

# Cement Dispatches down by 4% YoY in Sep-23



Wednesday, 4 October, 2023

## North Price Per Bag (Rs.)

Sep/23	Aug/23	Change	% Change
1,207	1,180	▲ 27	▲ 2%

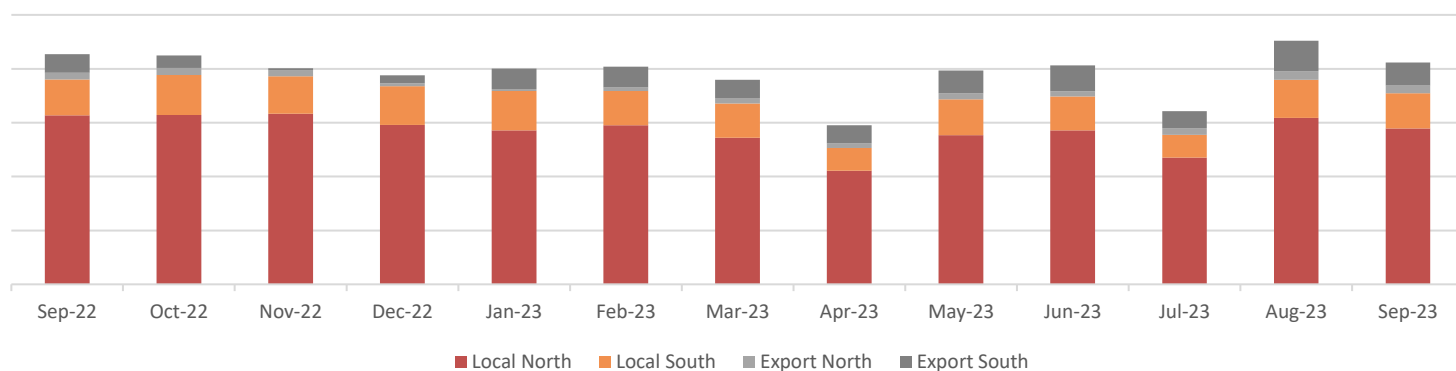
## South Price Per Bag (Rs.)

Sep/23	Aug/23	Change	% Change
1,173	1,143	▲ 30	▲ 3%

## Export Price Per Ton (USD)

Aug/23	Jul/23	Change	% Change
23	16	▲ 7.00	▲ 43.8%

## Monthly Cement Dispatches



A fall in dispatches is witnessed during the month of Sep-23 as the recent data released by APCMA shows that cement dispatches were down by 4% YoY and 8.9% on a MoM basis. Overall, on a cumulative basis, 1QFY24 dispatches are up by 23% owing to recovery after widespread disruption caused by the extensive flooding in the summer of 2022. The industry dispatched 3.544mn tons of cement in the local market during Sep-23 as compared to 3.806mn tons during the same period last year, showing a fall of 6.9% YoY. Further breaking down the local market, dispatches from the north region decreased by 7.8% to 2.893mn tons against 3.137mn tons and dispatches from the south region also decreased by 2.6% to 0.65mn tons against 0.66mn tons in the SPLY. Contrarily, exports from the north and south region surged by 12.4% and 21.7% YoY respectively in Sep-23

Going forward, we anticipate the sector to face significant challenges due to its cyclical nature. These challenges include persistently high borrowing costs & higher international coal prices. Furthermore, the industry remains optimistic about export opportunities and has seen growth in both domestic and international dispatches in the first quarter of the fiscal year.

Local (000' tons)	Sep/23	Aug/23	MoM	Sep/22	YoY	1QFY24	1QFY23	YoY
North	2,893	3,088	6.3% ▼	3,137	7.8% ▼	8,332	7,266	14.7% ▲
South	651	705	7.6% ▼	669	2.6% ▼	1,781	1,343	32.6% ▲
<b>Total</b>	<b>3,544</b>	<b>3,793</b>	<b>6.5% ▼</b>	<b>3,806</b>	<b>6.9% ▼</b>	<b>10,113</b>	<b>8,609</b>	<b>17.5% ▲</b>
Export (000' tons)								
North	142	164	13.4% ▼	127	12.4% ▲	428	289	48.3% ▲
South	428	561	23.7% ▼	352	21.7% ▲	1,302	730	78.3% ▲
<b>Total</b>	<b>570</b>	<b>725</b>	<b>21.3% ▼</b>	<b>478</b>	<b>19.2% ▲</b>	<b>1,731</b>	<b>1,019</b>	<b>69.8% ▲</b>
Grand Total (000' tons)	<b>4,114</b>	<b>4,517</b>	<b>8.9% ▼</b>	<b>4,284</b>	<b>4.0% ▼</b>	<b>11,844</b>	<b>9,628</b>	<b>23.0% ▲</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

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

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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