

# Cement Dispatches up by 4.6% YoY in December



Wednesday, 3 January, 2024

## North Price Per Bag (Rs.)

| Dec/23 | Nov/23 | Change | % Change |
|--------|--------|--------|----------|
| 1,246  | 1,257  | ▼ -11  | ▼ -1%    |

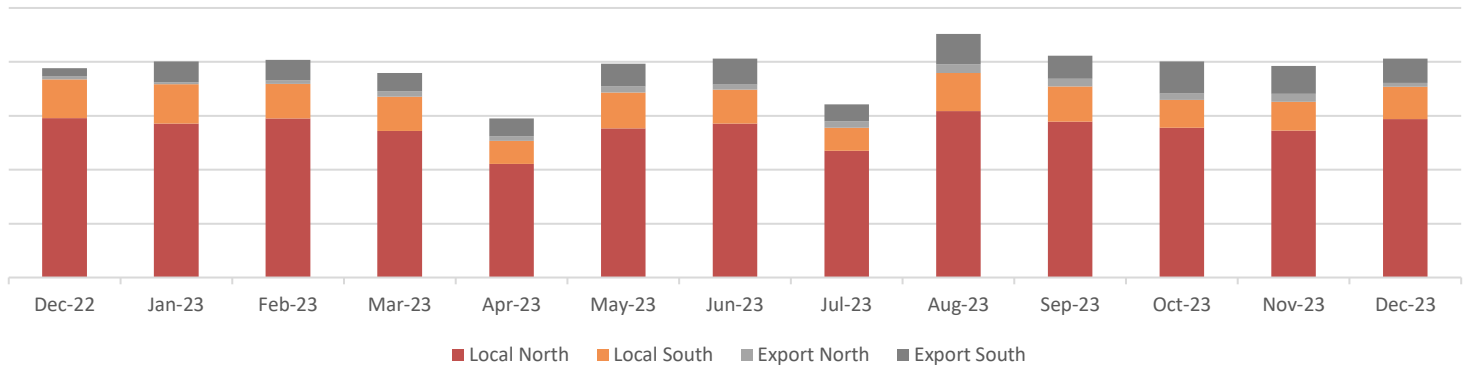
## South Price Per Bag (Rs.)

| Dec/23 | Nov/23 | Change | % Change |
|--------|--------|--------|----------|
| 1,190  | 1,190  | -      | -        |

## Export Price Per Ton (USD)

| Nov/23 | Oct/23 | Change  | % Change |
|--------|--------|---------|----------|
| 21     | 27     | ▼ -6.00 | ▼ -22.2% |

## Monthly Cement Dispatches



A rise in dispatches was witnessed during the month of Dec-23 as the recent data released by APCMA shows that cement dispatches were up by 4.6% YoY and 3.5% on a MoM basis. Overall, on a cumulative basis, 6MFY24 dispatches are up by 9.5% due to the low base effect.

The industry dispatched 3.536mn tons of cement in the local market during Dec-23 as compared to 3.676mn tons during the same period last year, showing a fall of 3.8% YoY. Further breaking down the local market, dispatches from the north region decreased by 0.7% to 2.936mn tons against 2.956mn tons and dispatches from the south region also decreased by 16.6% to 0.60mn tons against 0.72mn tons in the SPLY. Contrarily, exports from the north increased by a substantial 39.6% and exports from the south region increased by a 198% YoY in Dec-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 increase in the input cost.

| Local (000' tons)              | Dec/23       | Nov/23       | MoM            | Dec/22       | YoY             | 6MFY24        | 6MFY23        | YoY             |
|--------------------------------|--------------|--------------|----------------|--------------|-----------------|---------------|---------------|-----------------|
| North                          | 2,936        | 2,723        | 7.8% ▲         | 2,956        | 0.7% ▼          | 16,771        | 16,525        | 1.5% ▲          |
| South                          | 600          | 539          | 11.4% ▲        | 720          | 16.6% ▼         | 3,432         | 3,508         | 2.2% ▼          |
| <b>Total</b>                   | <b>3,536</b> | <b>3,262</b> | <b>8.4% ▲</b>  | <b>3,676</b> | <b>3.8% ▼</b>   | <b>20,203</b> | <b>20,033</b> | <b>0.9% ▲</b>   |
| <b>Export (000' tons)</b>      |              |              |                |              |                 |               |               |                 |
| North                          | 76           | 144          | 47.2% ▼        | 54           | 39.6% ▲         | 771           | 578           | 33.4% ▲         |
| South                          | 449          | 518          | 13.5% ▼        | 151          | 197.9% ▲        | 2,862         | 1,156         | 147.5% ▲        |
| <b>Total</b>                   | <b>525</b>   | <b>662</b>   | <b>20.8% ▼</b> | <b>205</b>   | <b>155.9% ▲</b> | <b>3,633</b>  | <b>1,734</b>  | <b>109.5% ▲</b> |
| <b>Grand Total (000' tons)</b> | <b>4,061</b> | <b>3,924</b> | <b>3.5% ▲</b>  | <b>3,881</b> | <b>4.6% ▲</b>   | <b>23,836</b> | <b>21,767</b> | <b>9.5% ▲</b>   |

Source: APCMA

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

### VALUATION METHODOLOGY

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

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|--------------|----------------------------|
| BUY          | Greater than 15%           |
| 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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#### RESEARCH ANALYST

Haroon Abdul Razzaq

Phone: (+92) 42 38302028; Ext 116

Email: haroon@abbasiandcompany.com

web: www.abbasiandcompany.com

#### HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com