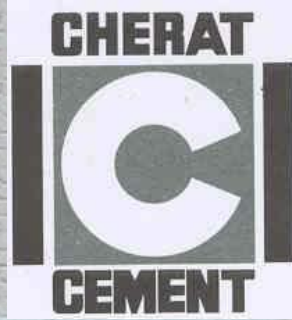




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CORPORATE BRIEFING SESSION



CHERAT CEMENT COMPANY LIMITED **SEPTEMBER 12, 2019**



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THE FOUNDER

LATE MR. GHULAM FARUQUE

(CIE, HPK, OBE)

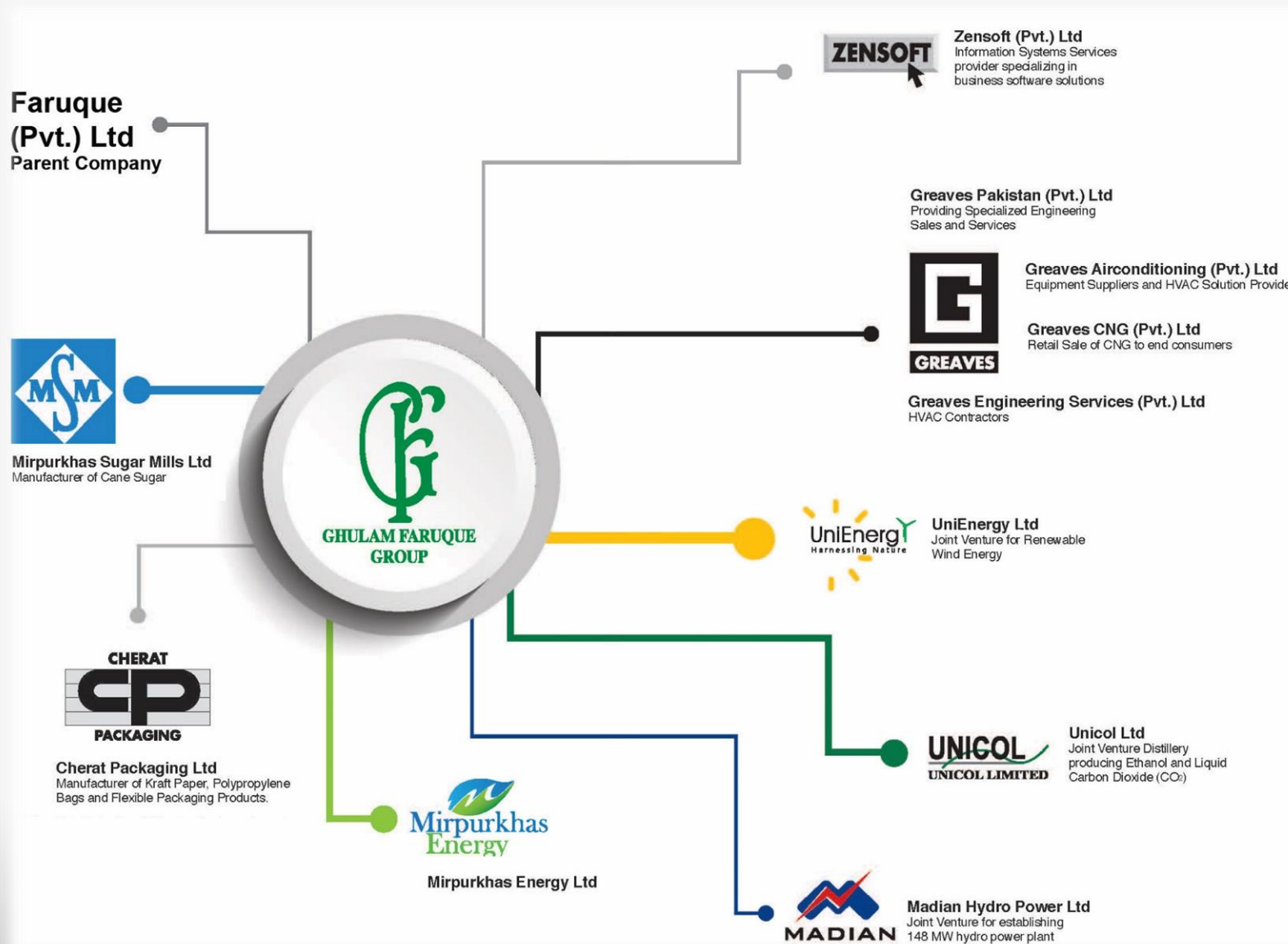


- A Visionary and a highly respected name in industrial circles.
- Spearheaded development of Pakistan's industry and laid the foundation for the Country's industrialization.

HONOURS CONFERRED

- Office of the Order of the British Empire, 1944
- Companion of the Order of the Indian Empire, 1946
- Commander of the Order of Merit, Spain, 1956
- Hilal-e-Pakistan, 1958 (highest-ranking civilian award of Pakistan)
- Honorary Doctorate of Science, West Pakistan University of Engineering and Technology, 1966
- Fellow of the Chartered Institute of Transport, London
- Member of the Association of Iron and Steel Engineers, USA

GROUP STRUCTURE





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OUR VALUES



RESPECT



FAIRNESS



QUALITY



OWNERSHIP

**LIVE VALUES
BUILD CULTURE**



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GROUP KEY FIGURES

Turnover

Over PKR 50 Billion

Assets

Over PKR 55 Billion

Employees

Over 4,000

direct and indirect employees



Company Information

Contact information:

UAN: 111-000-009

Email: info@gfg.com.pk

Web: www.gfg.com.pk

Registered Office / Factory:

Village Lakrai, P.O. Box 28,
Nowshera

Tel: +9291 5270531-4

Head Office: Modern Motors House,
Beaumont Road,
Karachi-75530

Tel: +9221 35683566-7, 35689538

Sales Office Islamabad:

1st Floor, Razia Sharif Plaza,
Jinnah Avenue, Blue Area

Tel: +9251 2344531-33

Sales Office Peshawar:

1st Floor, Betani Arcade,
University Road

Tel: +9291 5842285, 5842272

Sales Office Lahore:

3, Sundar Das Road

Tel: +9242 36286249-50, 36308259

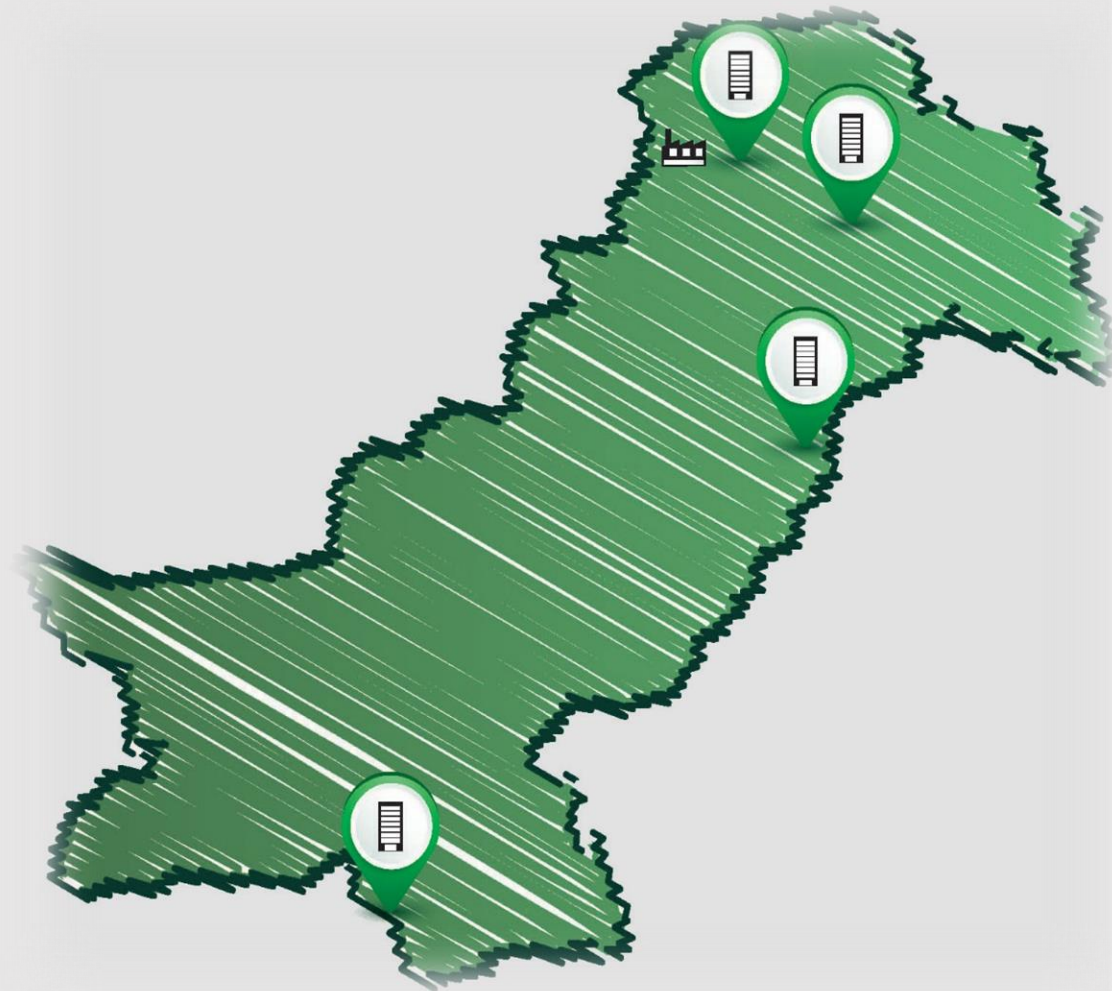


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GEOGRAPHICAL PRESENCE



Local

- Attock
- Bagh
- Bahawalpur
- Bajaur
- Bannu
- Bhimber
- Bunair
- Chakwal
- Charsadda
- Chilas
- Chitral
- Dera Ghazi Khan
- Dir
- Faisalabad
- Gilgit
- Gujranwala
- Gujrat
- Hunza
- Hyderabad
- Islamabad
- Jhelum
- Karachi
- Karak
- Kasur
- Khairpur
- Khyber
- Kohat
- Kotli
- Kurram
- Lahore
- Larkana
- Malakand
- Mardan
- Mirpur
- Mirpurkhas
- Mohmand
- Multan
- Muzaffarabad
- Narowal
- North Waziristan
- Jawabshah
- Nowshera
- Okara
- Orakzai
- Parachinar
- Peshawar
- Rahim Yar Khan
- Rawalakot
- Rawalpindi
- Sahiwal
- Sakrand
- Sanghar
- Sargodha
- Shangla
- Sheikhpura
- Sialkot
- Skardu
- South Waziristan
- Sukkur
- Swabi
- Swat
- Tank



Afghanistan

Main Distribution

- Jalalabad
- Kabul
- Kandhar
- Khost
- Kunduz
- Mazar-i-Sharif

CORPORATE SOCIAL RESPONSIBILITY

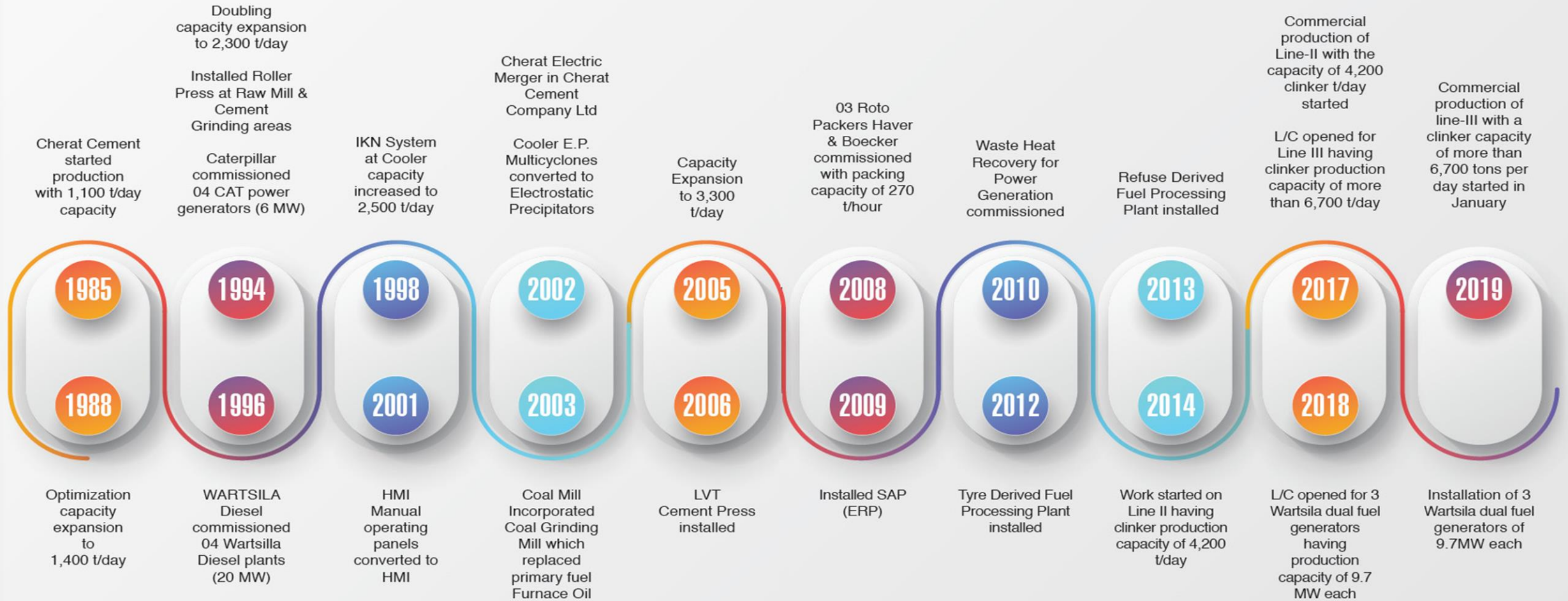
Investment in Community & Society through:

- *Donations to Educational Sector, TCF, AKUMC, etc.*
- *Donations to Health Sector, e.g. AKUH, The Kidney Centre, etc.*
- *Donations to flood victims and IDPs*
- *Establishment of Hospital in vicinity of Nowshera*
- *Wildlife protection*
- *Investment in projects for conservation of energy*
- *Heavy Duty Fire Tender for fire fighting in Site and near vicinities*





MILESTONES





AWARDS & RECOGNITIONS



- Earned 3rd Position in 2018 in Best Corporate and Sustainability Report Award (Jointly conducted by ICAP and ICMAP)
- Earned 1st position for two consecutive years i.e. 2017 and 2016 in Best Corporate and Sustainability Report Award (Jointly conducted by ICAP and ICMAP)
- Recipient of Top Companies Award for the year 2014 from Pakistan Stock Exchange
- Recipient of SAFA Awards for Transparency in Corporate Reporting, the Annual Reports of the Company for the Year 2017 & 2014 in the SAARC anniversary.



CURRENT YEAR EVENTS

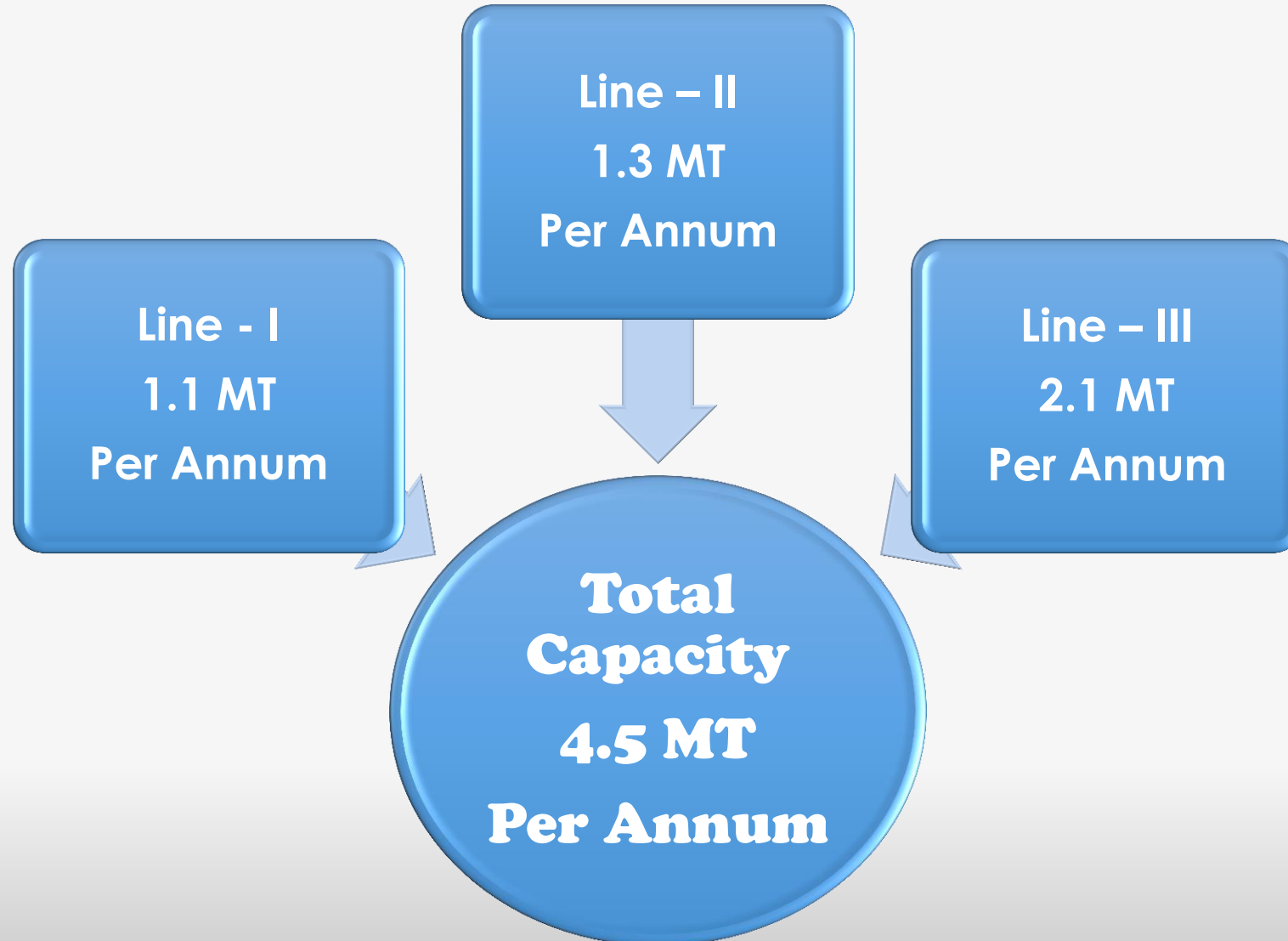
Installation of (3) Captive Dual Fuel Generators in September, 2018 with a total capacity of 29.10 MW Power Generation

Successful installation of Cement Production Line-III with a capacity of 6,700 TPD Clinker in January, 2019

Successful installation of WHR (Waste Heat Recovery) Plant –III with a capacity of 10MW Power Generation in January, 2019



INSTALLED CAPACITY





FINANCIAL HIGHLIGHTS

Key Financial Information - Last Six Years

	2019	2018	2017	2016	2015	2014
(Tons in '000)						
Clinker Production	2,338	2,234	1,519	897	937	847
Cement Production	2,509	2,443	1,489	1,042	971	945
Cement Dispatched	2,493	2,519	1,544	1,037	972	949
(Rupees in Million)						
Summary of Statement of Financial Position						
Assets						
Non-Current Assets	27,186	24,238	14,238	13,457	7,197	3,526
Current Assets	8,093	6,282	4,569	2,005	2,267	2,905
Total Assets	35,279	30,520	18,807	15,462	9,464	6,431
Equity & Liabilities						
Shareholders' Equity	11,756	11,174	10,462	9,140	8,026	4,864
Non-current Liabilities	17,328	15,693	5,774	4,511	611	686
Current Liabilities	6,196	3,653	2,571	1,811	827	881
Equity & Liabilities	35,280	30,520	18,807	15,462	9,464	6,431
Summary of Statement of Profit or Loss						
Turnover & Profit						
Turnover - net	15,863	14,388	9,645	7,079	6,565	6,451
Gross Profit	2,883	3,139	3,213	2,634	1,984	2,103
Operating Profit	2,190	2,504	2,698	2,095	1,709	1,716
Profit Before Taxation	1,048	2,147	2,510	2,051	1,671	1,688
Profit After Taxation	1,763	2,132	1,957	1,405	1,288	1,316
Earning per share (Rs./share)	9.98	12.07	11.08	7.96	8.01	9.60



QUANTITATIVE ANALYSIS OF INDUSTRY

Description	2019	2018	INC./ (DEC.) %
	Tons in '000		
LOCAL	40,235	41,147	-2.20%
EXPORT:			
AFGHANISTAN	1,709	1,820	-6.10%
INDIA	599	985	-39.19%
THROUGH SEA	4,214	1,940	117.22%
TOTAL EXPORTS	6,522	4,746	37.42%
TOTAL DISPATCHES	46,757	45,893	1.88%



QUANTITATIVE ANALYSIS OF THE COMPANY

Description	2019	2018	INC./((DEC.) %
	Tons in '000		
CEMENT			
LOCAL	2,135	2,130	0.2%
EXPORTS	358	311	15.1%
TOTAL CEMENT DISPATCHES	2,493	2,441	2.1%
CLINKER-LOCAL	-	78	-
TOTAL DISPATCHES	2,493	2,519	-1.0%



STATEMENT OF PROFIT OR LOSS

	2019	2018
	(Rupees in '000)	
Turnover - net	15,862,647	14,388,349
Cost of sales	(12,979,533)	(11,249,153)
Gross profit	2,883,114	3,139,196
Distribution costs	(396,338)	(337,132)
Administrative expenses	(293,925)	(245,258)
Other expenses	(109,360)	(133,966)
	(799,623)	(716,356)
Other income	106,836	81,112
Operating profit	2,190,327	2,503,952
Finance costs	(1,142,559)	(356,585)
Profit before taxation	1,047,768	2,147,367
Taxation		
Current		
Prior	-	(37,287)
Deferred	145,014	80,373
	569,981	(58,334)
	714,995	(15,248)
Net profit for the year	1,762,763	2,132,119
Earnings per share – basic and diluted	Rs. 9.98	Rs. 12.07



STATEMENT OF FINANCIAL POSITION

	2019	2018
	(Rupees in '000)	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	26,890,963	23,805,845
Intangible assets	18,462	15,406
	<u>26,909,425</u>	<u>23,821,251</u>
Long-term investments	254,970	396,794
Long-term loans	701	686
Long-term deposits	21,392	19,008
	<u>277,063</u>	<u>416,488</u>
	<u>27,186,488</u>	<u>24,237,739</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	3,484,620	2,778,907
Stock-in-trade	1,268,194	753,638
Trade debts	311,488	188,272
Loans and advances	143,862	84,081
Trade deposits and short-term prepayments	23,759	25,940
Other receivables	1,551,308	1,599,017
Taxation – net	1,280,573	804,915
Cash and bank balances	29,535	47,052
	<u>8,093,339</u>	<u>6,281,822</u>
TOTAL ASSETS	<u><u>35,279,827</u></u>	<u><u>30,519,561</u></u>



STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	2019	2018
	(Rupees in '000)	
SHARE CAPITAL AND RESERVES		
Share capital	1,766,318	1,766,318
Reserves	9,989,851	9,407,430
	11,756,169	11,173,748
NON-CURRENT LIABILITIES		
Long-term financings	16,900,000	14,700,000
Long-term security deposits	21,871	17,667
Deferred taxation	405,659	975,640
	17,327,530	15,693,307
CURRENT LIABILITIES		
Trade and other payables	1,863,434	1,990,431
Accrued mark-up	544,086	230,024
Short-term borrowings	2,902,527	963,947
Current maturity of long-term financing	800,000	400,000
Unclaimed dividend	86,081	68,104
	6,196,128	3,652,506
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	35,279,827	30,519,561

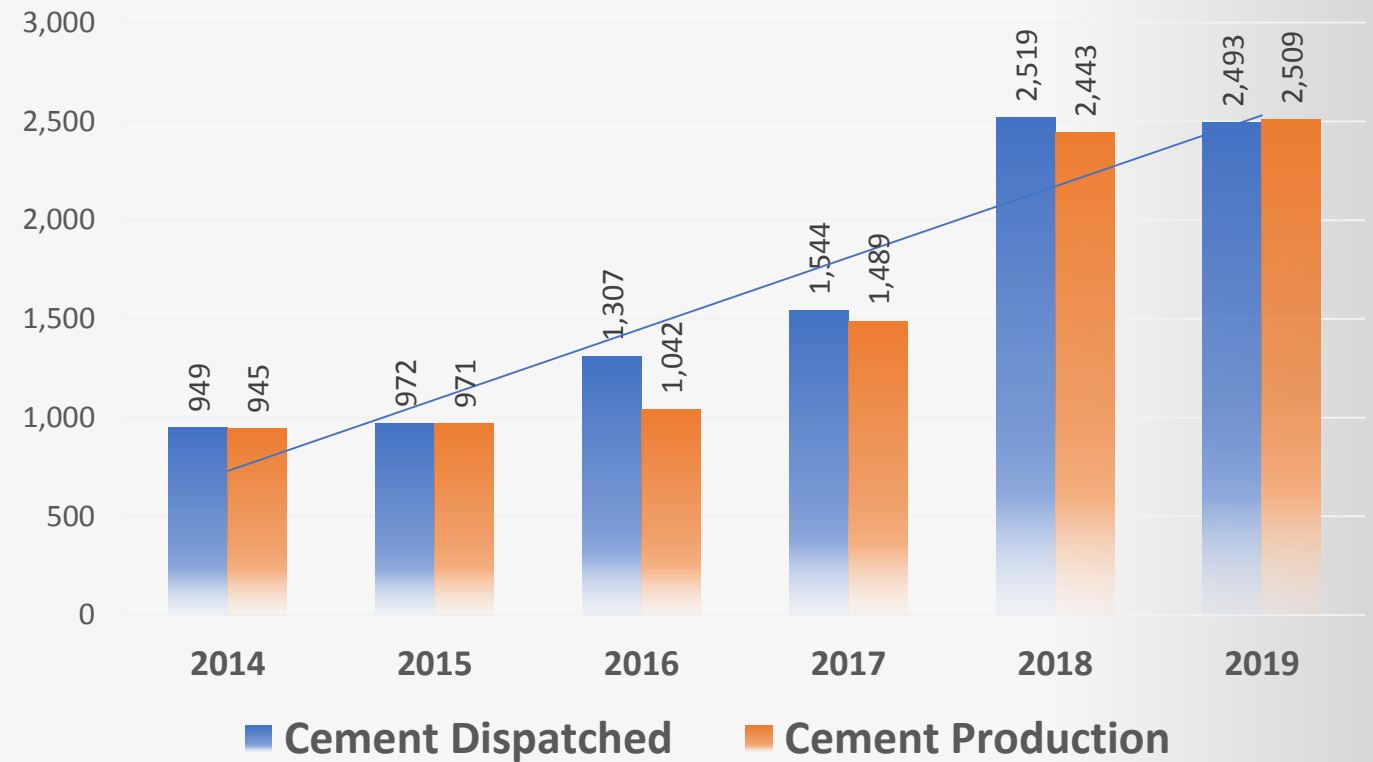
FINANCIAL HIGHLIGHTS



Installation of Cement Production Line-II and Line-III resulted in tremendous growth of:

- **2.7 times in Cement Production.**
- **2.6 times in Cement Dispatches.**

CEMENT PRODUCTION & DISPATCHES



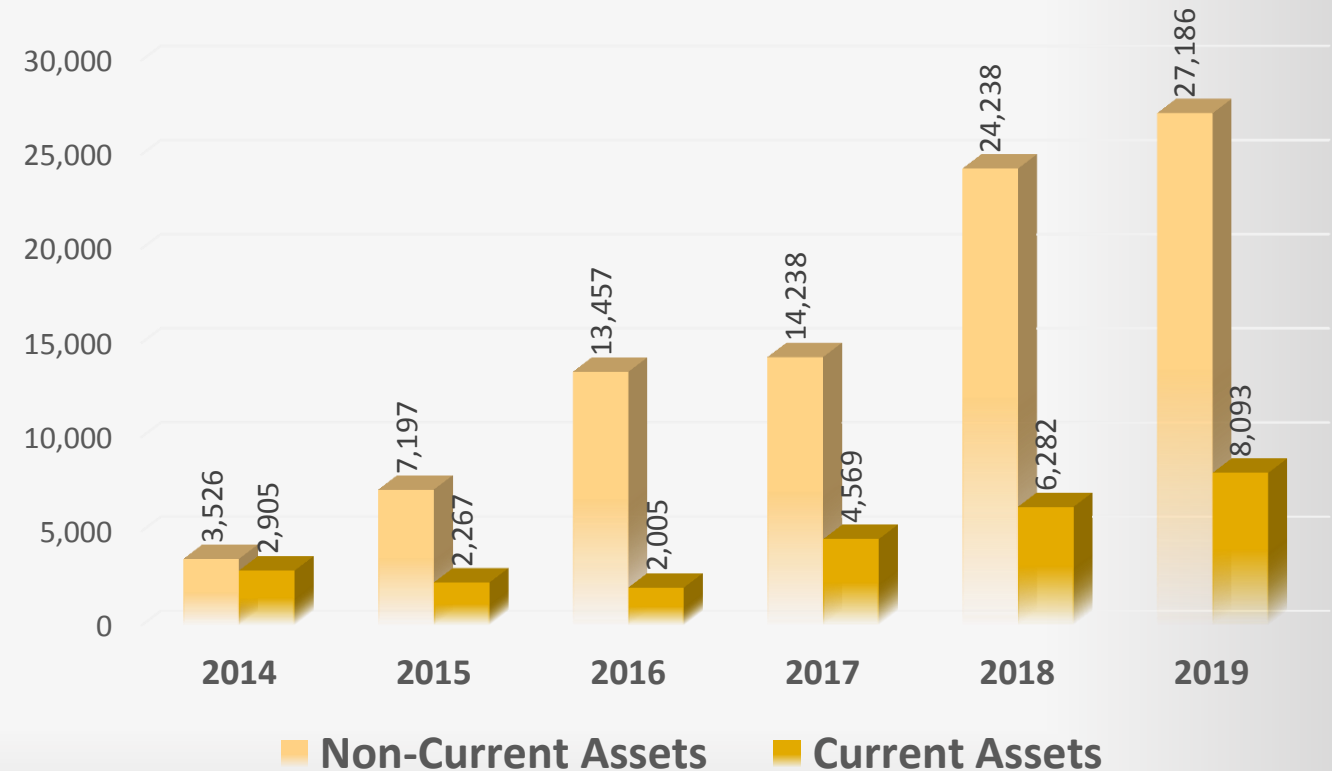


FINANCIAL HIGHLIGHTS

During the past six years the Company has made enormous capital expenditures for installation of Line-II, WHR-II, Line-III, WHR-III, and Captive Power Plants, which resulted in growth of :

- **7.7 times in Non-Currents Assets.**
- **2.8 times in Current Assets.**
(increased working capital requirements)

NON-CURRENT AND CURRENT ASSETS



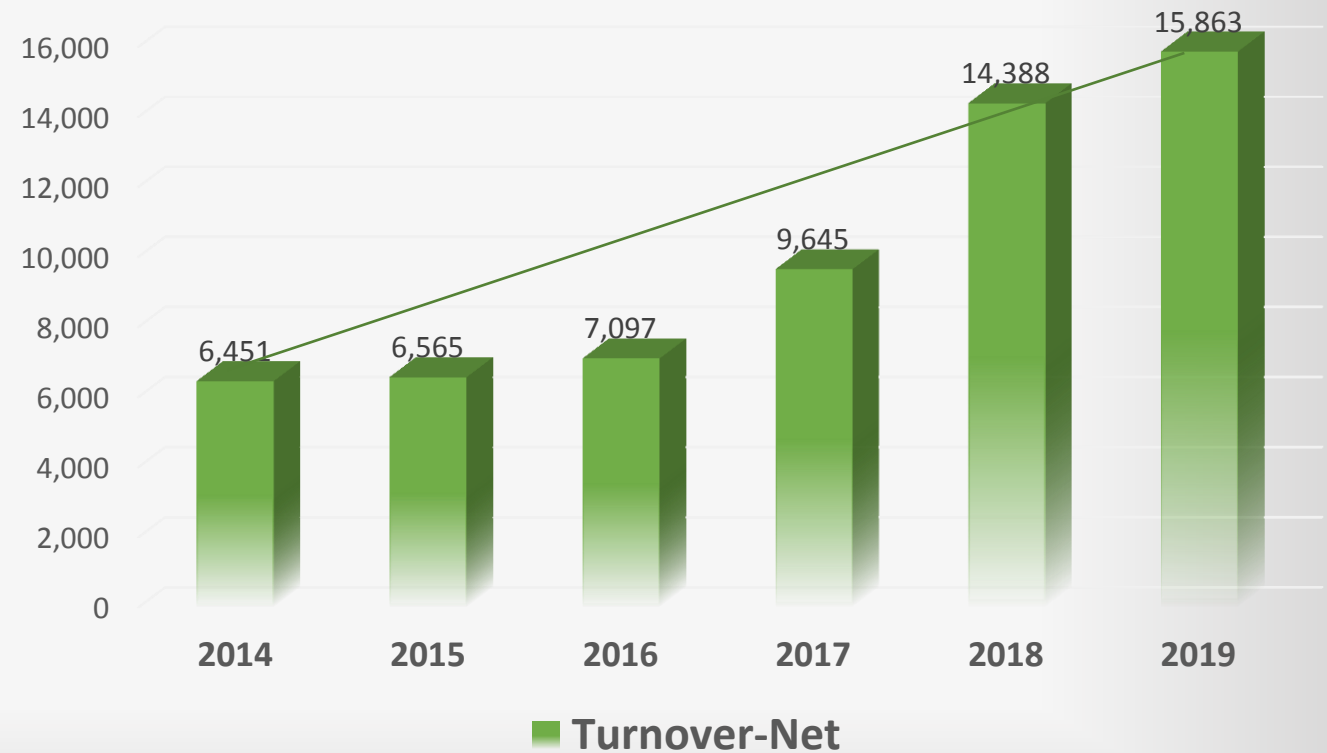


FINANCIAL HIGHLIGHTS

*The Turnover of the Company also witnesses an upsurge of **2.5 times** due to:*

- *Production capacity enhancements,*
- *Increase in Sales Price,*
- *Enhancing market reach and share,*
- *Broadening customer base.*

TURNOVER-NET





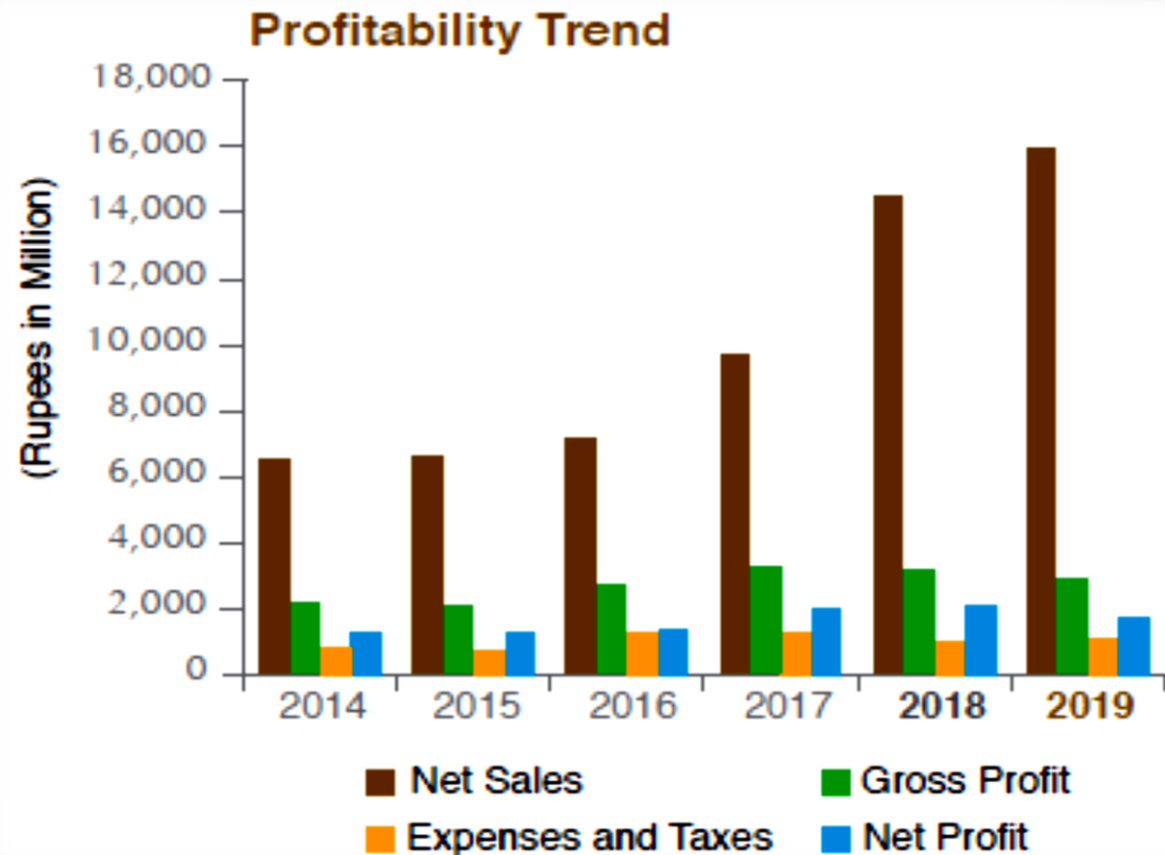
FINANCIAL HIGHLIGHTS

Over the past six years:

- *Turnover has been increased by **2.5 times**.*
- *Gross Profit increased by **1.4 times**.*
- *Net Profit increased by **1.3 times**.*

Resulting from increased:

- *Dispatches,*
- *Sales Prices,*
- *Cost reduction measures.*





KEY FINANCIAL RATIOS

Ratios	2019	2018
Gross Profit Ratio	18.18%	21.82%
Net Profit Before Tax Ratio	6.61%	14.92%
Net Profit After Tax Ratio	11.11%	14.82%
Return on Equity	15.38%	19.71%
Earnings Per Share	9.98	12.07
Price Earnings Ratio	3.10	8.05
Break-up Value per Share	66.65	63.26
Debts to Equity Ratio	58.98%	56.81%
Interest Cover Ratio	1.92	7.02
Current Ratio	1.31	1.72
Quick/Acid Test Ratio	1.05	1.46

CURRENT CEMENT INDUSTRY ISSUES



- *High Government Levies*
- *Demand-Supply Scenario*
- *Axle Load*
- *Documentation Drive*
- *Weather Condition*
- *Exchange Rate Devaluation*
- *Higher Markup Rate*



OPPORTUNITIES

- *Capacity enhancement at a low cost and short time*
- *Available Capacity*
- *Government Housing and Dam projects*
- *Cost reduction measures:*
 - *Very efficient plant*
 - *Gas connection*
 - *Renewable Energy*



THANK YOU