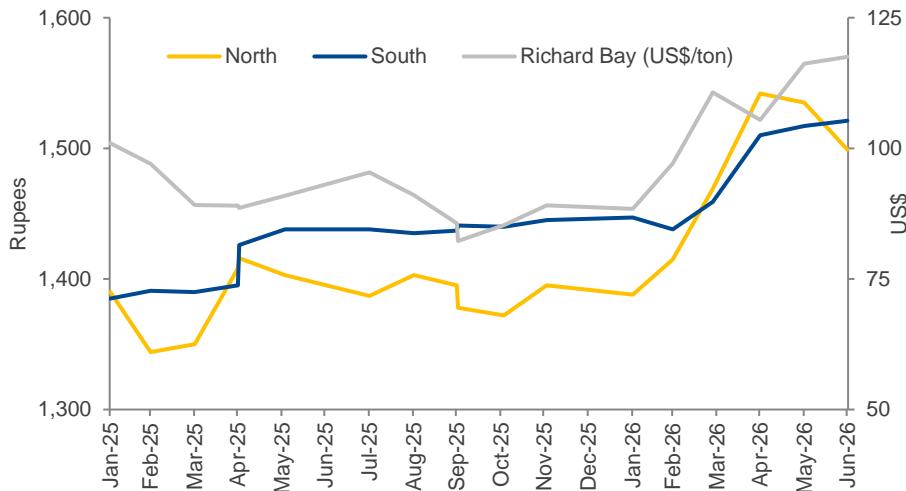
	FY26E		FY27F		Market cap (Rsmn)
	PE (x)	DY	PE (x)	DY	
FCCL	9.67	2%	8.33	3%	143,810
PIOC	10.96	3%	8.77	3%	65,012
KOHC	9.66	1%	8.28	1%	97,483
CHCC	9.05	1%	8.00	2%	66,089
MLCF*	11.10	0%	9.50	0%	114,719
ACPL	10.65	5%	8.53	6%	31,364
DGKC	9.27	0%	9.03	0%	102,511
LUCK*	8.02	1%	6.91	1%	715,887

Source: JS Research * Consolidated

South prices remain strong, North prices decline

Cement MRPs posted a notable decrease in Jun-2026, especially in the North region where prices declined by an average of Rs41/bag to ~Rs1,494/bag, while South region prices decreased by Rs8/bag to an average of Rs1,509/bag. The decrease in MRPs largely reflects decrease in coal prices which have declined 17% from a high of US\$125/ton to US\$107.5/ton at June end. We believe the latest price adjustments should help preserve margins, especially for North-based players that have largely transitioned to relatively lower-cost local coal.

Cement MRPs and coal prices trend

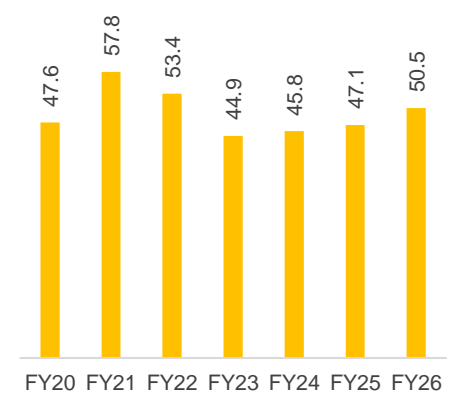


Source: PBS, Bloomberg, JS Research

Outlook

We expect domestic cement dispatches to grow 5% in FY27F, supported by a decrease in taxes on property transactions in the FY27 budget and housing incentives (e.g Apna Ghar Scheme), for which the govt has allocated Rs71bn. However, provincial governments, in their respective budgets, have reduced ADP allocations, with Punjab and Sindh lowering spending by 39% and 29%, respectively. Overall, provincial ADPs have been cut by 28% to Rs2.2trn for FY27 from Rs3trn in FY26, posing a key downside risk to our cement demand forecast.

Total Cement dispatches (mn tons)



Source: JS Research

Provincial ADP (Rs bn)

Provinces	FY26	FY27	%
Punjab	1,240	752	-39%
Sindh	1,018	720	-29%
KPK	547	524	-4%
Balochistan	249	206	-17%
Total	3,054	2,203	-28%

Source: JS Research, Budget documents, Newsflow

Company wise dispatches

(tons)		Jun-26	Jun-25	YoYΔ	May-26	MoMΔ	FY26	FY25	YoYΔ
Attock Cement	Local	112,580	73,257	54%	106,166	6%	1,352,439	1,223,383	11%
	Export	177,437	193,132	-8%	138,271	28%	2,140,597	1,470,014	46%
Bestway Cement	Local	566,934	443,806	28%	517,640	10%	6,893,742	6,647,268	4%
	Export	0	14,415	-100%	0	Nm	52,311	129,227	-60%
Cherat Cement	Local	196,913	163,812	20%	153,278	28%	2,173,855	1,995,053	9%
	Export	0	52,006	-100%	0	Nm	179,762	395,021	-54%
D.G Khan Cement	Local	298,542	227,379	31%	267,768	11%	3,618,326	3,467,479	4%
	Export	90,629	119,093	-24%	163,872	-45%	1,870,940	1,881,387	-1%
Dewan Cement	Local	102,628	74,836	37%	97,675	5%	1,244,499	1,199,584	4%
	Export	0	0	NM	0	NM	0	0	NM
Fauji Cement	Local	484,896	358,312	35%	463,347	5%	5,410,241	4,828,797	12%
	Export	0	77,961	-100%	0	NM	310,559	562,645	-45%
Fecto Cement	Local	66,141	43,275	53%	62,869	5%	829,575	550,480	51%
	Export	0	0	NM	0	NM	4,332	22,657	-81%
Gharibwal Cement	Local	126,576	99,447	27%	108,118	17%	1,432,032	1,220,365	17%
	Export	0	0	NM	0	NM	0	0	NM
Kohat Cement	Local	215,906	168,331	28%	182,206	18%	2,432,136	2,303,476	6%
	Export	0	1,089	-100%	0	NM	70,100	20,186	247%
Lucky Cement	Local	573,850	408,585	40%	519,096	11%	6,521,293	5,889,029	11%
	Export	340,689	290,347	17%	235,271	45%	3,159,821	3,392,982	-7%
Maple Leaf Cement	Local	346,967	294,866	18%	297,334	17%	3,959,210	3,597,367	10%
	Export	0	27,928	-100%	0	NM	72,905	254,140	-71%
Pioneer Cement	Local	195,773	162,791	20%	177,724	10%	2,444,659	2,072,332	18%
	Export	0	0	NM	0	NM	0	0	NM
Power Cement	Local	95,116	82,984	15%	101,422	-6%	1,326,802	1,246,448	6%
	Export	181,085	89,417	103%	95,234	90%	1,175,501	1,081,900	9%

Source: APCMA, JS Research

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