

16 October 2026

PIOC: Revenue Growth and Nil Finance Cost Likely to Drive EPS Up 39% YoY

Pioneer Cement Limited

PSX: PIOC | Bloomberg: PIOC PA | Reuters: PION.PSX

- PIOC is expected to announce its 1QFY27 results, wherein we expect the company to post an EPS of PKR 7.79, up 39% YoY.
- Revenue is expected to clock in at PKR 10.4bn, up 24% YoY, driven by a 7% YoY uptick in dispatches and a likely 16% YoY increase in net retention as PIOC's region (Sargodha) witnessed a 15% YoY increase in cement prices.
- Gross margins are expected to remain flattish YoY at 29.8%, as higher retention is likely to be offset by rising costs. RB2 coal prices rose 25% YoY to USD 113/ton amid geopolitical tensions, train derailment in South Africa and export quota uncertainty in Indonesia. With industry relying on mix of local and imported coal following Afghan border closure, increased demand for local coal and higher fuel costs have pushed up the fuel cost. Since PIOC almost entirely relies on local coal, higher local coal prices and a 34% YoY increase in HSD prices to PKR 372/litre are expected to offset the benefit of higher retention.
- PIOC is likely to report nil finance cost in 1QFY27 amid a debt-free balance sheet, cushioning earnings. Conversely, other income is projected to fall 39% YoY to PKR 56mn, dragged down by a 46% YoY decline in cash and short-term investments.
- On a sequential basis, earnings are expected to decline 20% QoQ. gross margins are likely to contract 2ppt QoQ amid depletion of low-cost inventories and a lagged cement price increase in 1QFY27. However, earnings drop is primarily driven by a high base effect from the preceding quarter's deferred tax reversal. Adjusting for this one-off DTL adjustment and normalizing 4QFY26 EPS at an average effective tax rate of 9MFY26 of 41%, 1QFY27 is likely to be up by 8% QoQ.

Key Data

PSX Ticker	PIOC
Target Price (PKR)	322
Current Price (PKR)	232
Upside/(Downside) (%)	39%
Dividend Yield (%)	0%
Total Return (%)	39%
12-month High (PKR)	428
12-month Low (PKR)	200
Outstanding Shares (mn)	227
Market Cap (PKR mn)	52,650

Source: PSX, Akseer Research

Financial Estimates (PKR Mn)	1QFY26	1QFY27F	YoY	4QFY26	QoQ
Sales	8,417	10,432	24%	9,859	6%
Cost of Sales	5,910	7,326	24%	6,737	9%
Gross Profit	2,507	3,107	24%	3,121	0%
General and Admin	140	154	10%	127	21%
Selling and Distribution	40	42	6%	33	29%
Other Operating Expenses	115	157	37%	431	-64%
Other Income	91	56	-38%	304	-82%
Finance Cost	214	0	-100%	75	-100%
Profit Before Tax	2,089	2,810	34%	2,759	2%
Taxation	815	1,040	28%	561	85%
Net Income	1,274	1,770	39%	2,198	-20%
EPS	5.61	7.79	39%	9.68	-20%
Normalized EPS @ 41% ETR*	5.61	7.79	39%	7.20	8%
DPS	0	0	n.m.	0	n.m.

* EPS Normalized @ 9MFY26 Effective Tax Rate, Source: Company Accounts, Akseer Research

- On 10th December 2025, NEPRA introduced an “incremental consumption package”, offering eligible consumers, incremental units at PKR 22.98/KWH. According to our estimates, CFPP could cost PIOC ~PKR 38/KWH against average grid rate of ~PKR 31.83/KWH in 1QFY27. Therefore, it is likely that PIOC would shift from coal-based electricity generation towards grid to benefit from incremental consumption package. Below is our estimate of the likely cost saving as per the conditions outlined in the NEPRA's notification (these estimates may differ based on actual monthly consumption from the grid):

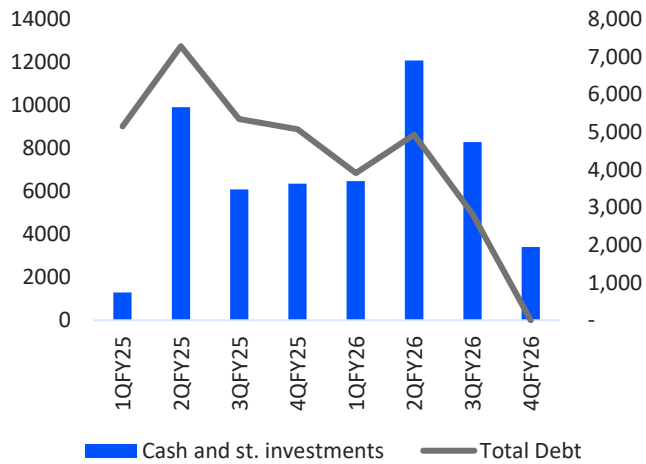
Incremental package estimated impact	1QFY27
NEPRA's reference period	July-Sept 25
Benchmark units' formula	Reference month units * (1+2.8%) ^ n
Relevant year of package (n)	1
FY25 grid mix % (A)	5%
1QFY25 power consumption (MW) (B)	31.75
Estimated units consumed by PIOC in 1QFY25 (C= A * B * 75 * 24 * 1000)	2,857,500
Formula adjusted benchmark units (D= C * 1.028 ^ n)	2,937,510
1QFY27 unit's requirement (E)	49,219,968
Incremental units (F=E-D)	46,282,458
Average grid rate in 1QFY27	31.83
Reduced rate according to incremental package	22.98
Cost saving / unit (G)	8.85
Total cost saving (in Mn) (H= F * G)	409.60
Post tax savings in Mn (H * 63% * 93%)	239.98
EPS impact	1.06

Source: NEPRA, Company Accounts, Akseer Research

Key Financial Ratios	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
EPS (PKR)	22.8	21.5	29.0	31.5	31.3	35.6	40.1	43.0
EPS Growth	98.2%	-5.8%	35.2%	8.5%	-0.5%	13.6%	12.8%	7.1%
DPS (PKR)	15.0	10.0	0.0	0.0	17.1	18.9	21.1	22.9
BVPS (PKR)	201.1	207.5	218.0	249.5	263.8	280.5	299.6	319.7
PER	10.9	11.5	8.5	7.9	7.9	7.0	6.2	5.8
Dividend Yield	6.1%	4.0%	0.0%	0.0%	6.9%	7.6%	8.5%	9.2%
P/B	1.2	1.2	1.1	1.0	0.9	0.9	0.8	0.8
ROE	12.0%	10.5%	13.6%	13.5%	12.2%	13.1%	13.8%	13.9%

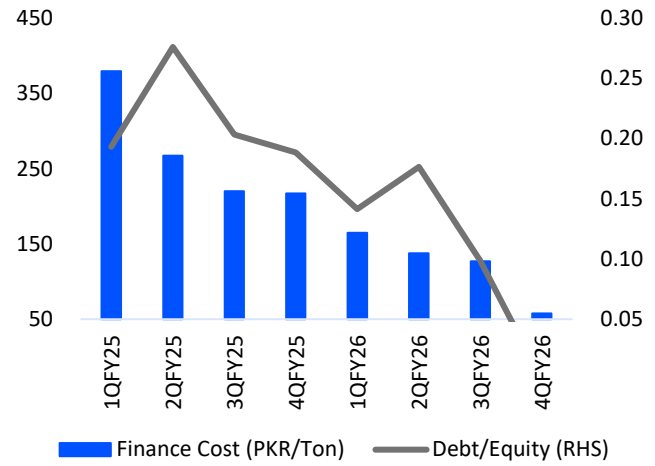
Source: Company Accounts, Akseer Research

Cash reserves declined reflecting de-leveraging...



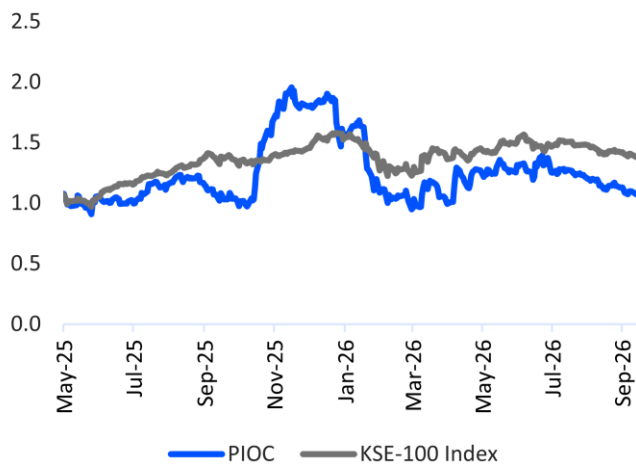
Source: Company Accounts, Akseer Research

... Debt/equity & finance cost decreased providing cushion



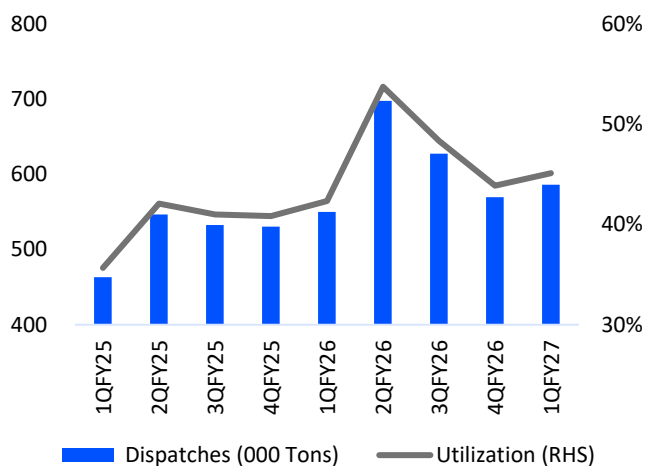
Source: Company Accounts, Akseer Research

Relative Price Performance of PIOC



Source: Bloomberg, Akseer Research

Stronger dispatches growth



Source: Company Accounts, APCMA

Financials– PIOC

Income Statement (PKR Mn)	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
Net Sales	35,519	33,309	38,579	46,600	50,007	56,600	64,380	71,471
Cost of Sales	23,756	22,865	26,998	33,257	36,478	41,730	48,028	54,194
Gross Profit	11,763	10,444	11,581	13,343	13,529	14,869	16,351	17,277
Other Expenses	1,007	1,183	1,243	1,392	1,447	1,579	1,725	1,841
Operating Profit (EBIT)	10,756	9,261	10,338	11,951	12,082	13,290	14,626	15,436
Other Income	433	252	487	224	501	848	1,274	1,734
Finance Cost	2,806	1,408	633	0	0	0	0	0
Profit before tax (PBT)	8,383	8,105	10,192	12,176	12,584	14,139	15,900	17,170
Taxation/Levies	3,207	3,229	3,597	5,022	5,468	6,052	6,781	7,399
Profit after tax (PAT)	5,176	4,876	6,594	7,154	7,116	8,087	9,119	9,771
EPS (PKR)	22.79	21.47	29.03	31.49	31.33	35.60	40.15	43.01
DPS (PKR)	15.00	10.00	0.00	0.00	17.07	18.87	21.06	22.89

Source: Company Accounts, Akseer Research

Balance Sheet (PKR Mn)	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
PPE	76,221	74,097	65,741	66,786	65,846	64,887	63,909	62,911
Other LT assets	753	783	1,165	1,165	1,165	1,165	1,165	1,165
Non-current assets	76,975	74,880	66,905	67,951	67,011	66,052	65,073	64,076
Current assets	8,103	11,486	12,532	16,896	21,656	27,468	34,010	40,670
Total assets	85,078	86,367	79,438	84,847	88,667	93,520	99,083	104,746
Non-current liabilities	24,767	26,206	18,794	18,794	18,794	18,794	18,794	18,794
Current liabilities	14,639	13,034	11,121	9,376	9,959	11,012	12,239	13,331
Total liabilities	39,406	39,240	29,916	28,171	28,754	29,806	31,034	32,125
Equity	45,672	47,127	49,522	56,676	59,914	63,714	68,049	72,620
Total equity & liabilities	85,078	86,367	79,438	84,847	88,667	93,520	99,083	104,746

Source: Company Accounts, Akseer Research

Cash Flow Statement (PKR Mn)	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
Net Operating Profit After Tax	6,641	5,533	6,693	7,529	7,612	8,373	9,214	9,725
Non-Cash Charges	2,954	3,131	2,906	2,899	2,957	3,016	3,077	3,138
Operating Cash Flows	9,931	9,780	6,439	6,729	9,410	10,333	10,972	11,415
FCFF	8,558	8,773	11,890	2,783	7,393	8,276	8,874	9,274
Financial Charges (1-T)	(1,733)	(847)	(409)	0	0	0	0	0
Net Borrowings	(6,980)	(1,616)	(8,887)	0	0	0	0	0
FCFE	(155)	6,310	2,593	2,783	7,393	8,276	8,874	9,274
Closing Cash	415	555	709	3,117	6,136	9,839	13,834	17,954

Source: Company Accounts, Akseer Research

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