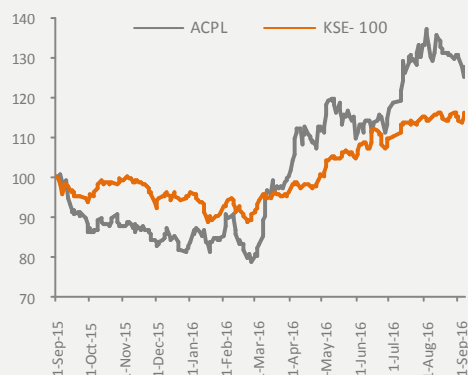


ATTOCK CEMENT PAKISTAN LTD.
Oct 24th, 2016
CURRENT MARKET DATA

Current Price (LDCP)	252
Market Cap (PKR mn)	28,630.62
52 wk Hi	276
52 wk low	158
Outstanding shares (mn)	114.52
Free Float (%)	20

Sources: PSX

RELATIVE TO KSE—100


Sources: PSX

1QFY17 Earnings at PKR 6.03/sh, in line with our expectation of PKR 5.96/sh

- Attock Cement Pakistan Ltd. (ACPL) announced its 1QFY17 earnings of PKR 691mn (EPS: PKR 6.03) as compared to our projected earnings of PKR 682mn (EPS: PKR 5.96), almost in line with our projections.
- Topline clocked at PKR 3,359mn, an upside of 17%YoY in comparison to PKR 2,866mn of the corresponding period of 1QFY16A, due to higher volumetric growth.
- On the back of subdued power cost during the period the gross profit of the company increased 41%YoY clocking in at PKR 1,395mn.
- GP margins escalated to ~41%, above our projections of ~37% due to lower cost of sales and higher net turnover.
- Slightly above our expectations, admin & distribution expenses of the company grew by 8%YoY and 44%YoY respectively, during 1QFY17 as the company started distribution in some new untapped areas.
- As anticipated, PBT increased 36%YoY clocking in at PKR 994mn during 1QFY17 in comparison to PKR 731mn of the same period of the previous year.

Investment Perspective

We reiterate our “Buy” stance on ACPL while revising our June’17 Price Target by 1% to PKR 330/sh from PKR 336/sh due to changes in EPS estimates & Sudden surge in the international coal prices.

FINANCIAL HIGHLIGHTS 1QFY17A

PKR 'mn'	1QFY17A	1QFY16	YoY	1QFY17A	4QFY16	QoQ
Net Sales	3,359	2,866	17%	3,359	3,604	-7%
Cost Of Sales	1,964	1,873	5%	1,964	1,988	-1%
Gross Profit	1,395	993	41%	1,395	1,615	-14%
Admin. Exp.	105	97	8%	105	46	127%
Dist. Exp.	274	190	44%	274	204	34%
Op. Profit	1,016	706	44%	1,016	1,365	-26%
Finance Cost	10	7	48%	10	6	76%
PBT	994	731	36%	994	1,360	-27%
Taxation	303	250	21%	303	564	-46%
PAT	691	481	44%	691	796	-13%
EPS	6.03	4.20	44%	6.03	6.95	-13%

Investment Risks: The key risks to our investment thesis are 1) Inflating Coal prices 2) Breakdown of Price arrangement 3) Declining local demand 4) Delay in Expansion & 5) Increase in Interest rates.

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