

Cement Dispatches up by 10.1% YoY in 5MFY24



Thursday, 7 December, 2023

North Price Per Bag (Rs.)

Nov/23	Oct/23	Change	% Change
1,257	1,198	▲ 59	▲ 5%

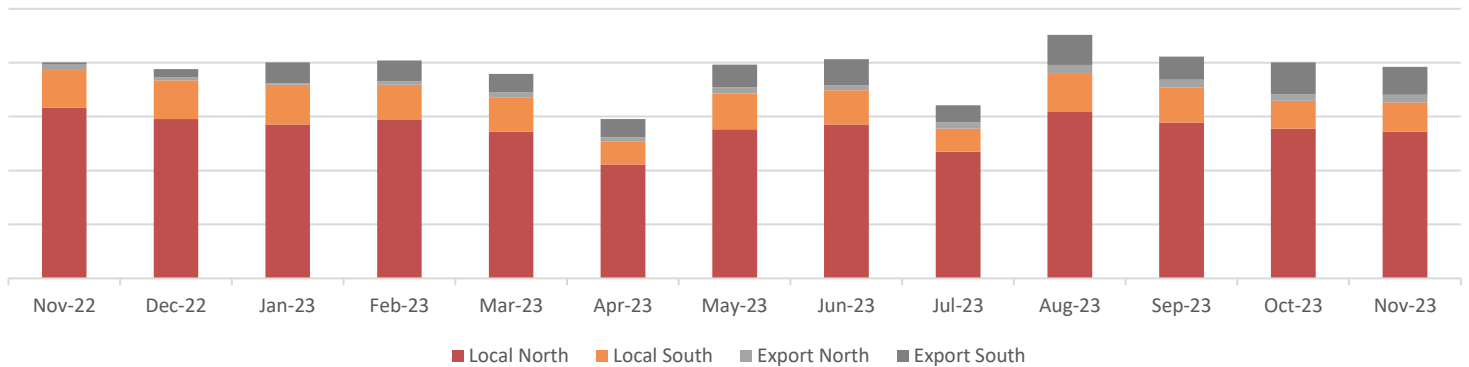
South Price Per Bag (Rs.)

Nov/23	Oct/23	Change	% Change
1,190	1,190	-	-

Export Price Per Ton (USD)

Nov/23	Oct/23	Change	% Change
28	27	▲ 1.00	▲ 3.7%

Monthly Cement Dispatches



A fall in dispatches was witnessed during the month of Nov-23 as the recent data released by APCMA shows that cement dispatches were down by 2.1% YoY and 2.1% on a MoM basis. Overall, on a cumulative basis, 5MFY24 dispatches are up by 10.6% owing to recovery after widespread disruption caused by the extensive flooding in the summer of 2022. The industry dispatched 3.262mn tons of cement in the local market during Nov-23 as compared to 3.861mn tons during the same period last year, showing a fall of 15.5% YoY. Further breaking down the local market, dispatches from the north region decreased by 13.9% to 2.723mn tons against 3.163mn tons and dispatches from the south region also decreased by 22.9% to 0.53mn tons against 0.70mn tons in the SPLY. Contrarily, exports from the north increased by a substantial 38.6% and exports from the south region increased by a staggering 1080.1% YoY in Nov-23.

Going Forward, we anticipate a surge in cement dispatches driven by positive GDP growth and anticipated low inflation in the coming period. However, caution is warranted as potential risks loom with the impending axle load regime.

Local (000' tons)	Nov/23	Oct/23	MoM	Nov/22	YoY	5MFY24	5MFY23	YoY
North	2,723	2,780	2.1% ▼	3,163	13.9% ▼	13,835	13,569	2.0% ▲
South	539	512	5.1% ▲	698	22.9% ▼	2,832	2,788	1.6% ▲
Total	3,262	3,292	0.9% ▼	3,861	15.5% ▼	16,667	16,357	1.9% ▲
Export (000' tons)								
North	144	123	17.0% ▲	104	38.6% ▲	695	524	32.8% ▲
South	518	592	12.4% ▼	44	1080.1% ▲	2,413	1,006	140.0% ▲
Total	662	715	7.4% ▼	148	348.3% ▲	3,108	1,529	103.3% ▲
Grand Total (000' tons)	3,924	4,007	2.1% ▼	4,009	2.1% ▼	19,775	17,886	10.6% ▲

Source: APCMA

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TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

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- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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