

## Flash Note: PIOC 2QFY24 result wrap

Pioneer Cement Limited (PIOC) has announced its 2QFY24 EPS of PKR7.45, up 81%/44% QoQ/YoY. Company also announced an interim cash dividend of PKR5/sh after a hiatus of 6.5 years. Earnings are above our expectations primarily due to gain realized on assets held at fair value and lower than expected finance cost.

Net sales were up 16% QoQ to PKR10.1bn. Increase in net sales on QoQ basis can be bifurcated into 11% increase in dispatches and 5% increase in net retention prices. Gross profit margin increased 4.1ppts QoQ to clock in at 34.5% this quarter due to reliance on low cost local coal. Finance cost declined 34%/27% QoQ/YoY expectedly due to debt repaid during the period as current portion accounted for 40% of total long term financing. Company booked gain of PKR0.14bn on assets held at fair value. Effective tax rate declined to 39.9% this quarter from 31% in SPLY due to changes in last finance bill.

Further analysis will be done once detailed accounts are available.

PKRmn	2QFY24	2QFY23	1QFY24	QoQ	YoY	1HFY24	1HFY23	YoY
Net Sales	10,113	10,325	8,712	16%	-2%	18,825	18,646	1%
Cost of Sales	6,620	7,513	6,062	9%	-12%	12,682	13,925	-9%
<b>Gross Profit</b>	<b>3,492</b>	<b>2,811</b>	<b>2,651</b>	<b>32%</b>	<b>24%</b>	<b>6,143</b>	<b>4,721</b>	<b>30%</b>
Dist. Exp.	49	33	61	-20%	48%	110	61	80%
Admin Exp	82	43	80	2%	91%	162	80	103%
Other Inc.	253	6	55	360%	4117%	308	8	3750%
Other Opt Exp.	175	177	79	122%	-1%	254	241	5%
Finance Cost	626	853	950	-34%	-27%	1,576	1,768	-11%
<b>PBT</b>	<b>2,813</b>	<b>1,704</b>	<b>1,535</b>	<b>83%</b>	<b>65%</b>	<b>4,348</b>	<b>2,579</b>	<b>69%</b>
Tax	1,121	529	601	87%	112%	1,722	817	111%
<b>PAT</b>	<b>1,693</b>	<b>1,175</b>	<b>933</b>	<b>81%</b>	<b>44%</b>	<b>2,626</b>	<b>1,761</b>	<b>49%</b>
<b>EPS (PKR)</b>	<b>7.45</b>	<b>5.17</b>	<b>4.11</b>			<b>11.56</b>	<b>7.75</b>	
DPS (PKR)	5	0	0			5	0	
<b>GP Margin</b>	<b>34.5%</b>	<b>27.2%</b>	<b>30.4%</b>			<b>32.6%</b>	<b>25.3%</b>	
<b>Effective tax rate</b>	<b>39.9%</b>	<b>31.0%</b>	<b>39.2%</b>			<b>39.6%</b>	<b>31.7%</b>	