

Secure Logistics Group Limited Analyst Briefing Takeaways

Management Conference Call

The management of Secure Logistics Group Limited (SLGL) held an Analyst Briefing session on 7th Aug'24 to discuss the company's performance in 1HCY24 and future outlook.

Brief Takeaways

- To recall, the company reported a consolidated net profit of PKR 227mn (EPS: PKR 0.83) in 1HCY24, compared to PKR 188mn (EPS: PKR 0.69) in 1HCY23, marking a 21% YoY increase.
- SLGL has 100% shareholding in Fist Securities (Private) Limited and Logi Serve (Private) Limited. Moreover, the company has about 75% stake in Sky Guards (Private) Limited.
- SLGL is the only integrated logistics company in Pakistan offering fleet, tracking, and security services.
- The company owns a fleet of 160 trucks, with 123 dedicated to the long haul and 37 to medium-haul operations.
- The life span of the prime movers' trucks is 15 years, while trailer trucks have a life span of 20 years.
- Approximately 152 trucks are consistently on the road and actively engaged in providing transportation services.
- The company has utilized 93% of its IPO proceeds, as stated in the prospectus, deleveraging the balance sheet of the company.
- As a result of debt repayment, SLGL is expected to save PKR 135mn in markup payments from Apr'24 till Dec'24.
- SLGL has exceeded its budgeted six-monthly forecasted net profits by approximately 19%.
- Company is set to receive a Transports internationaux routiers (TIR) license in a few months, enabling the company to commence cargo services to/from Tashkent.
- Management expects profitability for CY24 to reach PKR 650mn (EPS: PKR 2.38) and for CY25 to reach PKR 800mn (EPS: PKR 2.9)
- Primary components of cost include fuel, tyres, and spare parts.
- The main competitors of SLGL are Shaheen Logistics, National Logistics Corporation, and Allied Logistics Services.

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