

Flash Note

Friday, 26 April 2019

Cements

Pioneer Cement Limited (PIOC)

Lesser dispatches and rise in finance costs push 3QFY19 down by 28%YoY to PKR 1.31/share

- Pioneer Cement Limited (PIOC) announced its financial results for 3QFY19 with earnings clocking in at PKR 298mn (EPS: PKR 1.31), down by 28%YoY, as compared to PKR 411mn (EPS: PKR 1.81) reported in the same period last year. This brings 9MFY19 earnings to PKR 825mn (EPS: PKR 3.63), down by 28%YoY, as against PKR 1.15bn (EPS: PKR 5.06) recorded in the similar period of the preceding year.
- Sales of the Company during the quarter declined by 7%YoY, owing to reduced cement quantity sold driven by intense local competition.
- Gross profits during the period inched up by 150bps, possibly due to resolution of operational bottlenecks as reported in comparative period
- Financial charges of the Company increased by more than four folds, reflecting unwinding of finance costs to the income statement pertaining to grinding mill commissioned in 4QFY18 and enhanced short term financing requirements for coal procurement post substantial PKR devaluation.

Exhibit:

PIOC Result Highlights

Period end (JUN) - PKRmn	3QFY19	3QFY18	YoY	9MFY19	9MFY18	YoY
Net Sales	2,432	2,609	-7%	7,489	7,505	0%
Gross Profit	580	585	-1%	1,759	2,062	-15%
Sell. / Dist. & Admin	73	70	5%	217	183	19%
Non-Operating Income	26	6	4.5x	44	(94)	n/m
EBIT	519	598	-13%	1,425	1,733	-18%
Financial Charges	118	29	4.1x	288	79	3.7x
Pre-tax Profits	401	569	-30%	1,138	1,654	-31%
Taxation	103	158	-35%	313	506	-38%
Post-tax Profits	298	411	-28%	825	1,149	-28%
EPS	1.31	1.81		3.63	5.06	
DPS	-	-		-	-	
Key Ratios						
Gross Margin (%)	23.9	22.4		23.5	27.5	
Net Margin (%)	12.3	15.8		11.0	15.3	
Effective Tax Rate (%)	25.7	27.8		27.5	30.6	

Source: Company Accounts, IGI Research

No. of Shares : 227mn

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