

# Pakistan Equity | Cement | Sector Research

Mar 26, 2024

REP-057

**Local cement dispatches likely to up 10-14% MoM in Mar-2024**

9MFY24 local sales down 3-5%, below expectation



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2016, 2017, FY20 (Winner)  
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Brokers Poll 2016 to 2023



**Best Brokerage House**  
2018, 2019 & 2020



**Best Research House**  
2019, 2020 & 2023



**Best Brokerage House**  
2021

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# 9MFY24 total cement sales up 1-3%

Pakistan Cement Sales: Mar 2024E

mn tons	Mar-24E	Mar-23A	YoY	MoM
<b>Local</b>	<b>3.20</b>	<b>3.36</b>	<b>-5%</b>	<b>12%</b>
North	2.61	2.72	-4%	12%
South	0.58	0.64	-9%	11%
<b>Export</b>	<b>0.56</b>	<b>0.44</b>	<b>27%</b>	<b>41%</b>
<b>Total</b>	<b>3.75</b>	<b>3.80</b>	<b>-1%</b>	<b>15%</b>

Source: APCMA, Topline Research

Pakistan Cement Sales: 9MFY24E

mn tons	9MFY24E	9MFY23A	YoY
<b>Local</b>	<b>29.25</b>	<b>30.56</b>	<b>-4%</b>
North	24.11	25.05	-4%
South	5.15	5.52	-7%
<b>Exports</b>	<b>5.05</b>	<b>3.04</b>	<b>67%</b>
<b>Total</b>	<b>34.31</b>	<b>33.60</b>	<b>2%</b>

Source: APCMA, Topline Research

- Pakistan local cement dispatches are likely to up 10-14% MoM to clock in at around 3.20mn tons in Mar-2024. However, dispatches are anticipated to decline by 3-7% YoY.
- MoM increase in local cement dispatches is primarily due to lower sales in Feb-2024. To recall, local dispatches were 2.86mn tons in Feb-2024 as compared to last five year average dispatches of 3.61mn tons in Feb. Local sales were down due to fewer working days in Feb-2024 and lower activities due to election 2024.
- Considering above sales figures, the average daily domestic sales for the sector is expected to clock in at 103.1k tons/day in Mar-24 which is still lower than last five-year average Mar sales of 127.1k tons/day.
- YoY decline in local cement dispatches is attributed to (i) slowdown in construction activities due to higher cost of construction inputs, (ii) high base effect of last year as cement dispatches were up due to flood related construction activities, and (iii) the implementation of axle load, as companies were facing issues in transporting cement.
- Exports during March 2024 are anticipated to increase by 25-29% YoY and 39-43% MoM, reaching 0.56mn tons. This growth in exports is mainly due to Lucky Cement, as the company recently secured export orders mostly from African countries.
- This takes Pakistan's total cement sales to around 3.75mn tons in Mar-2024, flat YoY and up 13-17% MoM.
- Total cement capacity utilization in Mar-24 is estimated to clock in at 55% vs 48% in Feb-24 and 61% in Mar-23.
- In 9MFY24, total cement sales are likely to increase by around 1-3% YoY, with local sales expected to decline by 3-5% YoY and exports to increase by 66-68% YoY.
- Average retail price in Mar-24 increased by Rs10 per bag to Rs1,205/bag in the South, while it decline by Rs6 per bag to Rs1,239 per bag in the North, as per Pakistan Bureau of Statistics (PBS).
- Based on 9M2023 cement sales, we expect local sales to remain flat YoY at 40mn tons down from our earlier estimate of 5% growth in FY24, while we believe export sales will continue their momentum. Consequently, we expect total cement dispatches to clock in at 47mn tons, up 5% YoY in FY24.

# Company wise snapshot

Company Wise	Mar-24E	Mar-23A	YoY	MoM	9MFY24E	YoY
<b>LUCK</b>	<b>752,904</b>	<b>636,905</b>	<b>18%</b>	<b>28%</b>	<b>6,425,603</b>	<b>18%</b>
Local	529,532	525,021	1%	8%	4,908,222	7%
Exports	223,372	111,884	100%	128%	1,517,381	79%
<b>DGKC</b>	<b>358,369</b>	<b>402,103</b>	<b>-11%</b>	<b>11%</b>	<b>3,487,823</b>	<b>-6%</b>
Local	301,856	347,010	-13%	15%	2,761,436	-14%
Exports	56,513	55,093	3%	-5%	726,388	45%
<b>MLCF</b>	<b>349,618</b>	<b>359,656</b>	<b>-3%</b>	<b>23%</b>	<b>2,990,888</b>	<b>-5%</b>
Local	338,132	350,013	-3%	22%	2,878,086	-6%
Exports	11,486	9,643	19%	44%	112,802	31%
<b>BWCL</b>	<b>571,317</b>	<b>530,969</b>	<b>8%</b>	<b>10%</b>	<b>5,352,804</b>	<b>10%</b>
Local	562,364	524,377	7%	10%	5,251,697	10%
Exports	8,953	6,592	36%	-13%	101,107	83%
<b>PIOC</b>	<b>200,511</b>	<b>210,206</b>	<b>-5%</b>	<b>16%</b>	<b>1,814,032</b>	<b>-13%</b>
Local	200,511	210,206	-5%	16%	1,814,032	-13%
Exports	0	0	NM	NM	0	NM
<b>CHCC</b>	<b>207,034</b>	<b>236,570</b>	<b>-12%</b>	<b>21%</b>	<b>1,952,929</b>	<b>-12%</b>
Local	175,963	206,128	-15%	19%	1,688,704	-15%
Exports	31,071	30,442	2%	39%	264,225	14%
<b>ACPL</b>	<b>151,245</b>	<b>211,739</b>	<b>-29%</b>	<b>-32%</b>	<b>1,762,807</b>	<b>21%</b>
Local	104,742	113,702	-8%	10%	949,342	-8%
Exports	46,504	98,037	-53%	-64%	813,465	89%
<b>KOHC</b>	<b>201,591</b>	<b>238,465</b>	<b>-15%</b>	<b>11%</b>	<b>1,999,361</b>	<b>-13%</b>
Local	198,135	232,390	-15%	10%	1,964,682	-14%
Exports	3,456	6,075	-43%	186%	34,679	246%
<b>FCCL</b>	<b>403,416</b>	<b>439,691</b>	<b>-8%</b>	<b>4%</b>	<b>3,745,398</b>	<b>0%</b>
Local	369,988	397,557	-7%	3%	3,370,499	-2%
Exports	33,428	42,134	-21%	9%	374,899	17%

Source: APCMA, Topline Research

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