

# Result Review | Pakistan Research

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## PIOC: 2QFY26 EPS clocks in at PKR 7.04, down 9% YoY

### Pioneer Cement Limited

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

- PIOC announced its 2QFY26 results today wherein the company reported an EPS of PKR 7.04, down 9% YoY. This takes cumulative earnings for 1HFY26 to PKR 12.65/share, up 4% YoY. Contrary to expectations, no dividend was announced along with the results.
- Net sales for 2QFY26 clock in at PKR 10.3bn, up 15% YoY from PKR 8.9bn SPLY, driven by a 28% YoY increase in local dispatches to ~0.7mn tons, outpacing the North's 12% YoY growth and offsetting a 4% YoY decline in net retention.
- Gross margins for 2QFY26 clocked in at 30%, down 12 ppts YoY primarily reflecting the effect of increased royalty charge on 6% of ex-factory price instead of net retention. The compression in margins also reflect upward pressure on fuel cost driven by Afghan border closure.
- The finance cost of the company declined by 49% YoY in 2QFY6 due to lower average interest rate and reduction in borrowing to PKR 8.7bn from PKR 12.8bn in SPLY.
- We maintain a 'Hold' recommendation on the stock based on our Dec-26 price target (PT) of PKR 376/share, along with a dividend yield of 2%.

#### Key Data

PSX Ticker	PIOC
Target Price (PKR)	376
Current Price (PKR)	349
Upside/(Downside) (%)	8%
Dividend Yield (%)	2%
Total Return (%)	10%
12-month High (PKR)	428
12-month Low (PKR)	173
Outstanding Shares (mn)	227
Market Cap (PKR mn)	79,161

Source: PSX, Akseer Research

Financial Estimates (PKR mn)	2QFY25	2QFY26	YoY	1HFY25	1HFY26	YoY
Sales	8,901	10,262	15%	16,791	18,678	11%
Cost of Sales	5,190	7,225	39%	10,680	13,135	23%
<b>Gross Profit</b>	<b>3,710</b>	<b>3,037</b>	<b>-18%</b>	<b>6,111</b>	<b>5,543</b>	<b>-9%</b>
General and Admin	113	98	-14%	251	237	-5%
Selling and Distribution	37	40	9%	77	80	4%
Other Operating Expenses	365	150	-59%	471	265	-44%
Other Income	33	168	409%	86	259	203%
Finance Cost	347	179	-49%	840	393	-53%
<b>Profit Before Tax</b>	<b>2,881</b>	<b>2,738</b>	<b>-5%</b>	<b>4,558</b>	<b>4,827</b>	<b>6%</b>
Taxation	1,131	1,138	1%	1,785	1,953	9%
<b>Net Income</b>	<b>1,750</b>	<b>1,600</b>	<b>-9%</b>	<b>2,773</b>	<b>2,874</b>	<b>4%</b>
EPS	7.70	7.04	-9%	12.21	12.65	4%
DPS	5.00	0.00		5.00	0.00	

Source: Company Accounts, Akseer Research

Key Financial Ratios	FY23A	FY24A	FY25A	FY26E	FY27F	FY28F
EPS (PKR)	11.5	22.8	21.5	24.4	29.5	36.7
EPS Growth	148.6%	98.2%	-5.8%	13.5%	21.0%	24.7%
DPS (PKR)	0.0	15.0	10.0	8.0	9.6	12.0
BVPS (PKR)	178.4	201.1	207.5	223.8	243.6	268.4
PER	33.4	16.9	17.9	14.3	11.8	9.5
Dividend Yield	0.0%	3.9%	2.6%	2.3%	2.8%	3.4%
P/B	2.2	1.9	1.9	1.6	1.4	1.3
ROE	7.4%	12.0%	10.5%	11.3%	12.6%	14.3%

Source: Company Accounts, Akseer Research

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Buy	Greater than or equal to +15%
Hold	Between -5% and +15%
Sell	Less than or equal to -5%

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