

Result announcement FY22

Cement

Cherat Cement Company (CHCC)

Earnings: Cherat Cement Company (CHCC) announced its' full year FY22 financial result, whereby the company reported earnings of PKR 4.5bn or PKR 22.9/share, up by +39%y/y. For the 4qFY22 alone the company reported earnings of PKR 1.0bn or PKR 5.3/share (up by +4%y/y and down by 4% q/q).

Dividends/Payouts: The Company announce a final cash dividend of PKR 3.0/share along with the result, compared to last year payout of 2.2/share.

Operating performance: During the 4qFY22, company's sales reached PKR 9.5bn up by a healthy +40%y/y. Moreover, company's gross margins continue to show improvement, with latest quarter gross margins clocking in at 29%, compared to 28% in previous quarter and same last year 4q. This takes full year gross margins to 28% which is slight improvement from last year gross margins of 27%. Improved gross profits along with a lower admin & selling expenses, company's ebit increased to PKR 2.6bn (up by +56%y/y and +45% q/q) during the quarter. Margins wise, Company's ebit margins clocked in at 27% during the quarter compared to previous quarter ebit margins of 23% and 24% last year same quarter. Effective tax for the company came in at 52% for the quarter mainly incorporating the higher tax measures imposed during the FY23 budget, including Super Tax and Poverty Alleviation Tax.

Exhibit: CHCC Financial highlights							
For period ending: 4q/22a							
PKRmn=Jun(end)	FY22	4q/22a	3q/22a	2q/21a	1q/21a	FY21	FY20a
Net Sales	32,085	9,504	7,803	7,618	7,161	25,207	17,090
Gross Profits	8,951	2,713	2,080	2,079	2,079	6,728	386
EBIT	8,188	2,576	1,780	1,926	1,906	5,861	(196)
Finance cost	1,359	454	305	301	299	1,524	2,527
Profit before tax	6,829	2,123	1,475	1,624	1,607	4,337	(2,723)
Taxation	2,373	1,102	410	447	414	1,132	(830)
Profit after Tax	4,456	1,021	1,065	1,177	1,193	3,205	(1,893)
EPS	22.9	5.3	5.5	6.1	6.1	16.5	(9.7)
DPS	3.0	3.0	0.0	0.0	0.0	2.3	0.0
Gross Margins	28%	29%	27%	27%	29%	27%	2%
EBIT Margins	26%	27%	23%	25%	27%	23%	-1%
Effective tax	35%	52%	28%	28%	26%	26%	30%
Net Margins	14%	11%	14%	15%	17%	13%	-11%

Source: Company Accounts, IGI Research

No. of shares:194.3mn

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