

Result announcement 1QFY23

Cements

Cherat Cement Company Limited

Earnings: Cherat Cement Company Limited (CHCC) announced its financial result for the first quarter FY23, whereby company reported earnings of PKR 1,483mn or PKR 7.63/share compared to last year PKR 1,193mn or PKR 6.14/share, up by +24%/y. On quarterly basis, company's profitability is up by +45%, due to higher tax charge taken in previous quarter.

Payout: The Company did not announce any payout along with the result.

Operating performance: For the 1QFY23, Company's sales recorded a +26%/y growth to PKR 9.0bn backed by better retention prices, compensating industry wide volumetric slowdown, higher energy and coal prices. On sequential basis, sales are down by 5%/q. Moreover, company's gross margins clocked in at 32% up when compared to previous quarter 4QFY23: 29% and 1QFY22: 29%). Interest costs during the quarter settled at PKR 480mn up by +6%/q on sequential basis, and +61%/y amid higher interest rates. Effective tax rate for the period came at 30% (additional tax measures announced in budget 2023) compared to 35% in 4QFY23, and 26% during last year same period.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights							
For period ending: 1q/23a							
PKRmn=Jun(end)	1q/23a	FY22a	4q/22a	3q/22a	2q/22a	1q/22a	FY21
Net Sales	9,050	32,085	9,504	7,803	7,618	7,161	25,207
Gross Profits	2,895	8,951	2,713	2,080	2,079	2,079	6,728
EBIT	2,611	8,188	2,576	1,780	1,926	1,906	5,861
Finance cost	480	1,359	454	305	301	299	1,524
Profit before tax	2,131	6,829	2,123	1,475	1,624	1,607	4,337
Taxation	648	2,373	1,102	410	447	414	1,132
Profit after Tax	1,483	4,456	1,021	1,065	1,177	1,193	3,205
EPS	7.63	22.93	5.25	5.48	6.06	6.14	16.50
DPS	0.0	3.0	3.0	0.0	0.0	0.0	2.3
Sales Gr. y/y	26%	27%	-62%	14%	20%	37%	47%
Gross Margins	32%	28%	29%	27%	27%	29%	27%
EBIT Margins	29%	26%	27%	23%	25%	27%	23%
Effective tax	30%	35%	52%	28%	28%	26%	26%
Net Margins	16%	14%	11%	14%	15%	17%	13%

Source: Company Accounts, IGI Research

Number of Shares (mn): 194.3

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

Aariz Raza

Aariz.raza@igi.com.pk

Tel: +92 21 111 234 234 Ext: 816

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IGI Finex Securities Limited
Research Analyst(s)
Research Identity Number: BRP009
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Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	huzaifa.yaseen@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
 Stock Exchange Road, Karachi.
 Tel: (+92-21) 32429613-4, 32462651-2
 Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
 Building, 2- Liaqat Road
 Tel: (+92-41) 2540843-45
 Fax: (+92-41) 2540815

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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