

Interloop Limited

Result Review: 1HFY24 EPS @ PKR 7.03, up 2.15x YoY



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REP-300

2QFY24: Profitability arrive at PKR 2.72/share

Interloop Limited (ILP) announced the financial result for 1HFY24 today, where the company posted a PAT of PKR 9,857mn (EPS: PKR 7.03) against PKR 4,585mn (EPS: PKR 3.27) in 1HFY23, up by 115% YoY. Meanwhile, the consolidated earnings in 2QFY24 clocked in at PKR 3,814mn (EPS: PKR 2.72), in contrast to a loss after tax of PKR 376mn (LPS: PKR 0.27) in 2QFY23. In addition to the result, the company announced an interim cash dividend of PKR 2.00/share (PKR 2.00/share in 1HFY24).

Result Highlights

- Net sales during 1HFY24 clocked in at PKR 73,984mn, climbing up by 40% YoY amid higher hosiery pricing and volumetric growth. On quarterly basis, the topline ascended by 58% YoY, settling at PKR 35,484mn on account of PKR depreciation against the greenback.
- Gross margins for 1HFY24 arrived at 30.6% compared to 25.8% in SPLY, owed to higher hosiery and yarn prices in tandem with the decline in cotton prices. Whereas gross margins in 2QFY24 reached 27.9% (up by 1202bps YoY), which is attributable to the absence of export rebate during the same period.
- Other income in 1HFY24 surged by 81x YoY to settle at PKR 1,210mn. Whereas, in 2QFY24 other income settled at 1,079mn (up 28x YoY) mainly due to surplus on the acquisition of subsidiaries of PKR 857mn.
- Finance costs in arrive 2QFY24 settled at PKR 2,595mn vis-à-vis PKR 1,414mn in SPLY, an increase of 84% YoY due to higher interest charged on elevated short-term borrowings
- The company booked effective taxation at 11.8% in 2QFY24.

Exhibit: Financial Highlights

(PKR mn)	1HFY24a	1HFY23a	YoY	2QFY24a	2QFY23a	YoY	QoQ
Net Revenue	73,984	52,922	40%	35,484	22,459	58%	-8%
Gross Profit	22,631	13,672	66%	9,884	3,557	178%	-22%
Admin Expense	4,395	3,025	45%	2,375	1,454	63%	18%
Distribution Expense	2,564	1,920	34%	1,192	774	54%	-13%
Other Expenses	1,206	855	41%	479	1	343x	-34%
Other Income	1,210	15	81x	1,079	39	28x	8x
Finance Cost	4,801	2,631	82%	2,595	1,414	84%	18%
PBT	10,875	5,257	107%	4,323	(48)	nm	-34%
Taxation	1,018	671	52%	509	328	55%	0%
PAT	9,857	4,585	115%	3,814	(376)	nm	-37%
EPS (PKR)	7.03	3.27		2.72	(0.27)		
DPS (PKR)	2.00	-		2.00	-		

Source (s): Company Financials, AHL Research

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