


Pakistan Equity | Cement | Sector Research

April 4, 2022

REP-057

Cement dispatches to increase by 10% MoM in Mar 2022
Local dispatches to increase by 13% MoM



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Dispatches likely to clock in at 41mn tons in 9MFY22, down 4%

Cement Sales: Mar 2022E

mn tons	Mar-22E	Mar-21A	YoY	MoM
Local	4.47	4.56	-2%	13%
North	3.58	3.81	-6%	11%
South	0.89	0.75	18%	20%
Export	0.33	0.81	-60%	-19%
Total	4.80	5.37	-11%	10%

Source: APCMA, Topline Research

Cement Sales: 9MFY22E

mn tons	9MFY22E	9MFY21A	YoY
Local	35.89	36.20	-1%
North	29.66	30.66	-3%
South	6.23	5.54	12%
Exports	4.68	6.26	-25%
Total	40.56	42.46	-4%

Source: APCMA, Topline Research

- Pakistan cement sales are anticipated to grow by 10% MoM to 4.8mn tons with local dispatches likely to increase by 13% MoM which is due to seasonality amid resumption in construction activities post winters.
- On YoY basis, cement sales in Mar-2022 are expected to decline by around 11% YoY. Local dispatches are likely to be down by 2% YoY primarily due to slowdown in construction activity and increase in construction cost, we believe.
- Exports during Mar-2022 are likely to witness a decline ~60% YoY, while they are likely to contract by ~19% MoM. The decline in exports is on back of global supply chain disruptions keeping the sea freight charges on a higher side.
- In 9MFY22, 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 Mar-2022 is anticipated to clock in at 83% with 9MFY22 average utilization of around 78%.
- Looking forward, rising coal and commodity prices remain a key concern for the sector. Due to sharp rise in coal prices, industry has been using more Afghan, Local and Russian coal which is usually cheaper by 30-40% to the international Richard Bay 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.
- Industry dispatches are likely to fall in April-2022 where the overall construction activity across the country remains dull in the month of Ramadan.

Company wise snapshot

Company Wise	Mar-22E	Mar-21A	YoY	MoM	9MFY22E	YoY
LUCK	819,920	932,572	-12%	6%	7,035,333	-8%
Local	694,311	732,520	-5%	17%	5,450,829	-5%
Exports	125,609	200,052	-37%	-30%	1,584,504	-17%
DGKC	590,211	625,149	-6%	7%	5,112,627	-5%
Local	500,897	479,892	4%	15%	3,845,456	-4%
Exports	89,314	145,257	-39%	-22%	1,267,171	-8%
MLCF	394,867	458,222	-14%	14%	3,483,789	-8%
Local	383,307	421,974	-9%	12%	3,396,025	-4%
Exports	11,560	36,248	-68%	110%	87,764	-64%
BWCL	669,730	782,374	-14%	7%	5,865,519	-11%
Local	654,966	737,625	-11%	5%	5,705,553	-8%
Exports	14,764	44,749	-67%	101%	159,966	-56%
PIOC	305,284	351,442	-13%	16%	2,554,071	2%
Local	305,284	351,385	-13%	16%	2,554,071	2%
Exports	-	57	-100%	-	-	-100%
CHCC	334,368	388,209	-14%	17%	2,670,699	-10%
Local	319,438	317,879	0%	13%	2,464,719	-6%
Exports	14,931	70,330	-79%	176%	205,981	-39%
ACPL	212,698	312,111	-32%	-2%	1,914,148	-27%
Local	174,856	152,816	14%	22%	1,198,753	10%
Exports	37,841	159,295	-76%	-49%	715,394	-53%
KOHC	393,759	354,163	11%	24%	2,734,216	-4%
Local	391,837	338,617	16%	23%	2,729,814	1%
Exports	1,922	15,546	-88%	-	4,402	-97%
FCCL	289,913	294,675	-2%	15%	2,470,769	-5%
Local	279,063	265,880	5%	12%	2,382,875	0%
Exports	10,850	28,795	-62%	185%	87,894	-56%

Source: APCMA, Topline Research

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