

April 24, 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

SUBJECT: FINANCIAL RESULTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

Dear Sir,

This is to inform you that the Board of Directors of the Company in their meeting held on April 24, 2025 at 03:30 pm via video link recommended the following:

(i)	CASH DIVIDEND	NIL
(ii)	BONUS SHARES	NIL
(iii)	RIGHT SHARES	NIL
(iv)	ANY OTHER ENTITLEMENT/CORPORATE ACTION	NIL
(iv)	ANY OTHER PRICE SENSITIVE INFORMATION	NIL

The financial results of the Company for the nine months period ended March 31, 2025, are enclosed.

The report for the nine months period ended March 31, 2025, will be transmitted electronically through PUCARS within the specified timeframe.

Yours Sincerely,



Salman Gogan
Company Secretary

Encl: as above

c.c

Executive Director/HOD
Offsite-II Department, Supervision Division
SECP, 63, NIC Building, Jinnah Avenue
Blue Area, Islamabad.

POWER CEMENT LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025**

		(Unaudited) March 31, 2025	(Audited) June 30, 2024
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,113,803	34,309,305
Right-of-use asset		88,682	-
Long-term investments		21,216	20,094
Deferred tax asset		3,192,403	3,186,709
Long-term deposits		62,069	56,069
		37,478,173	37,572,177
Current assets			
Inventories	6	2,080,983	2,019,890
Stores, spares and loose tools	7	3,779,658	3,532,483
Trade receivables - considered good	8	810,748	294,896
Advances and other receivables - unsecured, considered good		659,076	758,588
Taxation - payments less provision		287,540	393,418
Derivative financial asset		1,352,503	2,186,893
Trade deposits and short-term prepayments		144,079	117,438
Tax refund due from government - sales tax		90,833	359,252
Short-term investments		140,457	135,373
Cash and bank balances	9	207,951	407,368
		9,553,828	10,205,599
TOTAL ASSETS		47,032,001	47,777,776
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Ordinary shares	10	11,929,887	11,118,852
Cumulative preference shares		1,474,046	2,082,323
		13,403,933	13,201,175
Reserves			
Capital Reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(323,936)	(121,178)
Revenue Reserve			
Accumulated loss		(5,752,442)	(6,100,369)
		(5,336,885)	(5,482,054)
Contribution from associated undertakings		15,000,000	11,700,000
TOTAL EQUITY		23,067,048	19,419,121
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		12,433,857	14,877,802
Long-term trade payables		-	356,493
Long-term lease liability		82,574	-
Staff retirement benefits		358,484	302,396
		12,874,915	15,536,691
Current liabilities			
Trade and other payables		4,578,347	3,119,007
Unclaimed dividend		126	126
Accrued mark-up		714,776	2,044,231
Short-term financing - secured		4,164,360	6,269,067
Current portion of long-term lease liability		9,055	-
Current portion of long-term financing		1,623,374	1,389,533
		11,090,038	12,821,964
TOTAL LIABILITIES		23,964,953	28,358,655
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES	11	47,032,001	47,777,776

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

POWER CEMENT LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME - UNAUDITED
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025**

	Note	Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
		(Rupees in '000)		(Rupees in '000)	
Revenue from contracts with customers	12	21,004,306	24,939,287	7,182,203	8,091,953
Cost of sales		(15,205,451)	(19,429,863)	(5,129,858)	(6,576,534)
Gross profit		5,798,855	5,509,424	2,052,345	1,515,419
Selling and distribution expenses	13	(1,993,243)	(2,364,296)	(626,031)	(832,005)
Administrative expenses		(433,456)	(328,420)	(143,550)	(109,733)
Impairment loss on trade receivables		(12,021)	-	-	-
Other (expense) / income		(84,885)	(174,666)	(111,177)	135,035
		(2,523,605)	(2,867,382)	(880,758)	(806,703)
Profit from operations		3,275,250	2,642,042	1,171,587	708,716
Finance income		29,811	21,082	15,330	9,345
Finance cost		(2,542,805)	(3,903,216)	(639,088)	(1,355,686)
		(2,512,994)	(3,882,134)	(623,758)	(1,346,341)
Profit / (loss) before taxation and levy		762,256	(1,240,092)	547,829	(637,625)
Levy		(63,756)	(106,720)	(17,428)	(29,417)
Taxation		(350,573)	159,901	(214,843)	(50,052)
Profit / (loss) after taxation and levy		347,927	(1,186,911)	315,558	(717,094)
Other comprehensive income / (loss):					
Items that are or may be reclassified subsequently to profit or loss					
Changes in fair value of cash flow hedges		(834,390)	(953,192)	(481,285)	(368,168)
Adjustment for amounts transferred to profit or loss		834,390	953,192	481,285	368,168
Related deferred tax		-	-	-	-
Hedging Reserve		-	-	-	-
Total comprehensive income / (loss) for the period		347,927	(1,186,911)	315,558	(717,094)
------(Rupees)-----					
Earnings / (loss) per share - Basic with preference share dividend	14	0.07	(1.41)	0.22	(0.77)
Earnings / (loss) per share - Basic without preference share dividend	14	0.30	(1.07)	0.28	(0.65)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

POWER CEMENT LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2025

	Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital reserve Share premium	Revenue reserve		Contribution from associated undertakings	Total Equity
				Hedging Reserve	Accumulated loss		
(Rupees in '000)							
Balance as at July 1, 2023	13,201,138	(121,141)	739,493	125,309	(3,376,772)	7,000,000	17,568,027
Contribution received	-	-	-	-	-	4,700,000	4,700,000
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs. 10 each during the period	33	(33)	-	-	-	-	-
	33	(33)	-	-	-	4,700,000	4,700,000
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	(1,186,911)	-	(1,186,911)
Other comprehensive loss for the period	-	-	-	(86,196)	(86,196)	-	(86,196)
	-	-	-	(86,196)	(1,186,911)	-	(1,273,107)
Balance as at March 31, 2024	13,201,171	(121,174)	739,493	39,113	(4,563,683)	11,700,000	20,994,920
Balance as at July 1, 2024	13,201,175	(121,178)	739,493	-	(6,100,369)	11,700,000	19,419,121
Contribution received - net	-	-	-	-	-	3,300,000	3,300,000
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs. 10 each during the period	202,758	(202,758)	-	-	-	-	-
	202,758	(202,758)	-	-	-	3,300,000	3,300,000
Total comprehensive income for the period							
Profit for the period	-	-	-	-	347,927	-	347,927
Balance as at March 31, 2025	13,403,933	(323,936)	739,493	-	(5,752,442)	15,000,000	23,067,048

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

POWER CEMENT LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2025**

	Note	March 31, 2025 (Rupees in '000)	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	4,683,213	967,977
Gratuity paid		(25,719)	(21,074)
Leave encashment paid		(5,207)	(3,678)
Income tax and levy paid		(314,145)	(404,871)
Deposits (paid) / refunded		(6,000)	4,992
Finance cost paid - Islamic		(3,731,712)	(4,272,971)
Finance cost paid - Conventional		(64,920)	(217,089)
		<u>(4,147,703)</u>	<u>(4,914,691)</u>
Net cash generated from / (used in) operating activities		535,510	(3,946,714)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(432,085)	(173,080)
Proceeds from sale of property, plant and equipment		1,436	1,395
Proceeds from realization of long term investment		2,917	-
Finance income received		28,688	20,034
Net cash used in investing activities		(399,044)	(151,651)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,503,807)	(1,617,618)
Proceeds from short-term financing - net		2,050,000	3,500,000
Lease rentals paid		(27,369)	(15,646)
Proceeds of contribution from associated undertakings - net		3,300,000	4,700,000
Net cash generated from financing activities		3,818,824	6,566,736
Net increase in cash and cash equivalents		3,955,290	2,468,371
Cash and cash equivalents at beginning of the period		(4,511,699)	(3,702,177)
Cash and cash equivalents at end of the period	16	<u>(556,409)</u>	<u>(1,233,806)</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

DIRECTORS' REVIEW FOR THE NINE MONTHS ENDED MARCH 31, 2025

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the quarter and nine months ended March 31, 2025.

Economic Overview

Global economic growth is projected at 3.3% for both 2025 and 2026, remaining below the pre-pandemic average of 3.7% seen between 2000 and 2019. Inflation is expected to moderate globally, declining to 4.2% in 2025 and 3.5% in 2026, with advanced economies likely achieving their inflation targets sooner than emerging markets.

In Pakistan, FY25 began on a relatively positive note following a difficult FY24, with the economy showing signs of macroeconomic stabilization. The ongoing fiscal year has seen a steady decline in inflation, a stable exchange rate, and improved external account management. The State Bank of Pakistan responded to the disinflation trend by reducing the policy rate to 12%, marking a cumulative cut of 1,000 basis points since June 2024. Headline inflation dropped significantly—from 4.1% in December 2024 to just 0.7% by March 2025—mainly driven by declining food and energy prices. However, core inflation remains elevated, reflecting persistent risks from both global and domestic sources. Over the medium term, inflation is expected to stabilize within the 5–7% target range. Despite recent gains, Pakistan's long-term economic resilience and growth requires continued reforms and disciplined policy implementation.

Industry Overview

The cement industry faced significant challenges during the nine-month period ended March 31, 2025, amid slow economic growth. Total cement dispatches declined by 0.4% year-on-year, reaching 34 million tons. Domestic dispatches dropped sharply by 5.4% to 27.5 million tons, reflecting subdued local demand in the first quarter. However, domestic demand showed an upward trend in the second and third quarters of the current fiscal year, which is a positive sign that it is expected to continue going forward. In contrast, export dispatches grew impressively by 28%, indicating stronger international demand with increasing prices.

In the North zone, domestic dispatches declined by 6% to 22.8 million tons, while exports rose by 7.8% to 1.1 million tons. The South zone experienced a smaller decline in domestic dispatches, down by 2.3% to 4.7 million tons, but recorded a substantial increase in exports, which jumped by 33.3% to 5.4 million tons.

Production & Sales Performance

The production and sales statistics for the nine months period ended March 31, 2025, compared to the corresponding period are as follows:

Production	Nine Months Ended		
	March 31, 2025	March 31, 2024	Variance
	In Tons		
Clinker production	1,476,528	1,822,924	(19%)
Cement production	1,232,867	1,299,530	(5.13%)

Overall capacity utilization for the nine-month period ended March 31, 2025, stood at 61%, compared to 76% during the same period last year. This decline was primarily attributable to lower dispatch volumes, resulting from subdued domestic demand and lower prices in the export market.

Sales Volume	Nine Months Ended		
	March 31, 2025	March 31, 2024	Variance
	In Tons		
Cement/ Clinker dispatches (Domestic)	1,017,395	1,048,454	(2.96%)
Clinker dispatches (Export)	390,622	727,085	(46.28%)
Cement dispatches (Export)	259,043	280,586	(7.68)%
Total	1,667,060	2,056,125	

Financial Performance

An analysis of the key financial results of your Company for the nine months period ended March 31, 2025 is as under:

Particulars	Nine Months Ended		Third Quarter Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Rs. ' 000 '		Rs. ' 000 '	
Net Sales Revenue	21,004,306	24,939,287	7,182,203	8,091,953
Gross Profit	5,798,855	5,509,424	2,052,345	1,515,419
Operating Profit	3,275,250	2,642,042	1,171,587	708,716
Finance Cost –Net	2,512,994	3,882,134	623,758	1,346,341
Profit / (loss) before taxation and levy	762,256	(1,240,092)	547,829	(637,625)
Profit / (loss) after taxation and levy	347,927	(1,186,911)	315,558	(717,094)

The Company witnessed a recovery in the third quarter ended March 31, 2025 by following the growth trajectory of the second quarter, driven by a significant reduction in finance costs and improved operational efficiencies. This positive quarterly performance helped improve the overall results for the nine-month period.

For the nine months ended March 31, 2025, net sales revenue declined by 16%, totaling Rs. 21 billion compared to Rs. 24.9 billion in the same period last year, primarily due to weaker domestic demand for cement and depressed export prices for clinker. Despite the revenue drop, the Company's gross profit rose to Rs. 5.8 billion from Rs. 5.5 billion. It achieved a GP ratio of 27.6% for the current period, which shows an improvement from GP ratio of 22.1% in the corresponding period, driven by enhanced cost efficiencies, use of alternate fuels and lower power costs.

A key highlight during the period was the 35% reduction in finance costs, which fell to Rs. 2.5 billion, down from Rs. 3.9 billion due to lower interest rates coupled with sponsors' support.

As a result, the Company posted a significant turnaround in profitability. Profit before taxation and levy reached Rs. 762 million, compared to a loss of Rs. 1.24 billion in the same period of last year. Profit after taxation and levy improved to Rs. 348 million, compared to a loss of Rs. 1.19 billion.

The Sponsors' contribution of Rs. 15 billion has been instrumental in sustaining the Company through challenging times, with its positive impact now visibly unfolding.

Future Outlook

GDP is projected to grow by 3% in FY25 and 4% in FY26. Inflation is expected to average between 5.5% and 7.5%, influenced by global commodity trends and domestic policy adjustments. The current account balance is forecasted to range from +0.5% to -0.5% of GDP, helping to maintain external stability.

While macroeconomic indicators such as declining inflation, lower interest rates, a stable rupee, and improved fiscal discipline offer cautious optimism while challenges persist. Cement demand remains sluggish, though there has been a recent uptick. Meanwhile, the government's commitment to reducing energy costs and further easing of monetary policy provides a positive outlook for cost structures. The Prime Minister has formed a task force on housing to propose policy measures aimed at stimulating growth in the sector. Additionally, the Government of Sindh is actively working to attract investment in infrastructure and housing across the province. Sustained growth will require comprehensive structural and fiscal reforms, including business and investment-friendly tax laws, to enhance investor confidence, productivity, and economic resilience. Improvement in international prices of clinker and cement will help in growth of export volume and margins.


External pressures have eased, with rising remittances and contained import balances. The State Bank of Pakistan's foreign exchange reserves are expected to reach USD 14 billion by the end of FY25, providing coverage for approximately 3 months of import requirements. The full impact of monetary easing is yet to unfold and is expected to further reduce finance costs of the Company.

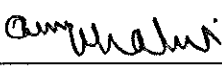
The Board remains confident that lowering interest rates, improving macroeconomic fundamentals, and continued efforts to strengthen construction, housing, and infrastructure development will help revive cement demand and contribute to a more stable and supportive environment for the Company and the industry at large.

Acknowledgement

The Directors express their sincere gratitude for the unwavering commitment, dedication, and hard work of all employees, whose efforts have been integral to the Company's progress. The Board also extends appreciation to its valued stakeholders for their continued trust and confidence. In addition, the Directors acknowledge the support and cooperation extended by the Company's bankers and financial institutions, whose partnership has played a vital role in navigating challenging times.

For and on behalf of the Board of Directors


Muhammad Kashif
 Chief Executive Officer


Muhammad Arif Habib
 Chairman

April 24, 2025
 Karachi

