

PTL has announced its annual result where it posted profit after tax of Rs851mn (EPS: Rs6.08) as compared to profit after tax of Rs252mn (EPS: Rs1.8) in the same period last year, up by 238% YoY.

The company has posted a revenue of Rs16.2bn against Rs11.6bn in SPLY, recording a growth of 39.9% YoY. We note that this growth is attributed to the increase in the volumetric sales post easing of the lockdown.

The gross margin has slightly been increased to 15.2% as compared to 14.5% in SPLY due to the cost efficiencies. SG&A expenses have increased by 29.8% YoY to Rs877mn as compared to Rs676mn during SPLY.

Lastly, the finance cost has been decreased by 45.2% YoY to Rs328mn as compared to Rs598mn during SPLY.

Going forward, we expect the company's bottom line to remain on an upward trajectory amid the rise in automobile sales and the commencement of additional capacities. PTL is currently trading at FY22E PE of 9.39x. We have a **BUY** stance on the scrip with a DCF based Jun-22 TP of Rs 92 which provides an upside potential of 21%.

Rupees' millions	4QFY21	4QFY20	YoY	FY21	FY20	YoY
Net Sales	4,628	-	-	16,202	11,585	39.9% ▲
Cost of Sales	-3,996	-	-	-13,731	-9,908	38.6% ▲
Gross Profit	631	-	-	2,471	1,677	47.3% ▲
SG&A Expenses	-252	-	-	-877	-676	29.8% ▲
Other Charges	-17	-	-	-87	-29	193.3% ▲
Operating Profit	362	-	-	1,507	972	55.1% ▲
Other Income	25	-	-	42	6	550.3% ▲
Finance Cost	-77	-	-	-328	-598	45.2% ▼
Profit Before Taxation	310	-	-	1,220	380	221.3% ▲
Taxation	-111	-	-	-369	-128	188.3% ▲
Profit After Taxation	199	-	-	851	252	238.0% ▲
Earnings Per Share	1.42	-	-	6.08	1.80	238.0% ▲
Dividend	2.00	-	-	2.00	0.00	
Bonus	20%	-	-	20%	0%	

Closing Period: 9 Sep 2021 - 15 Sep 2021

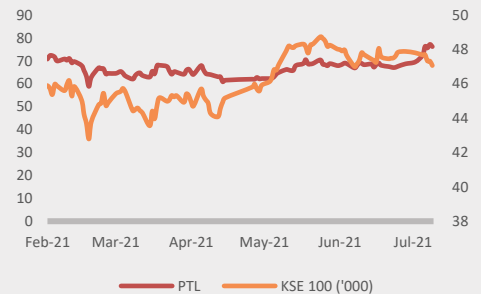
	4QFY21	4QFY20	YoY	FY21	FY20	YoY
Gross Margin	13.6%	-	-	15.2%	14.5%	0.8% ▲
SG&A Expenses to Sales	-5.5%	-	-	-5.4%	-5.8%	0.4% ▼
Other Income to Sales	0.5%	-	-	0.3%	0.1%	0.2% ▲
Ex. Gain / (Loss) to Sales	-5.5%	-	-	-5.4%	-5.8%	0.4% ▼
Effective Taxation	-35.9%	-	-	-30.2%	-33.7%	3.5% ▼
Net Margin	4.3%	-	-	5.3%	2.2%	3.1% ▲

Source: ACPL Research, Company Financials

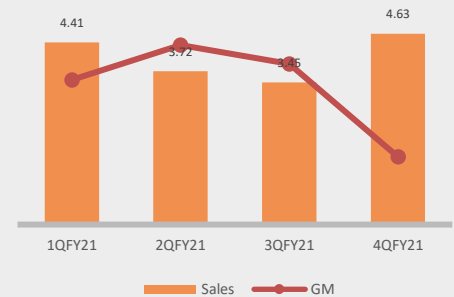
Key Statistics

Symbol	PTL
TP - Jun 22	92.00
LDCP	76.15
Upside (%)	21
Free Float ('mn)	42
Market Cap. (Rs.'mn)	10,661

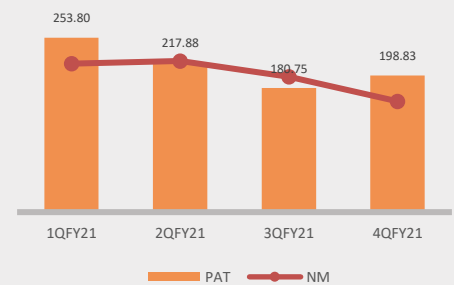
PTL vs KSE 100



Sales (Rs'bn) vs Gross Margin



PAT (Rs'mn) vs Net Margin



Sources: ACPL Research, Company Financials

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Financial Projections

Rupees' millions	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Net sales	9,779	11,585	16,202	19,442	23,331	27,997	33,597
Cost of sale	8,441	9,908	13,731	16,478	19,773	23,728	28,473
Gross profit	1,338	1,677	2,471	2,965	3,558	4,269	5,123
Selling And Distribution	306	415	581	758	910	1,092	1,310
Administrative Expenses	259	261	296	292	350	420	504
Other Expenses	40	29	87	78	93	112	134
Other Income	2	6	42	97	117	140	168
Operating Profit	735	978	1,548	1,934	2,321	2,786	3,343
Finance cost	404	598	328	335	358	332	299
Profit before taxation	331	380	1,220	1,599	1,964	2,454	3,044
Taxation	116	128	369	464	569	712	883
Profit after taxation	214	252	851	1,135	1,394	1,742	2,161
EPS	1.53	1.80	6.08	8.11	9.96	12.45	15.44

Source: ACPL Research, Company Financials

Horizontal Analysis

	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Net sales	14.1%	18.5%	39.9%	20.0%	20.0%	20.0%	20.0%
Cost of sale	13.4%	17.4%	38.6%	20.0%	20.0%	20.0%	20.0%
Gross profit	18.2%	25.3%	47.3%	20.0%	20.0%	20.0%	20.0%
Selling And Distribution	18.3%	35.4%	40.2%	30.5%	20.0%	20.0%	20.0%
Administrative Expenses	31.5%	0.8%	13.5%	-1.6%	20.0%	20.0%	20.0%
Other Expenses	30.0%	-26.7%	193.3%	-10.1%	20.0%	20.0%	20.0%
Other Income	-97.3%	221.7%	550.3%	133.7%	20.0%	20.0%	20.0%
Operating Profit	2.0%	33.1%	58.3%	24.9%	20.0%	20.0%	20.0%
Finance cost	40.2%	48.0%	-45.2%	2.2%	6.7%	-7.3%	-9.9%
Profit before taxation	-23.5%	14.9%	221.3%	31.0%	22.8%	25.0%	24.0%
Taxation	65.2%	10.1%	188.3%	25.7%	22.8%	25.0%	24.0%
Profit after taxation	-40.8%	17.5%	238.0%	33.4%	22.8%	25.0%	24.0%
EPS	-40.8%	17.5%	238.0%	33.4%	22.8%	25.0%	24.0%

Source: ACPL Research, Company Financials

Key Ratios

Profitability Ratios		FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
GP Margin	%	13.69	14.48	15.25	15.25	15.25	15.25	15.25
NP Margin	%	2.19	2.17	5.25	5.84	5.98	6.22	6.43
OP Margin	%	7.51	8.44	9.56	9.95	9.95	9.95	9.95
ROE	%	6.42	6.97	18.57	21.15	21.98	22.94	23.50
Liquidity Ratios		FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Current	x	1.09	1.11	1.33	1.39	1.49	1.58	1.66
Quick	x	0.71	0.68	0.81	0.86	0.95	1.03	1.11
Activity Ratios		FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Inventory Turnover	x	5.32	6.12	6.60	6.95	7.62	8.42	9.42
Inventory Days		68.66	59.59	55.32	52.50	47.92	43.33	38.75
Receivables Days		70.70	76.88	65.00	62.00	59.00	56.00	53.00
Payables Days		23.34	27.29	27.29	27.29	27.29	27.29	27.29
Operating Cycle		116.02	109.18	93.03	87.21	79.62	72.04	64.46
Investment Ratios		FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
DPS		1.53	1.80	6.08	8.11	9.96	12.45	15.44
Div. Yield	%	2.01	2.36	7.98	10.65	13.08	16.34	20.27
Retention	%	100.00	100.00	67.11	69.17	69.87	71.88	74.09
Payout	%	0.00	0.00	32.89	30.83	30.13	28.12	25.91
No. of Shares	('m)	140.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS		1.53	1.80	6.08	8.11	9.96	12.45	15.44
BVPS		7.00	7.20	10.71	7.39	6.21	5.03	3.84
P/E	x	49.74	42.33	12.52	9.39	7.65	6.12	4.93
Sales per share		69.85	82.75	115.73	138.87	166.65	199.98	239.98
P/BV	x	10.88	10.57	7.11	10.31	12.27	15.15	19.81
P/S	x	1.09	0.92	0.66	0.55	0.46	0.38	0.32
Solvency Ratios		FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Debt to Equity	x	0.97	1.14	1.06	0.85	0.69	0.56	0.44
L.T Debt to Equity	x	0.13	0.14	0.33	0.19	0.14	0.09	0.06

Source: ACPL Research, Company Financials

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

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

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SELL	Less than and equal to -5%

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