November 18, 2026
REP 019

POWER — FY26 Analyst Briefing Takeaways

AKD Securities Limited

Power cement Ltd. (POWER) held its analyst briefing today to discuss the FY26 financial results and future outlook of the company. Following are the key points:

- To recall, company posted a profit of PkR3.8bn (EPS: PkR2.9) in FY26 vs. PkR815mn (EPS: PkR0.4) in SPLY, up 364%YoY.
- In 1QFY27, company posted a profit of PkR1.1bn (EPS: PkR0.8) vs. PkR804mn (EPS: PkR0.6) in SPLY, up 31%YoY.
- Total offtakes for FY26 increased by 8%YoY to 2.6mn tons, mainly due to a 31%YoY rise in clinker exports. Sales mix comprised 53% local dispatches and 47% exports.
- During 1QFY27, offtakes grew 32%YoY to 0.8mn tons as clinker exports more than doubled, taking the export share to 52%.
- Company's local market share in the South region stood at 20% during FY26.
- Overall, capacity utilization improved to 75% in FY26 vs. 67% in FY25.
- Export contribution to topline improved to US$46.4mn in FY26 vs. US$36.3mn in SPLY. Current clinker export prices stand at US$36–38/ton, with certain shipments fetching higher prices amid the geopolitical situation.
- Local retention prices during FY26 remained in the range of PkR16–17k/ton, while current retention prices stand at PkR17–18k/ton.
- On the fuel front, the mix comprises 91% coal and 9% alternative fuels, with coal split 95% imported and 5% local.
- Landed cost of imported coal currently stands at US$130–150/ton. However, average coal inventory cost stands at PkR40–42k/ton, as inventory was procured at favorable prices.
- Power mix as of Sep'26 stood at Grid 43%, WHR 38%, Wind 14% and Solar 5%. Average grid rate currently stands at PkR32–34/unit.
- Management noted the company maintains coal inventory of 45 days to 2 months and cement/clinker inventory of 1.5–2 months, depending on demand and supply.
- Going forward, management expects local cement demand to grow by 5–7%YoY in FY27.
- The scrip is not in our formal coverage.

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22.0	1,291.7
Price (PkR/sh)	Shares (mn)
28,353.5	102.5
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
1.109	24.9
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance

22.7	-1.3%	20.8
HIGH	1 Month	LOW
23.8	21.9%	14.9
HIGH	52 Week	LOW

Source: PSX & AKD Research

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- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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BUY > 15% expected total return

NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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