

# Lucky Cement Limited

## Result Review: 1HFY24 EPS @ PKR 46.79

### 2QFY24: Earnings settled at PKR 23.14/share

Lucky Cement Limited (LUCK) announced its financial result for 1HFY24 today, posting an unconsolidated earnings of PKR 13,710mn (EPS: PKR 46.79), showcasing a hefty jump of 92% YoY. On a quarterly basis, the unconsolidated net profit arrived at PKR 6,781mn (EPS: PKR 23.14) compared to PKR 3,276mn (EPS: PKR 10.13) in SPLY, depicting a surge of 107% YoY. That said, consolidated earnings ascended by 69% YoY, settling at PKR 17,633mn (EPS: PKR 60.18) in 2QFY24 vs PKR 10,464mn (EPS: PKR 32.36) in SPLY. The increase in consolidated earnings is attributable to higher earnings from cement operations, LEPCL, and LCI.

### Result Highlights

- Topline during 2QFY24 clocked-in at PKR 30,499mn, displaying a jump of 19% YoY in contrast to PKR 25,590mn in SPLY, mainly due to rise in volumetric sales in tandem with better retention prices. During 2QFY24 total dispatches rose by 13% YoY reaching 2.25mn vs 1.99mn in SPLY, mainly due to rise in exports to 0.6mn, up by 95% YoY.
- Gross margins for 2QFY24 settled at 36% vis-a-vis 25% as compared to the same period last year, amid rise in cement prices coupled with a fall in coal prices.
- Finance costs climbed by 18% YoY to clock in at PKR 424mn in 2QFY24, on the back of elevated interest rates.
- Other income saw an uptick of 263% YoY clocking in at PKR 3,045mn on the back of PKR 1,400mn dividends received from LMC.
- The company booked effective taxation at 33% in 2QFY24.

### Exhibit: Financial Highlights

(PKR mn)	1HFY24	1HFY23	YoY	2QFY24	2QFY23	YoY	QoQ
Net Revenue	59,880	45,333	32%	30,499	25,590	19%	4%
Gross Profit	21,820	12,523	74%	10,990	6,491	69%	1%
Admin Exp.	1,020	917	11%	531	471	13%	9%
Distribution Exp.	3,746	2,657	41%	2,012	1,294	55%	16%
Other Exp.	1,856	1,108	68%	941	491	92%	3%
Other Income	6,196	2,847	118%	3,045	838	263%	-3%
Finance Cost	806	613	31%	424	360	18%	11%
PBT	20,588	10,076	104%	10,127	4,712	115%	-3%
Taxation	6,878	2,948	133%	3,346	1,436	133%	-5%
Tax Rate	33.4%	29.3%		33.0%	30.5%		
PAT	13,710	7,129	92%	6,781	3,276	107%	-2%
EPS (PKR)*	46.79	22.04		23.14	10.13		

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 by 1QFY25.
- 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.
- LUCK completed its second buyback, purchased 20.4mn ordinary shares out of the initial announcement of 23.8mn.

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