

Flash Note

Tuesday, August 8, 2023



Cement

Lucky Cement Limited (LUCK)

Earnings: Lucky Cement Limited (LUCK) announced its FY23 result. The Company reported unconsolidated earnings of PKR 13.7bn (EPS PKR 43.8), down by 10%/y. On a quarterly basis, the company reported earnings of PKR 2.6bn (EPS: 8.3/share) compared to earnings of PKR 4bn (EPS: 12.7/share) in the same period last year. This drop in earnings is primarily attributable to the retrospective super tax announced in the FY24 budget.

Dividend/Payout: The Company announced a cash dividend of PKR 18/share along with the result compared to no announcement of any dividends in last year's same period.

Operating Performance: During 4qFY23 the Company's net sales slightly increased to PKR 25.5bn depicting an incline of 15%/y. On an annual basis, the Company's net sales increased to PKR 95.8bn up by 18%/y. For the quarter, higher retention prices increased the company's gross margins to 28% compared to 26% in the previous quarter. However, average gross margins in FY23 were slightly down to 27% from 28% last year. The company took a tax charge of PKR 3bn during the fourth quarter, due to the imposition of a recent retrospective super tax announced in the budget FY24.

Exhibit: Lucky Cement Company Limited (LUCK) Financial highlights											
For period ending: 4q/23											
PKRbn=Jun(end)	2023	4q/23	3q/23	2q/23	1q/23	2022	4q/22	3q/22	2q/22	1q/22	2021
Net Sales	95.8	25.5	25.0	25.6	19.7	81.1	22.2	21.3	20.6	16.9	62.9
Gross Profits	26.1	7.1	6.5	6.5	6.0	22.6	8.6	4.7	4.7	4.6	19.0
Admin	1.8	0.5	0.5	0.5	0.4	1.5	0.4	0.4	0.4	0.3	1.3
EBIT	22.5	6.0	5.8	5.1	5.6	21.8	7.4	6.7	3.4	4.4	17.3
Finance cost	1.2	0.4	0.2	0.4	0.3	0.4	0.1	0.1	0.1	0.1	0.3
Profit before tax	21.3	5.6	5.6	4.7	5.4	21.4	7.3	6.6	3.3	4.3	17.0
Taxation	7.6	3.0	1.6	1.4	1.5	6.1	3.3	1.0	0.8	1.0	2.9
Profit after Tax	13.7	2.6	4.0	3.3	3.9	15.3	4.0	5.5	2.5	3.3	14.1
EPS*	43.80	8.27	12.78	10.45	12.29	48.82	12.73	17.66	7.95	10.48	44.90
DPS	18.00	18.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margins	27%	28%	26%	25%	31%	28%	39%	22%	23%	27%	30%
EBIT Margins	23%	24%	23%	20%	28%	27%	33%	31%	16%	26%	28%
Effective tax	36%	54%	29%	30%	28%	29%	45%	16%	24%	24%	17%
Net Margins	14%	10%	16%	13%	20%	19%	18%	26%	12%	19%	22%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 313.4

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