

Flash Note

Wednesday, February 15, 2023



Result announcement 2QFY23

Cements

Cherat Cement Company Limited (CHCC)

Earnings: Cherat Cement Company Limited (CHCC) announced its 2QFY23, financial result. The company reported earnings of PKR 1.6bn (PKR 8.0/share) compared to same period last year of PKR 1.2bn (PKR 6.1/share), up by +32%/y/y. This takes 1HFY23 earnings to PKR 3.0bn (PKR 15.6/share) compared to last year PKR 2.4bn (PKR 12.2/share), an increase of +28%/y/y.

Dividend/Payout: The Company did not announce any dividend this quarter.

Operating Performance: During the period under review, company reported net sales of PKR 10.4bn (up +37%/y/y). Its gross profit arrived at PKR 3.0bn (+44%/y/y) owing to higher retention prices offsetting the impacts of higher input costs. As a result gross profit margins improved to 29% compared to 27% last year same period. Furthermore, administrative costs came at PKR 0.1bn (up by +24%/y/y and down by 2%q/q). In addition, the company reported finance cost of PKR 0.5bn this quarter (up by +73%) owing to higher interest rates.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights								
For period ending: 2q/23								
PKRbn=Jun(end)	2q/23	1q/23	2022	4q/22	3q/22	2q/22	1q/22	2021
Net Sales	10.4	9.0	32.1	9.5	7.8	7.6	7.2	25.2
Gross Profits	3.0	2.9	9.0	2.7	2.1	2.1	2.1	6.7
Admin	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.3
EBIT	2.7	2.6	8.2	2.6	1.8	1.9	1.9	5.9
Finance cost	0.5	0.5	1.4	0.5	0.3	0.3	0.3	1.5
Profit before tax	2.2	2.1	6.8	2.1	1.5	1.6	1.6	4.3
Taxation	0.6	0.6	2.4	1.1	0.4	0.4	0.4	1.1
Profit after Tax	1.6	1.5	4.5	1.0	1.1	1.2	1.2	3.2
EPS	8.0	7.6	22.9	5.3	5.5	6.1	6.1	16.5
DPS	0.0	0.0	3.0	3.0	0.0	0.0	0.0	2.3
Sales Gr. y/y	37%	26%	27%	40%	14%	20%	37%	47%
Gross Margins	29%	32%	28%	29%	27%	27%	29%	27%
EBIT Margins	26%	29%	26%	27%	23%	25%	27%	23%
Effective tax	28%	30%	35%	52%	28%	28%	26%	26%
Net Margins	15%	16%	14%	11%	14%	15%	17%	13%

Source: Company Accounts, IGI Research, Number of Shares (mn): 194.3

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