

# AHL Alert: Textile Composite

## Interloop Limited

### Result Review: EPS of PKR 11.25/share in FY24

#### Earnings declined by 56% YoY to PKR 1.87/share in 4QFY24

Interloop Limited (ILP) announced the result for FY24 today, where by the company posted a Profit after Tax of PKR 15,771mn (EPS: PKR 11.25) compared to PKR 20,172mn (EPS: PKR 14.39) in FY23. On a quarterly basis, the company's bottom-line arrived at PKR 2,616mn (EPS: PKR 1.87) against PKR 6,003mn (EPS: PKR 4.28) in 4QFY23. Alongside the result the company announced a final cash dividend of PKR 2.5/share

#### Result Highlights

- During FY24, topline clocked in at PKR 156,129mn, up by 31% YoY. Whereas, on a quarterly basis, net sales during 4QFY24 arrived at PKR 43,273mn, depicting a jump of 23% YoY| 11% QoQ driven by higher export volumes and the full operationalization of the Apparel plant.
- In FY24, gross margins declined to 27.9%, representing a 560bps YoY contraction, primarily driven by rising cotton and energy prices. In 4QFY24, gross margins further dropped to 22.4%, down from 33.3% in the same period last year, largely due to increased costs associated with the capitalization of the apparel plant's expansion during the quarter.
- Admin expenses during FY24 augmented by 37% YoY, while distribution expense surged by 42% YoY due to inflationary pressure.
- Finance costs climbed up by 83% YoY to PKR 10,125mn in FY24 due to elevated interest rates along with a jump in borrowings. Meanwhile, during 4QFY24, the finance cost reached PKR 2,715mn, depicting a jump of 74% YoY due to aforementioned reason.
- The company booked effective taxation at 15.2% in 4QFY24 vis-à-vis 6.9% in 4QFY23.

#### Exhibit: Financial Highlights

(PKR mn)	FY24a	FY23a	YoY	4QFY24a	4QFY23a	YoY	QoQ
Net Revenue	156,129	119,200	31%	43,273	35,073	23%	11%
Gross Profit	43,544	39,872	9%	9,704	11,680	-17%	-15%
Admin Expense	8,583	6,245	37%	1,985	1,647	21%	-14%
Distribution Expense	5,628	3,953	42%	1,789	1,125	59%	36%
Other Expenses	2,041	2,721	-25%	342	951	-64%	-37%
Other Income	640	158	305%	211	50	322%	140%
Finance Cost	10,125	5,528	83%	2,715	1,557	74%	4%
PBT	17,807	21,584	-17%	3,085	6,451	-52%	-34%
Taxation	2,036	1,412	44%	469	448	5%	-14%
PAT	15,771	20,172	-22%	2,616	6,003	-56%	-37%
EPS (PKR)	11.25	14.39		1.87	4.28		
DPS (PKR)	4.50	5.00		2.50	2.00		

Source (s): Company Financials, AHL Research

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