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LIMITED

Pakistan Cement Sector

05-Aug-2026

Cement dispatches up 6% in Jul’26

REP-300

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Best Bank for Research:’25
Best Investment Bank for M&A: ’25
Best for Research: ‘24
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Best Investment Bank: ’23

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Best Brokerage House: ’23 – ’21
Best Brokerage House (Runner-up): ’25–‘24
Best Economic Research House: ’23–‘21
Best Economic Research House (Runner-up): ’25–‘24

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Best Broker:’26
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Pakistan Cement Sector

Jul'26: Cement sales increased by 6% YoY to 4.48mn tons

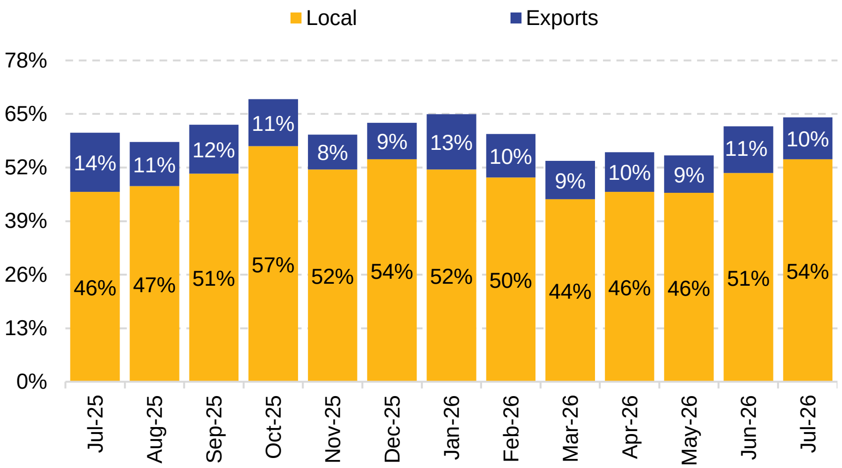
- Total cement dispatches increased by 6% YoY to 4.48mn tons in Jul'26 from 4.22mn tons in Jul'25, driven by improving domestic demand and an uptick in construction activity, despite prevailing monsoon conditions in the northern region during the month.
- Local cement dispatches increased by 17% YoY to 3.78mn tons in Jul'26 from 3.22mn tons in the SPLY, while export dispatches declined by 30% YoY to 0.71mn tons. On a MoM basis, local dispatches rose by 7%, whereas exports fell by 11%.
- Regionally, total dispatches from the northern region inclined by 10% YoY to 3.1mn tons, primarily due to a 19% YoY increase in local sales to 3.1mn tons. No exports were recorded from the region during Jul'26, compared to 0.23mn tons in the SPLY. The absence of exports was mainly attributable to the closure of the Afghanistan border.
- Southern region dispatches declined by 1% YoY to 1.39mn tons, primarily due to a 9% YoY decrease in export sales to 0.70mn tons, partially offset by a 9% YoY increase in domestic sales to 0.68mn tons
- Industry-wide capacity utilization clocked in at 64% in Jul'26, with utilization in the North and South regions standing at 55% and 95%, respectively.
- The average cement price during the month stood at PKR 1,530 per 50kg bag, reflecting an 8% YoY increase. Region-wise, average prices in the North were recorded at PKR 1,514 per bag, up 10% YoY, while prices in the South stood at PKR 1,547 per bag, marking a 7% YoY increase.

Exhibit: Cement Dispatches

(000) tons	Jul-26	Jun-26	MoM	Jul-25	YoY
North	**3,092**	**3,019**	**2.4%**	**2,825**	**9.5%**
Local	3,092	3,019	2.4%	2,593	19.3%
Exports	-	0	nm	232	nm
South	**1,389**	**1,312**	**5.9%**	**1,401**	**-0.8%**
Local	683	522	30.8%	626	9.1%
Exports	706	790	-10.6%	775	-8.9%
Total	**4,481**	**4,331**	**3.5%**	**4,226**	**6.0%**
Local	**3,775**	**3,541**	**6.6%**	**3,219**	**17.3%**
Exports	**706**	**790**	**-10.6%**	**1,007**	**-29.9%**

Source (s): APCMA, AHL Research

Exhibit: Trend of Utilization



Source (s): APCMA, AHL Research

Pakistan Cement Sector
Jul’26: Cement sales increased by 6% YoY to 4.48mn tons

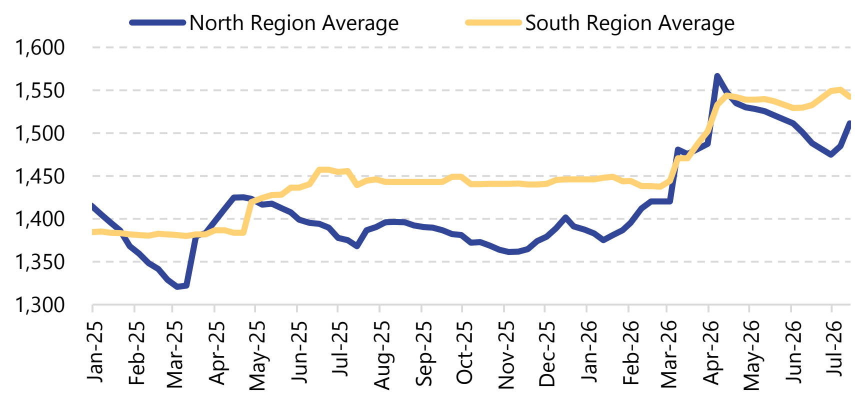
- In Jul’26, **DGKC’s** dispatches increased by 1% YoY to 0.50mn tons, primarily driven by a 19% rise in domestic sales, which more than offset the decline in exports. On a MoM basis, dispatches surged 29%, largely supported by a 90% jump in exports, while domestic dispatches also posted a healthy 11% increase.
- **FCCL’s** dispatches increased by 2% YoY to 0.49mn tons in Jul’26, driven by a 26% rise in domestic sales, while exports declined 100% YoY. On a MoM basis, overall dispatches edged up 3%, entirely supported by a 3% increase in domestic sales, as export dispatches remained absent.
- **KOHC’s** total dispatches increased by 17% YoY to 0.23mn tons in Jul’26, driven entirely by a 17% rise in domestic sales, while no exports were recorded during the month. On a MoM basis, overall dispatches rose by 7%, supported by an increase in domestic sales.
- **LUCK’s** total dispatches increased by 9% YoY to 0.87mn tons in Jul’26, driven by a 21% YoY rise in domestic sales to 0.61mn tons, which partially offset a 13% YoY decline in exports. On a MoM basis, total dispatches declined by 5%, primarily due to a 26% drop in export dispatches, despite a 7% increase in domestic sales.
- **MLCF’s** dispatches increased by 12% YoY to 0.35mn tons in Jul’26, driven by a 21% YoY rise in domestic sales, while no exports were recorded during the month. On a MoM basis, total dispatches remained largely flat.
- **POWER’s** total dispatches increased by 39% YoY to 0.31mn tons in Jul’26, primarily driven by a robust 111% YoY surge in export sales, which more than offset a 4% YoY decline in domestic sales. On a MoM basis, total dispatches rose by 12%, supported by a 40% increase in domestic sales, despite a 2% decline in exports.
- **Outlook:** Going forward, we expect industry momentum to strengthen, supported by recovering economic activity, FY27 budgetary incentives for the construction sector, and further interest rate cuts. However, potential export demand should also support volumes. Overall, we expect cement dispatches to grow by 7–8% in FY27.

Exhibit: Cement Dispatches - Company Wise

(000) tons	Jul-26	Jun-26	MoM	Jul-25	YoY
POWER	309	276	12%	222	39%
BWCL	639	567	13%	511	25%
PIOC	199	196	1%	164	21%
KOHC	232	216	7%	197	17%
MLCF	347	347	0%	311	12%
LUCK	867	915	-5%	798	9%
FECTC	78	66	19%	75	5%
GWLC	106	127	-16%	101	4%
FCCL	498	485	3%	489	2%
DGKC	503	389	29%	496	1%
CHCC	192	197	-2%	245	-22%
ACPL	255	290	-12%	338	-25%

Source (s): APCMA, AHL Research

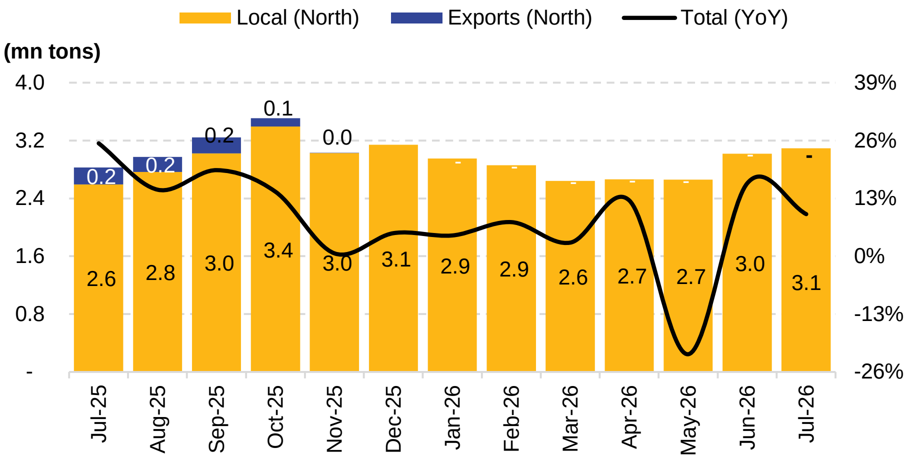
Exhibit: Historical Trend of Cement Prices (PKR/bag)



Source (s): PBS, AHL Research

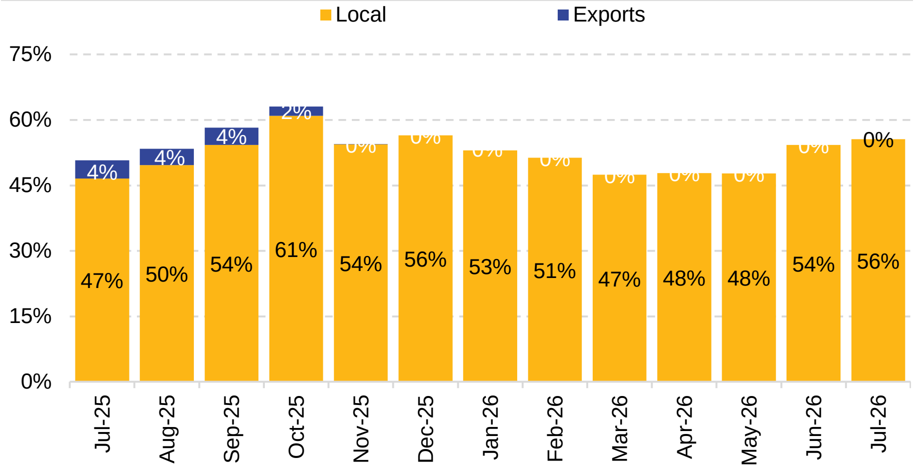
Pakistan Cement Sector
Region-wise dispatches trend & capacity utilization

Exhibit: North region dispatches



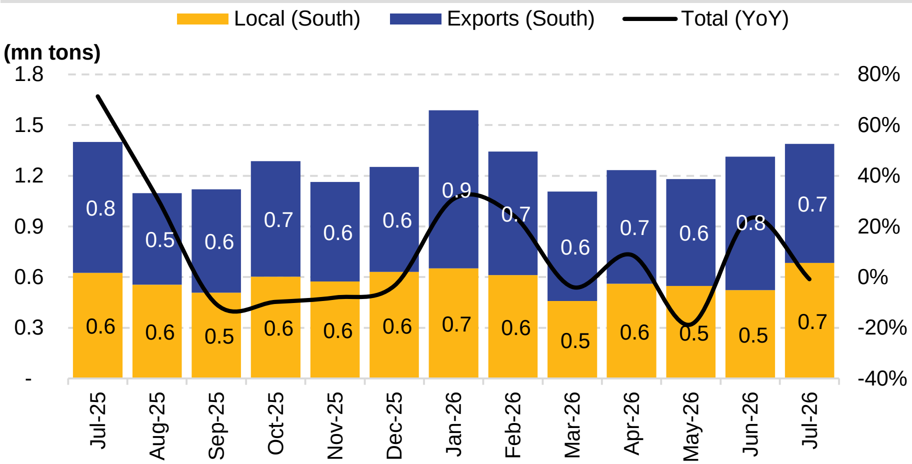
Source (s): APCMA, AHL Research

Exhibit: Trend of Utilization (North)



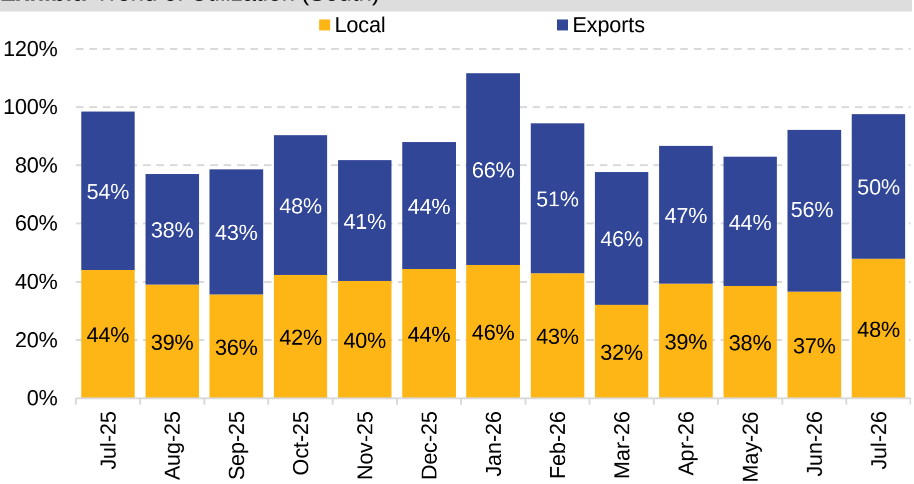
Source (s): APCMA, AHL Research

Exhibit: South region dispatches



Source (s): APCMA, AHL Research

Exhibit: Trend of Utilization (South)



Source (s): APCMA, AHL Research

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Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2026 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -5% and +10% from last closing of market price(s)
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Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk