

AHL Alert: Cement

Lucky Cement Limited

Result Review: FY24 EPS @ PKR 95.93

4QFY24: Earnings surged by 265% clocking at PKR 32.3/share

- Lucky Cement Limited (LUCK) announced its financial result for FY24 today, posting an unconsolidated earnings of PKR 28,107mn (EPS: PKR 95.93), showcasing a hefty jump of 105% YoY. On a quarterly basis, the unconsolidated net profit arrived at PKR 9,458mn (EPS: PKR 32.3) compared to PKR 2,592mn (EPS: PKR 8.85) in SPLY, depicting a rise of 265% YoY. That said, consolidated earnings ascended by 34% YoY, settling at PKR 65,556mn (EPS: PKR 223.7) in FY24. In 4QFY24 profitability arrived at PKR 14,630mn (EPS: PKR 49.9) vis-à-vis PKR 11,814mn (EPS: PKR 40.32), an increase of 24% YoY due to i) rise in both local and foreign cement operations, ii) increase in profitability from LEPCL and iii) jump in other income. In addition to the result, the company announced final cash dividend of PKR 15.0/share

Result Highlights

- Topline during FY24 arrived at PKR 115,325mn in contrast to PKR 95,832mn in SPLY, depicting a jump of 20% YoY. The growth in the revenue comes on the back of higher retention prices in tandem with an increase in dispatches (up 16% YoY). Moreover, during 4QFY24 net sales climbed up by 10% YoY to settle at PKR 27,921mn, amid higher cement prices and jump in offtakes to 2,156k tons (up 12% YoY).
- Gross margins for FY24 arrived at 34% as compared to 27% in SPLY, on the back of higher retention prices coupled with better inventory management. Furthermore, in 4QFY24 gross margins ascended by 469bps as compared to SPLY arriving at 32%, due to lower coal prices in tandem with higher cement prices.
- Selling and Distribution expenses in FY24 witnessed a growth of 46% YoY to settle at PKR 7,774mn as compared to SPLY, owing to the implementation of axle load factor. In 4QFY24, selling and distribution expenses arrived at PKR 2,129mn vis-à-vis PKR 1,408mn, a surge of 51%, due to the reason stated above.

Exhibit: Financial Highlights

(PKR mn)	FY24	FY23	YoY	4QFY24	4QFY23	YoY	QoQ
Net Sales	115,325	95,832	20%	27,921	25,484	10%	12%
Gross Profit	38,805	26,061	49%	9,052	7,066	28%	40%
Admin expenses	2,161	1,826	18%	594	456	30%	31%
Selling expenses	7,774	5,327	46%	2,129	1,408	51%	69%
Finance cost	1,581	1,170	35%	386	371	4%	109%
Other income	16,575	6,047	174%	7,511	1,642	358%	382%
Profit after tax	28,107	13,726	105%	9,458	2,592	265%	136%
EPS (PKR)*	95.93	46.85		32.28	8.85		
DPS (PKR)	15.00	18.00		15.00	18.00		

Source (s): Company Financials, AHL Research, *@ Current number of shares

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- Other income in FY24 jumped by 174% YoY to record at PKR 16,575mn, on account of higher dividend income from subsidiaries. For 4QFY24 other income climbed 358% YoY to arrive at PKR 7,511mn due to the aforementioned reason.
- Finance costs in FY24 increased by 35% YoY to clock in at PKR 1,581mn, which is attributable to the higher interest rate. In 4QFY24, the finance cost arrived at PKR 386mn, displaying a jump of 4% YoY.
- The company booked effective taxation at 25% in 4QFY24 vis-à-vis 54% in 4QFY23, amid the imposition of a super tax in last year.

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