

# Cement Dispatches down by 24.2% YoY in Mar-23



Tuesday, 4 April, 2023

## North Price Per Bag (Rs.)

Mar/23	Feb/23	Change	% Change
1,114	1,071	▲ 43	▲ 4%

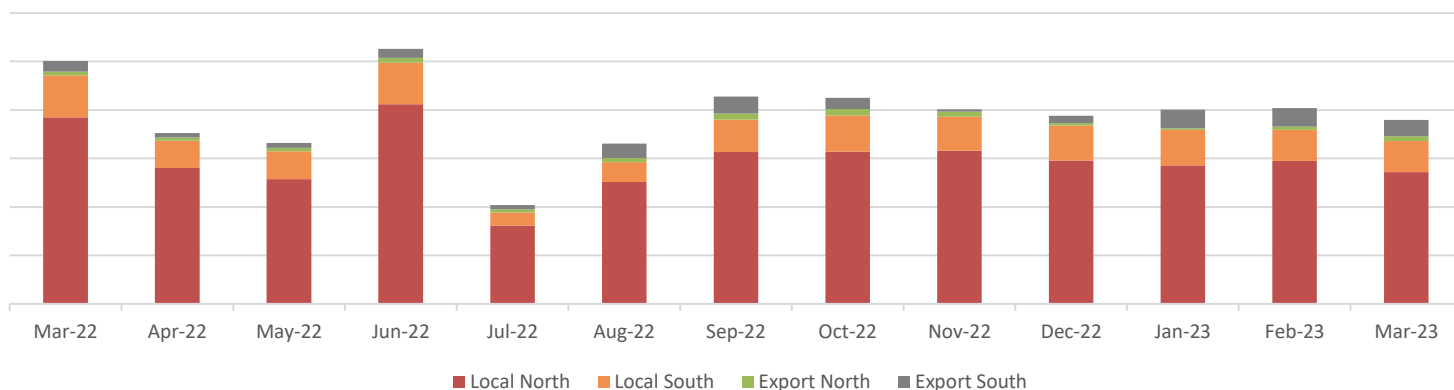
## South Price Per Bag (Rs.)

Mar/23	Feb/23	Change	% Change
1,149	1,103	▲ 46	▲ 4%

## Export Price Per Ton (USD)

Feb/23	Jan/23	Change	% Change
41	43	▼ -2	▼ -5%

## Monthly Cement Dispatches



A drop in dispatches is witnessed during the month of Mar-23 as the recent data released by APCMA shows that cement dispatches were down by 24.2% YoY and 6.1% on a MoM basis. Overall, on a cumulative basis, 9MFY23 dispatches are down by 17.6% owing to a fall in the construction activity due to a global hike in the prices of steel and other raw materials. The industry dispatched 3.356mn tons of cement in the local market during Mar-23 as compared to 4.711mn tons during the same period last year, showing a decline of 28.7% YoY. Further breaking down the local market, dispatches from the north region dropped by 29.3% to 2.72mn tons against 3.85mn tons and dispatches from the south region dropped by 26.1% to 0.64mn tons against 0.86mn tons in the SPLY. Contrarily, exports from the north and south region surged by 24.6% and 57.4% YoY respectively in Mar-23.

Going forward, we expect the industry to remain under pressure amid a strict macroeconomic situation including high borrowing costs coupled with currency devaluation. However, lower coal prices in the international market can support the sector.

Local (000' tons)	Mar/23	Feb/23	MoM	Mar/22	YoY	9MFY23	9MFY22	YoY
North	2,720	2,949	7.8% ▼	3,849	29.3% ▼	25,048	29,932	16.3% ▼
South	636	641	0.7% ▼	862	26.1% ▼	5,514	6,186	10.9% ▼
<b>Total</b>	<b>3,356</b>	<b>3,590</b>	<b>6.5% ▼</b>	<b>4,711</b>	<b>28.7% ▼</b>	<b>30,562</b>	<b>36,118</b>	<b>15.4% ▼</b>
<b>Export (000' tons)</b>								
North	100	65	55.2% ▲	81	24.6% ▲	778	679	14.6% ▲
South	338	385	12.3% ▼	215	57.4% ▲	2,257	3,964	43.1% ▼
<b>Total</b>	<b>438</b>	<b>450</b>	<b>2.6% ▼</b>	<b>295</b>	<b>48.5% ▲</b>	<b>3,035</b>	<b>4,643</b>	<b>34.6% ▼</b>
<b>Grand Total (000' tons)</b>	<b>3,795</b>	<b>4,040</b>	<b>6.1% ▼</b>	<b>5,006</b>	<b>24.2% ▼</b>	<b>33,597</b>	<b>40,760</b>	<b>17.6% ▼</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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