


Pakistan Equity | Cement | Sector Research

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Cement dispatches to increase by 6% MoM in Feb 2022 Local dispatches to increase by 13% MoM



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Dispatches likely to clock in at 36mn tons in 8MFY22, down 4%

Cement Sales: Feb 2022E				
mn tons	Feb-22E	Feb-21A	YoY	MoM
Local	3.83	3.96	-3%	13%
North	3.09	3.28	-6%	14%
South	0.74	0.68	8%	7%
Export	0.36	0.62	-41%	-34%
Total	4.19	4.58	-8%	6%

Source: APCMA, Topline Research

Cement Sales: 8MFY22E			
mn tons	8MFY22E	8MFY21A	YoY
Local	31.29	31.64	-1%
North	25.96	26.85	-3%
South	5.34	4.79	11%
Exports	4.31	5.45	-21%
Total	35.60	37.08	-4%

Source: APCMA, Topline Research

- Pakistan cement sales are anticipated to grow by 6% MoM to 4.2mn tons with local dispatches likely to increase by 13% MoM likely due to seasonality amid resumption in construction activities post winters.
- On YoY basis, cement sales in Feb-2022 are expected to decline by around 8% YoY. Local dispatches are likely to be down 3% YoY primarily due to reduction in construction activity and increase in construction cost.
- Exports during Feb-2022 are likely to witness a decline ~41% YoY, while they are likely to contract by ~34% MoM. The decline in exports is on back of global supply chain disruptions keeping the sea freight charges on a higher side thus adversely impacting the exports, we believe.
- In 8MFY22, cement sales are expected to fall by ~4% YoY with local sales anticipated to remain flat. Flattish trend in growth of local cement dispatches is on the back of 1) cut in Public Sector Development Program (PSDP) allocation, (2) rising construction cost, and (3) inflationary impact restricting the demand growth.
- Industry utilization during Feb-2022 is anticipated to clock in at 73% with 8MFY22 average utilization of around 77%.
- Looking forward, rising coal and commodity prices remain a key concerns for the sector. Due to sharp rise in coal prices, industry has been using more Afghan coal which is usually 20-30% cheaper than international coal prices. In this scenario, players in the North are better placed to avail the Afghan coal due to better availability and lower transportation cost.
- In terms of dispatches, slowdown in construction activity and rising construction cost may keep the dispatches in check going ahead.

Company wise snapshot

Company Wise	Feb-22E	Feb-21A	YoY	MoM	8MFY22E	YoY
LUCK	774,094	777,063	0%	4%	6,216,126	-5%
Local	586,124	635,952	-8%	10%	4,768,046	-3%
Exports	187,969	141,111	33%	-12%	1,448,080	-11%
DGKC	475,984	414,572	15%	-11%	4,521,061	-4%
Local	419,835	414,572	1%	12%	3,332,633	-6%
Exports	56,150	-	NM	-65%	1,188,427	2%
MLCF	343,155	365,942	-6%	7%	3,012,732	-8%
Local	338,783	360,790	-6%	6%	2,935,338	-5%
Exports	4,372	5,152	-15%	309%	77,394	-60%
BWCL	600,656	681,757	-12%	17%	5,108,530	-11%
Local	593,300	641,694	-8%	16%	5,023,595	-7%
Exports	7,356	40,062	-82%	203%	84,936	-72%
PIOC	254,457	301,158	-16%	15%	2,223,878	2%
Local	254,457	301,158	-16%	15%	2,223,878	3%
Exports	-	-	NM	NM	-	NM
CHCC	268,617	272,009	-1%	35%	2,292,949	-9%
Local	265,932	248,894	7%	36%	2,108,457	-7%
Exports	2,685	23,115	-88%	-23%	184,492	-24%
ACPL	245,063	246,617	-1%	-12%	1,800,195	-21%
Local	155,429	125,190	24%	6%	1,072,769	15%
Exports	89,634	121,426	-26%	-32%	727,426	-46%
KOHC	305,724	340,576	-10%	50%	2,326,445	-8%
Local	305,724	325,278	-6%	50%	2,323,436	-3%
Exports	-	15,298	NM	NM	3,009	-98%
FCCL	242,242	288,313	-16%	29%	2,133,858	-9%
Local	239,624	271,721	-12%	30%	2,058,749	-5%
Exports	2,618	16,593	-84%	-8%	75,108	-55%

Source: APCMA, Topline Research

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