

Lucky Cement Limited

Result Review: 1QFY24 EPS @ PKR 22.11

1QFY24: Earnings settled at PKR 22.11/share

Lucky Cement Limited (LUCK) announced its financial result for 1QFY24 today, posting an unconsolidated PAT of PKR 6,929mn (EPS: PKR 22.11) compared to a PAT of PKR 3,852mn (EPS: PKR 12.29) in SPLY, up by 80%YoY. That said, consolidated earnings surged by 179% reaching PKR 19,357mn (EPS: PKR 57.8) vs PKR 6,933mn (EPS: PKR 16.85) in SPLY. The increase in consolidated earnings is attributable to higher revenue from cement operations, LEPCL, and LCI.

Result Highlights

- Gross margins for 1QFTopline during 1QFY24 clocked-in at PKR 29,382mn, displaying a jump of 49% YoY in contrast to PKR 19,743mn in SPLY, mainly due to rise in volumetric sales (up by 37%YoY) in tandem with better retention prices. During 1QFY24 local dispatches rose by 39.4% YoY reaching 1.8mn vs 1.3mn in SPLY, amid drop in demand last year due to floods. It is pertinent to note that exports witnessed an increase of 25% YoY.
- Y24 jumped to 37% vis-a-vis 31% as compared to the same period last year, amid rise in retention prices coupled with a fall in coal prices.
- Net finance costs climbed by 51% YoY to clock in at PKR 382mn in 1QFY24, on the back of higher borrowing along with elevated interest rates.
- Other income saw an uptick of 57% YoY clocking in at PKR 3,151mn on the back of higher dividends received from LCI.
- The company booked effective taxation at 34% in 1QFY24.

Exhibit: Financial Highlights

(PKR mn)	1QFY24a	1QFY23a	YoY	4QFY23a	QoQ
Net Revenue	29,382	19,743	49%	25,484	15%
Gross Profit	10,830	6,032	80%	7,066	53%
Admin Expense	489	446	10%	456	7%
Distribution Expense	1,735	1,362	27%	1,408	23%
Other Expenses	915	617	48%	844	8%
Other Income	3,151	2,010	57%	1,642	92%
Finance Cost	382	253	51%	371	3%
PBT	10,461	5,364	95%	5,627	86%
Taxation	3,532	1,512	134%	3,035	16%
Effective Tax	34%	28%		54%	
PAT	6,929	3,852	80%	2,592	167%
EPS (PKR)*	22.11	12.29		8.27	
DPS (PKR)	-	-		18.00	

Source (s): Company Financials, AHL Research, *@current no. of shares

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Additional information

- The company has decided to undertake a wind power project of 28.8MW at Karachi plant. The project is expected to be completed before the end FY24.
- The company is expected to increase solar capacities at Karachi and Pezu plant by 6.3MW and 6MW respectively. This will take solar capacity to 74.3MW.
- The BOD of the company has resolved to invest an amount up to PKR 3bn, in form of equity, in LCV.
- The management recommended that the company make investment of an amount of PKR 1bn in its associated company, National Resources Private Limited
- Luck announced a second buyback of up to 23.8mn. As of 30 Sep 10.9mn ordinary shares were purchased.

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