



## Crescent Steel | Contracts from distribution companies

### FY16 EPS to be vital ~ we believe an EPS of Rs11.2 (adjusted)

- Earnings to flourish on the basis of contracts been awarded by SSGC & SNGP
- More contracts in pipeline...
- Government has increased gas prices | The next step is to spend this money on building up gas pipeline infra-structure (further pipeline installation in northern areas is a possibility)
- Materialisation of contracts could even hit early FY17

### CSAP ~ ISGS to complete the tendering process soon

Interstate Gas System (Pvt.) Ltd has been delegated the responsibility to manage the 700km pipeline project of national importance. CSAP is in a good position because of its quality spiral pipes; an ability to produce huge diameter pipe up to 90 inches.

## Protective Coating & Lining

Normally the uncoated pipes are exposed and leads to spillage and leakage. CSAP production line of protective coating would help them to get contracts over new pipelines.

**CSAP ~ being a local player is in a good position to win more contracts**

- LNG import ~ gas prices need to be settle down | supply would be made to northern areas for which further pipelines need to be build
- Nawabshah to Gwader | a major contract on the cards
- Pak-Iran gas pipeline ~ Iran sanctions could play vital role over the project
- CSAP ~ already won contracts worth of around Rs8.8bn from both SSGC & SNGP
- Major profitability to reflect in second half of FY16 due to materialisation

### Analyst

Ali Sufyan (ACCA Affiliate)

Tel: 35290460

UAN: 111-111-721

[www.scstrade.com](http://www.scstrade.com)

Supervised by: Faisal Shaji (Research Head)