

# Flash Note

Thursday, 11 April 2019

## Cements

### Attock Cement Pakistan Limited (ACPL)

#### 3QFY19 EPS falls by 17%YoY to PKR 4.07; Invaluable clinker exports fail to generate earnings growth despite healthy rise in topline

- Attock Cement Pakistan Limited (ACPL) announced its financial results for 3QFY19 with earnings clocking in at PKR 559mn (EPS: PKR 4.07) as compared to PKR 674mn (EPS: PKR 4.90) reported in the same period last year. This brings 9MFY19 EPS to PKR 10.01 as against PKR 13.29 recorded in the comparative period last year. The Company announced nil dividends along with the result.
- During the quarter under review, sales of the Company grew by +23%YoY, largely driven by stable growth in domestic offtakes, exorbitant rise in clinker export sales and positive impact of currency devaluation on export proceeds.
- Gross profits during the period grew by +5%YoY, diluting the impact of enhanced input costs on the back of weaker currency and costlier coal inventory utilized during the period.
- Finance charges of the Company increased by 2.5x, majorly due to substantial rise in short term financing requirements of the Company.
- Effective tax rate of the Company dropped to 18.5% as against 22.7% reported in similar quarter of the preceding year, largely due to higher exports sales mix in the period.

Exhibit:

#### ACPL Result Highlights

Period end (JUN) - PKRmn	3QFY19	3QFY18	YoY	9MFY19	9MFY18	YoY
Net Sales	5,517	4,494	23%	16,151	11,857	36%
Gross Profit	1,362	1,297	5%	3,610	3,695	-2%
Sell. / Dist. & Admin	478	327	46%	1,480	848	74%
Non-Operating Income	29	16	76%	163	44	3.7x
EBIT	871	945	-8%	2,191	2,759	-21%
Financial Charges	185	74	2.5x	485	152	3.2x
Pre-tax Profits	686	871	-21%	1,706	2,606	-35%
Taxation	127	198	-36%	330	780	-58%
Post-tax Profits	559	674	-17%	1,376	1,827	-25%
EPS	4.07	4.90		10.01	13.29	
DPS	-	-		-	-	
<b>Key Ratios</b>						
Gross Margin (%)	24.7	28.9		22.4	31.2	
Net Margin (%)	10.1	15.0		8.5	15.4	
Effective Tax Rate (%)	18.5	22.7		19.3	29.9	

Source: Company Accounts, IGI Research

No. of Shares : 137mn

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