

# Amreli Steels Limited (ASTL)

Notified Research Entity  
www.JamaPunji.pk

Result Review

## KEY DATA

PSX Ticker	ASTL
Sector	Engineering
Current Price PkR	71.32
Market Cap (PkR mn)	21,183
Market Cap (US\$ mn)	171
52 weeks High	106.06
52 weeks Low	54.40
Shares Outstanding (mn)	297.01
Free Float (mn)	25%

Source: PSX/Darson Research

## RELATIVE PERFORMANCE



## EPS grew by +48%YoY in FY18

Amreli Steels limited (ASTL) announced its financial result for FY18, wherein the company's profitability clocked in at PKR 1,585mn (EPS: PKR 5.34 up +48%YoY) against PKR 1,074mn (EPS: PKR 3.62) in the same corresponding period last year. In concurrence with results the company announced a final cash dividend of PKR 2.2/share i.e. 22%

The topline of the company witnessed an upsurge of +17%YoY to PKR 15,501mn for FY18 owed to higher volumes, while gross profit of the company stood at PKR 2,758mn in FY18, surged by +12%YoY as compared to SPLY, in which it was PKR 2,468mn.

Focusing on the expense, the company's Administrative Expenses and Selling & Distribution Expense showed an upward trend of +26%YoY and +12.1%YoY respectively. This increase is mainly due to start of operations at Dhabeji Facility and increased advertisement operations.

As far as finance cost is concerned, it inclined by +89%YoY to PKR 476mn versus PKR 252mn in FY17, owed to borrowings at higher interest rates. All in all, NPAT of the company clocked in at PKR 1,585mn, an increase of +48%YoY.

PKR MN	FY'18	FY'17	YoY%
Sales	15,501	13,284	17%
COGS	12,742	10,816	18%
<b>Gross Profit</b>	<b>2,758</b>	<b>2,468</b>	<b>12%</b>
Selling Distributive Expenses	378	337	12%
Administrative Expenses	409	325	26%
Other Expenses	123	117	6%
Other Income	23	7	206%
<b>Operating Profit</b>	<b>1,871</b>	<b>1,697</b>	<b>10%</b>
Financial Cost	476	252	89%
<b>Profit Before Taxation</b>	<b>1,394</b>	<b>1,445</b>	<b>-4%</b>
Tax	191	371	-49%
<b>Profit After Taxation</b>	<b>1,585</b>	<b>1,074</b>	<b>48%</b>
EPS	5.34	3.62	48%

Source: Darson Research, Company Accounts

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- |                                           |                     |
|-------------------------------------------|---------------------|
| If;                                       |                     |
| • Expected return >15%                    | - Buy Call          |
| • Expected Return is in between 0% to 15% | - Neutral/Hold Call |
| • Expected Return <0%                     | - Sell Call         |

#### Valuation Methodology

To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: [www.JamaPunji.pk](http://www.JamaPunji.pk)

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