

CHERAT



CEMENT

Cherat Cement Company Limited

A Ghulam Faruque Group Company



GHULAM FARUQUE
GROUP

CORPORATE ANALYST BRIEFING



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Ghulam Faruque
Group

THE FOUNDER

LATE MR. GHULAM FARUQUE

(CIE, HPK, OBE)

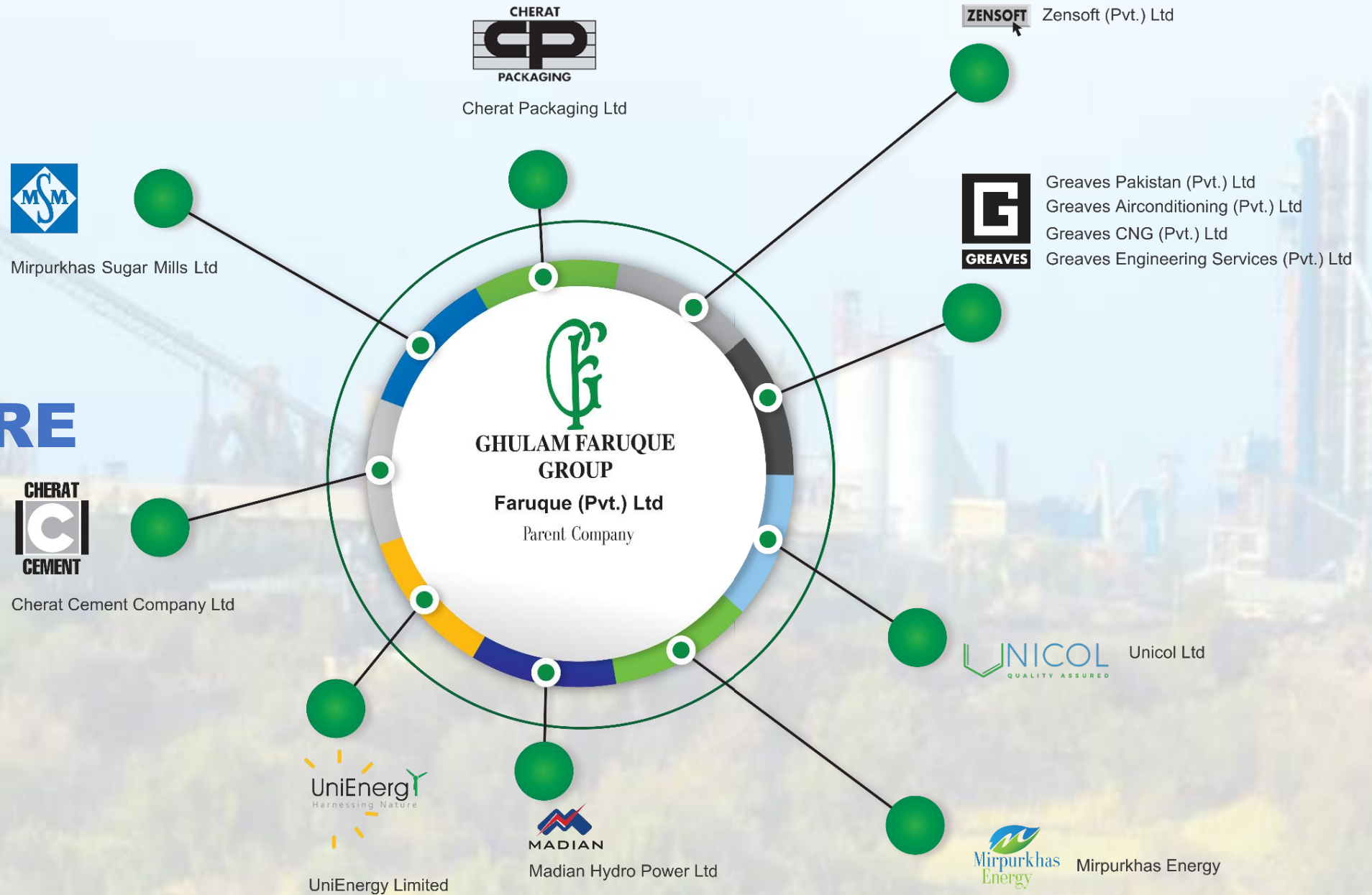
- A Visionary and a highly respected name in industrial circles.
- Spearheaded development of Pakistan's industry and laid the foundation for the Country's industrialization.

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





Ghulam Faruque
Group

OUR VALUES



RESPECT



FAIRNESS



QUALITY



OWNERSHIP

**LIVE VALUES
BUILD CULTURE**



**GHULAM FARUQUE
GROUP**

GROUP KEY FIGURES

Turnover

Rs. 55 billion

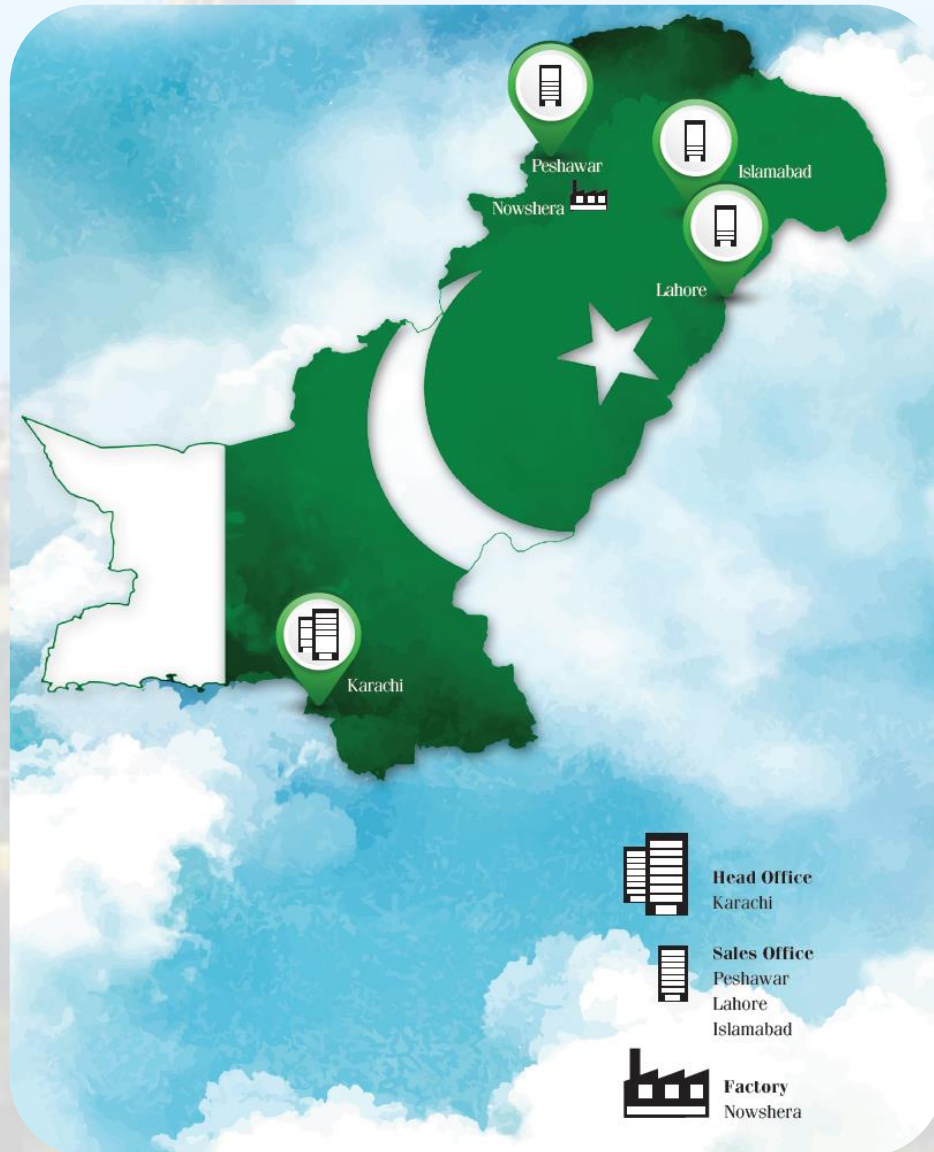
Assets

Rs. 80 billion

Employees

Nearly 5,500

GEOGRAPHICAL PRESENCE



Local

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



Export

Afghanistan

Main Distribution

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

CORPORATE SOCIAL RESPONSIBILITY

Charity Account



- Ghulam Faruque Welfare Trust
- The Kidney Centre
- Aga Khan University Hospital
- Nowshera Lions Club
- Ummah Welfare Trust, DC Nowshera
- IBP School of Special Education

Health

- The Kidney Centre, Nowshera
- Shaukat Khanum Memorial Trust
- Nowshehra Dialysis Center
- Personal Treatments



Development & Community

- Pakistan Tennis Federation
- Ummah Welfare Trust
- Anjuman Kashan-e-Atfal-o-Naunihal
- D.C Nowshehra



Special Persons

Education & Employment

- IBP School of Special Education
- Karwan-e-Hayat for Mental Health
- The Society of Rehabilitation of Special Children

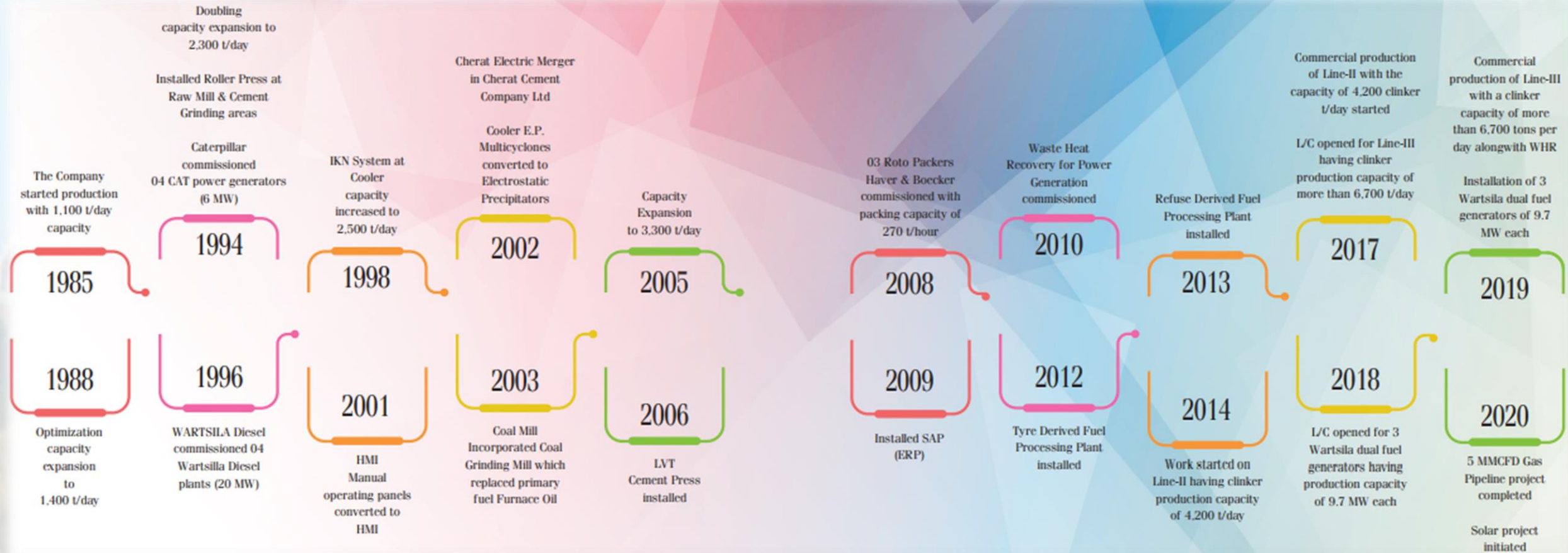


Education

- School in Shaidu Village
- Aga Khan University Medical College
- Ghulam Ishaq Khan Institute of Engineering & Science & Technology
- Oxford University Press
- Approved Religious Institutions



MILESTONES





AWARDS & RECOGNITIONS



- Earned 2nd Position in 2019 in Best Corporate and Sustainability Report Award (Jointly announced by ICAP and ICMAP)
- Earned 3rd Position in 2018 and 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 Awards for Corporate Governance
- The Company was awarded with Business Excellence Award in FY 2018 presented by the President of Sarhad Chamber of Commerce and Industry for being the winner for its exports to Afghanistan since FY 2003



CURRENT YEAR EVENTS

5 MMCFD Gas Pipeline Project for Power Generation has been completed.

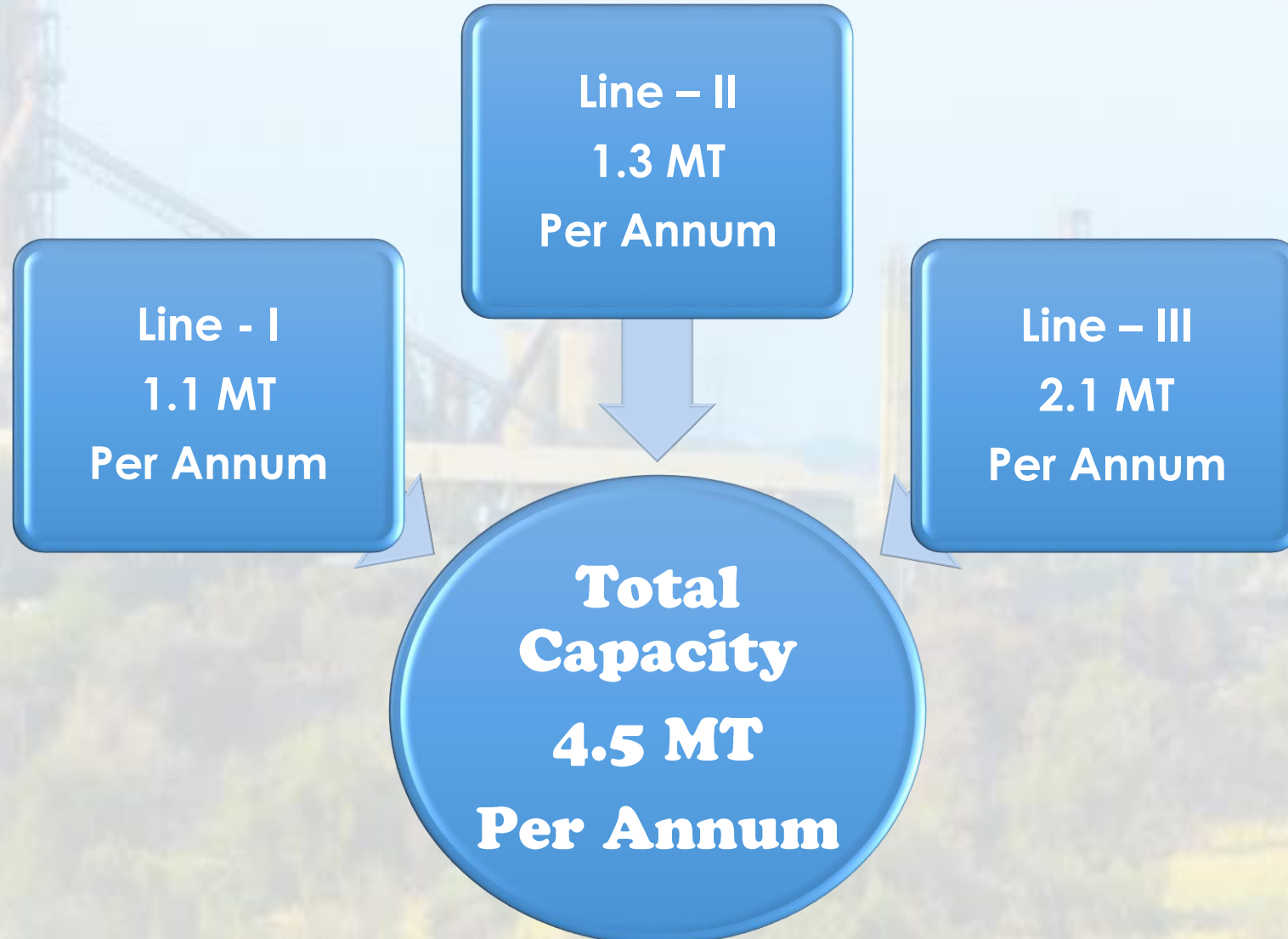
Purchase Agreement with Pakhtunkhwa Energy Development Organization (PEDO) for supply of electricity under wheeling arrangement at cheaper rates

Installation of Environmental Protection Bags Filters for Raw and Cement Mills for Line-I

Acquired Land for Solar Project



INSTALLED CAPACITY





Key Financial Information – Six Years

	2020	2019	2018	2017	2016	2015
	(Tons in '000')					
Clinker Production	2,988	2,338	2,234	1,519	897	937
Cement Production	3,382	2,509	2,443	1,489	1,042	971
Cement Dispatched	3,377	2,493	2,519	1,544	1,037	972

Summary of Statement of Financial Position

ASSETS

(Rupees in Million)

Non-Current Assets	26,237	27,186	24,238	14,238	13,457	7,197
Current Assets	6,685	8,093	6,282	4,569	2,005	2,267
Total Assets	32,922	35,280	30,520	18,807	15,462	9,464

EQUITY & LIABILITIES

Shareholders' Equity	10,054	11,756	11,174	10,462	9,140	8,026
Non-current Liabilities	16,980	17,328	15,693	5,774	4,511	611
Current Liabilities	5,888	6,196	3,653	2,571	1,811	827
Equity & Liabilities	32,922	35,280	30,520	18,807	15,462	9,464

Summary of Statement of Profit or Loss

TURNOVER & PROFIT / (LOSS)

(Rupees in Million)

Turnover-net	17,090	15,863	14,388	9,645	7,079	6,565
Gross Profit	386	2,883	3,139	3,213	2,634	1,984
Operating (Loss) / Profit	(196)	2,190	2,504	2,698	2,095	1,709
(Loss) / Profit Before Taxation	(2,723)	1,048	2,147	2,510	2,051	1,671
(Loss) / Profit After Taxation	(1,893)	1,763	2,132	1,957	1,405	1,288
(Loss) / Earnings Per Share (Rs.) – Restated	(9.74)	9.07	10.97	10.07	7.23	7.29



QUANTITATIVE ANALYSIS OF INDUSTRY

ANNUAL

Description	30 June 2020		30 June 2019		INC./ (DEC.) %
	Tons in '000				
LOCAL	39,965		40,344		-0.94%
EXPORT:					
AFGHANISTAN	1,892		1,725		9.77%
INDIA	-		716		---
THROUGH SEA	5,956		4,100		45.27%
TOTAL EXPORTS	7,848		6,541		19.98%
TOTAL DISPATCHES	47,813		46,885		1.98%



QUANTITATIVE ANALYSIS OF THE COMPANY

ANNUAL

Description	30 June 2020	30 June 2019	INC./ (DEC.) %
	Tons in '000		
CEMENT			
LOCAL	2,904	2,135	36.02%
EXPORTS	474	358	32.40%
TOTAL CEMENT DISPATCHES	3,378	2,493	35.50%
CLINKER-LOCAL	-	-	-
TOTAL DISPATCHES	3,378	2,493	35.50%



STATEMENT OF PROFIT OR LOSS

For the year ended

	30 June 20	30 June 19	Variance	
			Amount	%
	(Rupees in '000)			
Turnover - net	17,090,155	15,862,647	1,227,508	7.7%
Cost of sales	(16,703,668)	(12,979,533)	(3,724,135)	28.7%
Gross profit	386,487	2,883,114	(2,496,627)	-86.6%
Distribution costs	(362,003)	(396,338)	34,335	-8.7%
Administrative expenses	(271,750)	(293,925)	22,175	-7.5%
Other expenses	(19,025)	(109,360)	90,335	-82.6%
	(652,778)	(799,623)	146,845	-18.4%
Other income	70,561	106,836	(36,275)	-34.0%
Operating (loss) / profit	(195,730)	2,190,327	(2,386,057)	-108.9%
Finance costs	(2,526,997)	(1,142,559)	(1,384,438)	121.2%
(Loss) / profit before taxation	(2,722,727)	1,047,768	(3,770,495)	-359.9%
Taxation				
Current	-	-	-	0.0%
Prior	5,048	145,014	(139,966)	-96.5%
Deferred	824,571	569,981	254,590	44.7%
	829,619	714,995	114,624	16.0%
Net (loss) / profit for the period	(1,893,108)	1,762,763	(3,655,871)	-207%
		(Restated)		
(Loss) / earnings per share - basic and diluted	(Rs. 9.74)	Rs. 9.07		

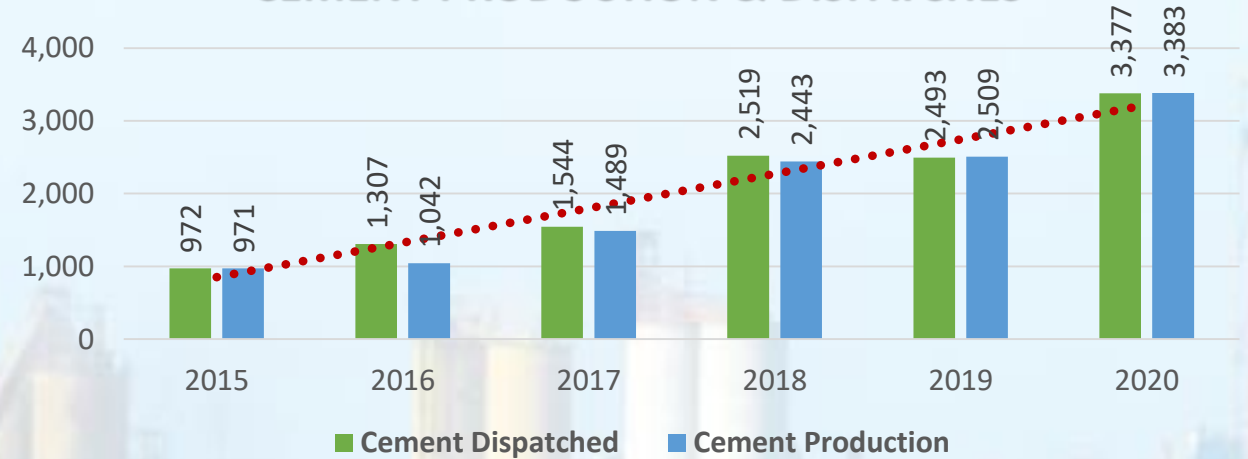


HIGHLIGHTS

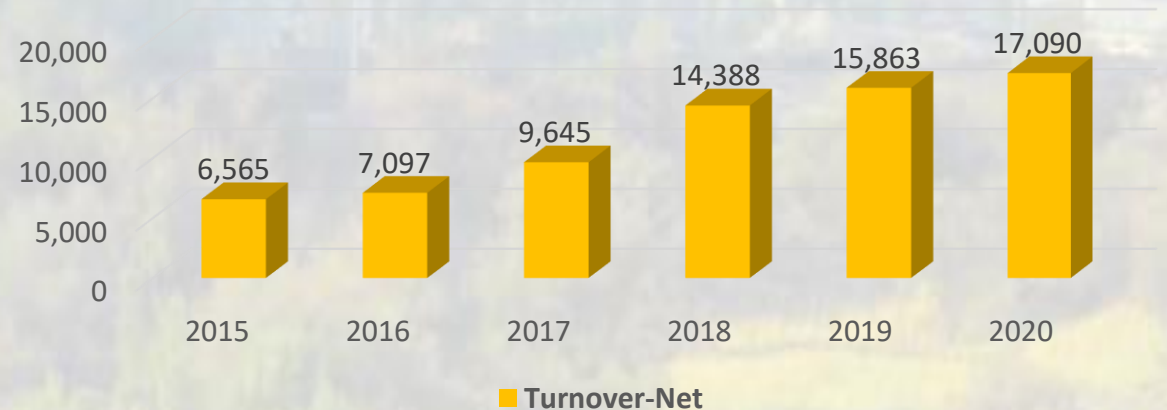
Over the past six years:

- **Production capacity enhanced from 1 million tons p.a. to 4.5 million tons p.a. (i.e. 4.5 times),**
- **Net Turnover increased to 2.6 times,**
- **Enhancing market reach and share,**
- **Broadening customer base.**
- **Enormous capital expenditures for cost reduction (i.e. Waste Heat Recovery Plants and Captive Power Plants)**

CEMENT PRODUCTION & DISPATCHES



Turnover-net





QUANTITATIVE ANALYSIS OF INDUSTRY FIRST QUARTER

Description	30-Sep-20	30-Sep-19	INC./ (DEC.)
	Tons in '000		%
LOCAL	10,844	9,120	18.90%
EXPORT:			
AFGHANISTAN	604	648	-6.79%
THROUGH SEA	2,137	1,368	56.21%
TOTAL EXPORTS	2,741	2,016	35.96%
TOTAL DISPATCHES	13,585	11,136	21.99%



QUANTITATIVE ANALYSIS OF THE COMPANY

FIRST QUARTER

Description	30 Sept 2020	30 Sept 2019	INC./ (DEC.) %
	Tons in '000		
CEMENT			
LOCAL	824	645	27.69%
EXPORTS	87	181	-52.19%
TOTAL CEMENT DISPATCHES	911	827	10.20%
CLINKER-LOCAL	-	-	-
TOTAL DISPATCHES	911	827	10.20%



STATEMENT OF PROFIT OR LOSS

For the period ended

	September 30, 2020	September 30, 2019	Variance Amount	%
	(Rupees in '000)			
Turnover - net	5,217,144	4,480,510	736,634	16%
Cost of sales	(4,105,793)	(4,292,292)	186,499	-4%
Gross profit	1,111,351	188,218	923,133	490%
Distribution costs	(90,436)	(91,612)	1,176	-1%
Administrative expenses	(62,242)	(72,023)	9,781	-14%
Other expenses	(24,822)	(2,602)	(22,220)	854%
	(177,500)	(166,237)	(11,263)	7%
Other income	8,004	20,999	(12,995)	-62%
Operating profit	941,855	42,980	898,875	2091%
Finance costs	(522,008)	(593,908)	71,900	-12%
Profit / (loss) before taxation	419,847	(550,928)	970,775	176%
Taxation				
Current	-	-	-	-
Deferred	(110,729)	212,415	(323,144)	-152%
	(110,729)	212,415	(323,144)	-152%
Net profit / (loss) for the period	309,118	(338,513)	647,631	191%
		(Restated)		
Earnings / (loss) per share - basic and diluted	Rs. 1.59	(Rs. 1.74)		



KEY FINANCIAL RATIOS FIRST QUARTER

Ratios	30 September 2020	30 September 2019
Gross Profit Ratio	21.30%	4.2%
Net Profit / (Loss) Before Tax Ratio	8.05%	-12.30%
Net Profit / (Loss) After Tax Ratio	5.93%	-7.56%
Return on Investment	12.06%	-11.56%
Earnings / (Loss) Per Share	1.59	(Restated) -1.74
Break-up Value per Share	54.34	64.40
Long-term Debts to Equity Ratio	61:39	59:41
Interest Cover in times	1.80	0.07
Current Ratio	1.21:1	1.23:1
Quick/Acid Test Ratio	1.03:1	1.11:1

OUTLOOK

- Local Demand
- Exports
- Government Construction Packages
- Bank Home Loan Schemes
- Covid-19
- Political uncertainty



THANK YOU

QUESTIONS & ANSWERS