



Ghulam Faruque
Group

CHERAT CEMENT COMPANY LIMITED



CORPORATE ANALYST BRIEFING



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THE FOUNDER

LATE MR. GHULAM FARUQUE

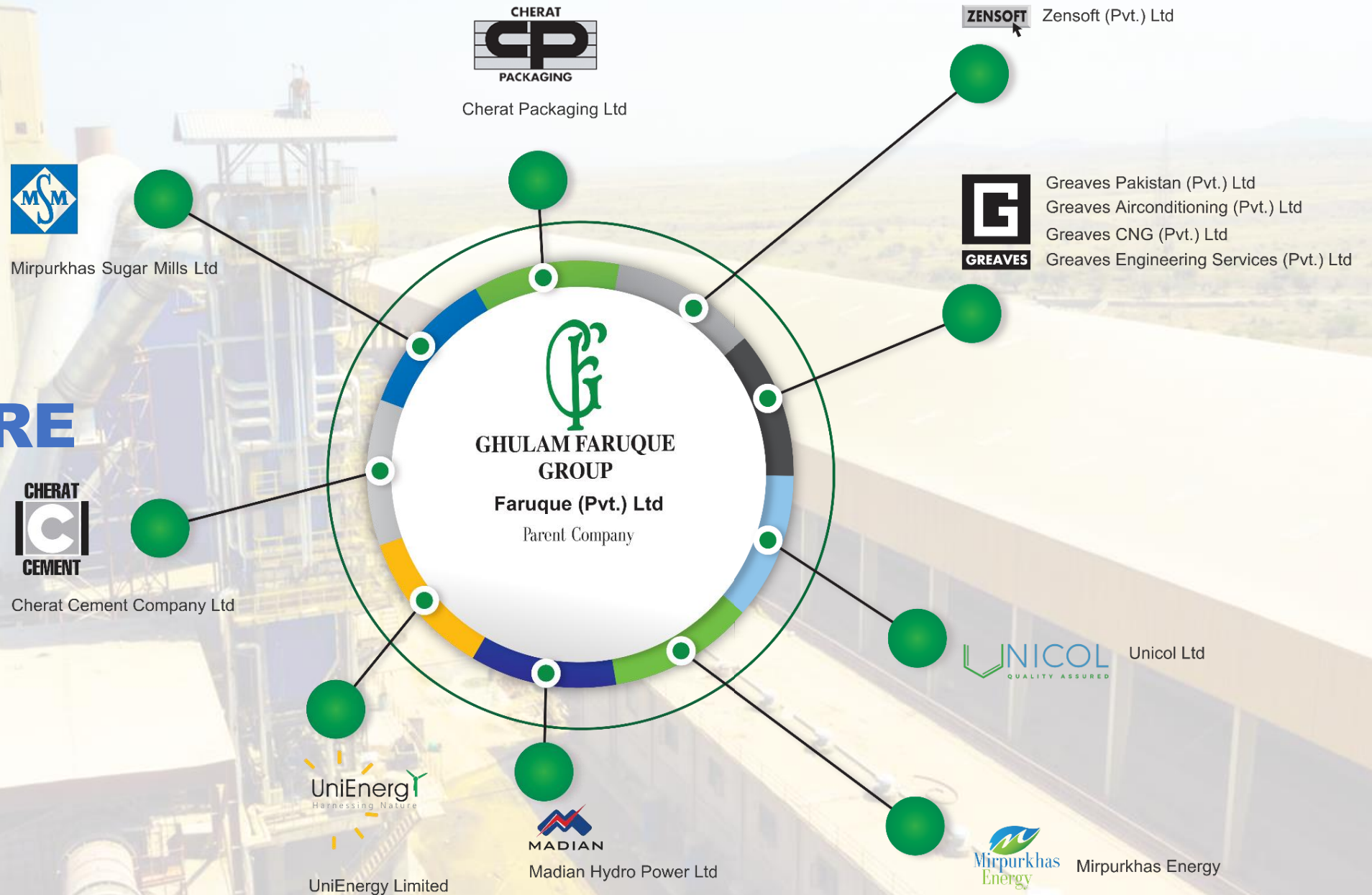
(CIE, HPK, OBE)

- 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





CURRENT YEAR EVENTS

All time high
profitability

Increase in
commodity
prices
especially coal

Afghanistan
export

Capitalization of
solar project

Success Factor
& SAP
S4/HANA
configuration



Key Financial Information – Six Years

	2022	2021	2020	2019	2018	2017
	(Tons in '000')					
Clinker Production	3,109	3,573	2,988	2,338	2,234	1,519
Cement Production	3,525	3,965	3,382	2,509	2,443	1,489
Cement Dispatched	3,552	3,950	3,377	2,493	2,519	1,544

Summary of Statement of Financial Position

Assets

	(Rupees in Million)					
Non-Current Assets	28,140	26,348	26,237	27,187	24,238	14,238
Current Assets	10,465	7,846	6,685	8,093	6,282	4,569
Total Assets	38,605	34,194	32,922	35,280	30,520	18,807

Equity & Liabilities

Shareholders' Equity	17,316	13,590	10,054	11,756	11,174	10,462
Non-Current Liabilities	11,442	13,331	16,980	17,328	15,693	5,774
Current Liabilities	9,847	7,273	5,888	6,196	3,653	2,571
Equity & Liabilities	38,605	34,194	32,922	35,280	30,520	18,807

Summary of Statement of profit or loss

Turnover & Profit / (Loss)

Turnover - net	32,085	25,207	17,090	15,863	14,388	9,645
Gross Profit	8,951	6,728	386	2,883	3,139	3,213
Operating Profit / (Loss)	8,188	5,861	(196)	2,190	2,504	2,698
Profit / (Loss) Before Taxation	6,829	4,337	(2,723)	1,048	2,147	2,510
Profit / (Loss) After Taxation	4,456	3,205	(1,893)	1,763	2,132	1,957
Earnings / (Loss) Per Share (Rs.)	22.93	16.50	(9.74)	9.07	10.97	10.07



QUANTITATIVE ANALYSIS OF INDUSTRY

ANNUAL

Description	For the year ended - 30 June 2022	For the year ended - 30 June 2021	INC./(DEC.) %
	Tons in '000		
North	39,440	40,582	-2.81%
South	8,206	7,537	8.88%
LOCAL	47,646	48,119	-0.98%
AFGHANISTAN	911	2,528	-63.98%
THROUGH SEA	4,345	6,786	-36.93%
EXPORTS	5,256	9,314	-44.27%
TOTAL DISPATCHES	52,902	57,433	-7.89%



QUANTITATIVE ANALYSIS OF THE COMPANY

ANNUAL

Description	For the year ended - 30 June 2022	For the year ended - 30 June 2021	INC./ (DEC.) %
Tons in '000			
CEMENT			
LOCAL	3,260	3,439	-5.21%
EXPORTS	293	511	-42.66%
TOTAL DISPATCHES	3,553	3,950	-10.05%

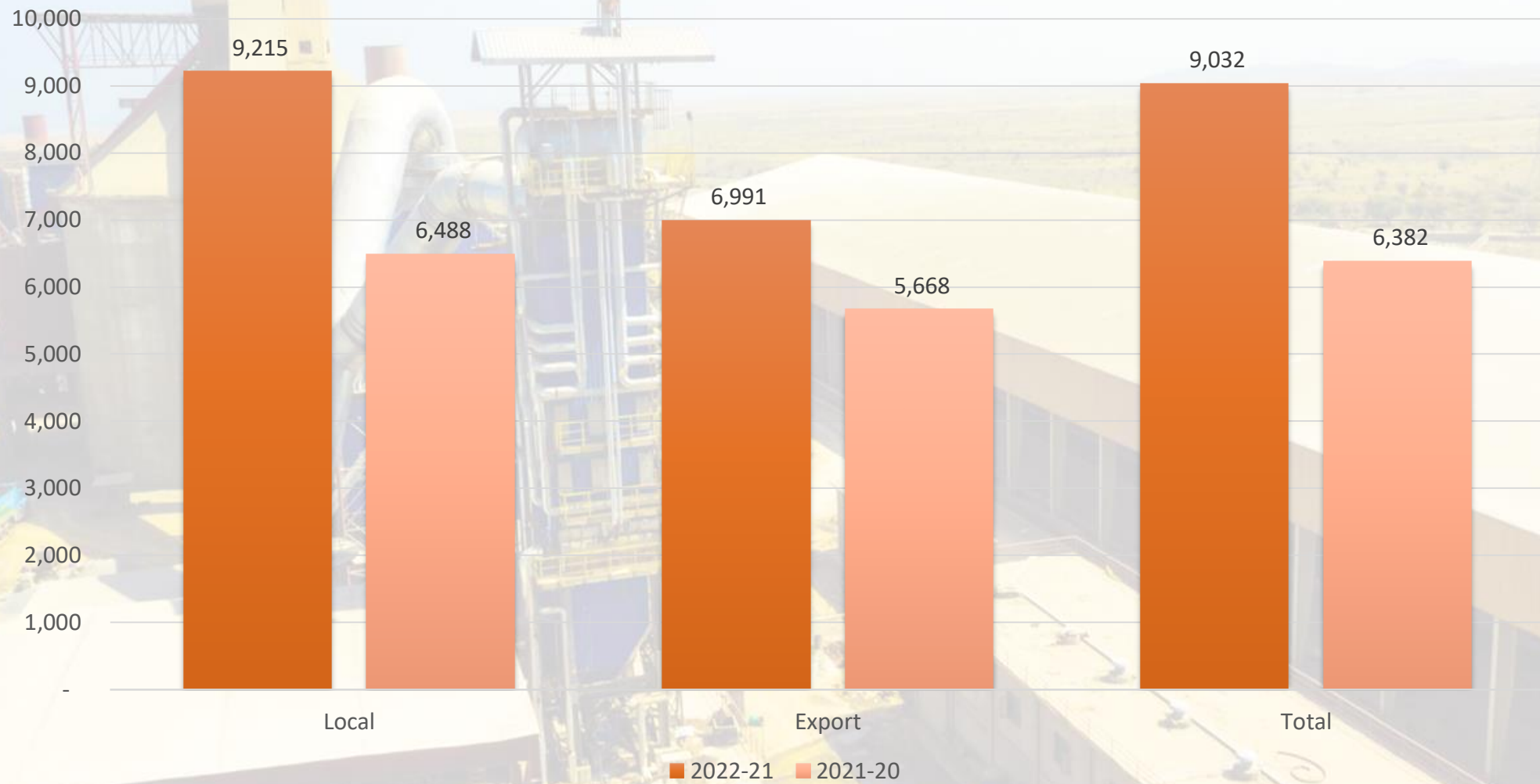
SYNOPSIS - STATEMENT OF PROFIT OR LOSS



For the Year Ended
June 30,

	2022	2021	Variance	
	----- (Rupees in '000) -----			%
Turnover - net	<u>32,085,361</u>	<u>25,206,811</u>	<u>6,878,550</u>	<u>27%</u>
Gross profit	<u>8,950,785</u>	<u>6,728,303</u>	<u>2,222,482</u>	<u>33%</u>
Operating profit	<u>8,187,599</u>	<u>5,861,395</u>	<u>2,326,204</u>	<u>40%</u>
Profit before taxation	<u>6,828,725</u>	<u>4,337,218</u>	<u>2,491,507</u>	<u>57%</u>
Net profit	<u>4,455,965</u>	<u>3,205,056</u>	<u>1,250,909</u>	<u>39%</u>
Earnings per share - basic and diluted	<u>Rs. 22.93</u>	<u>Rs. 16.50</u>		

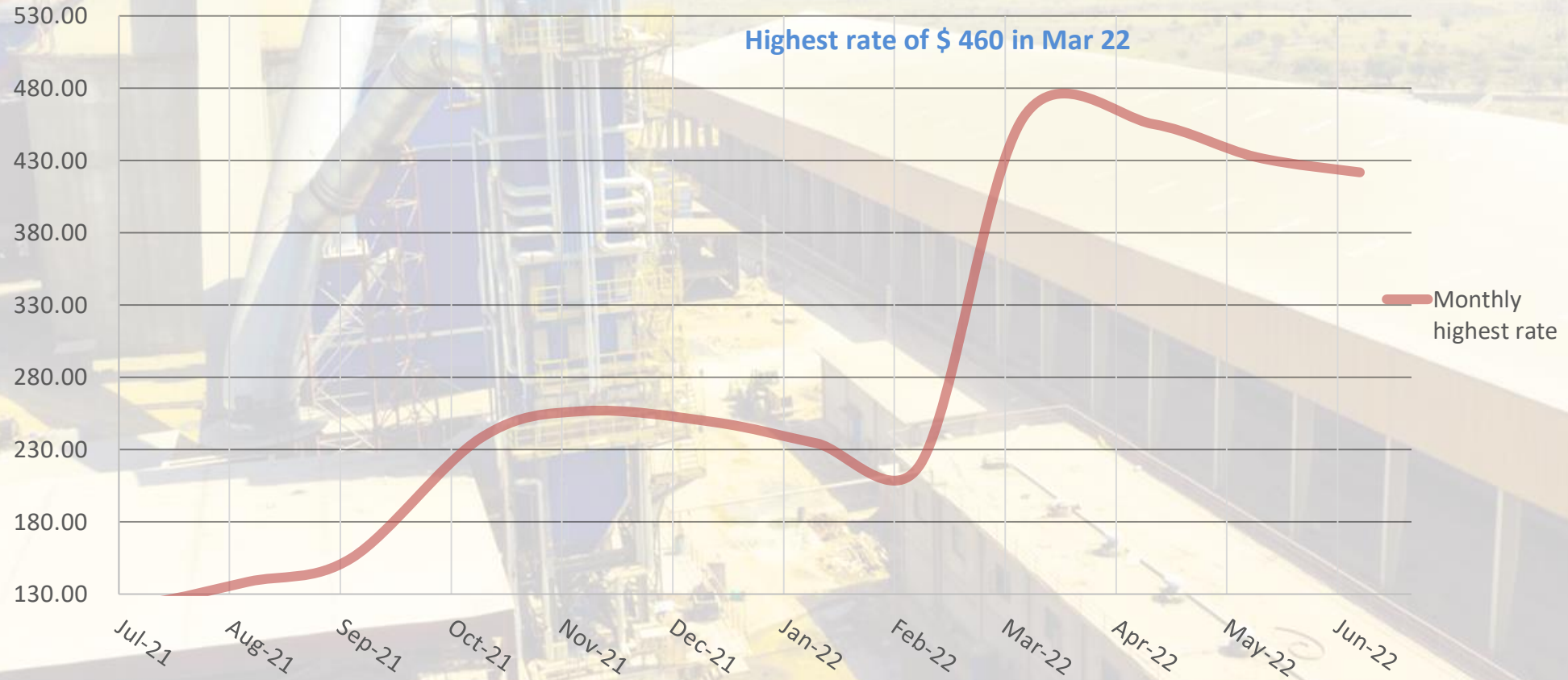
RETENTION PER TON ANALYSIS (Rs.)



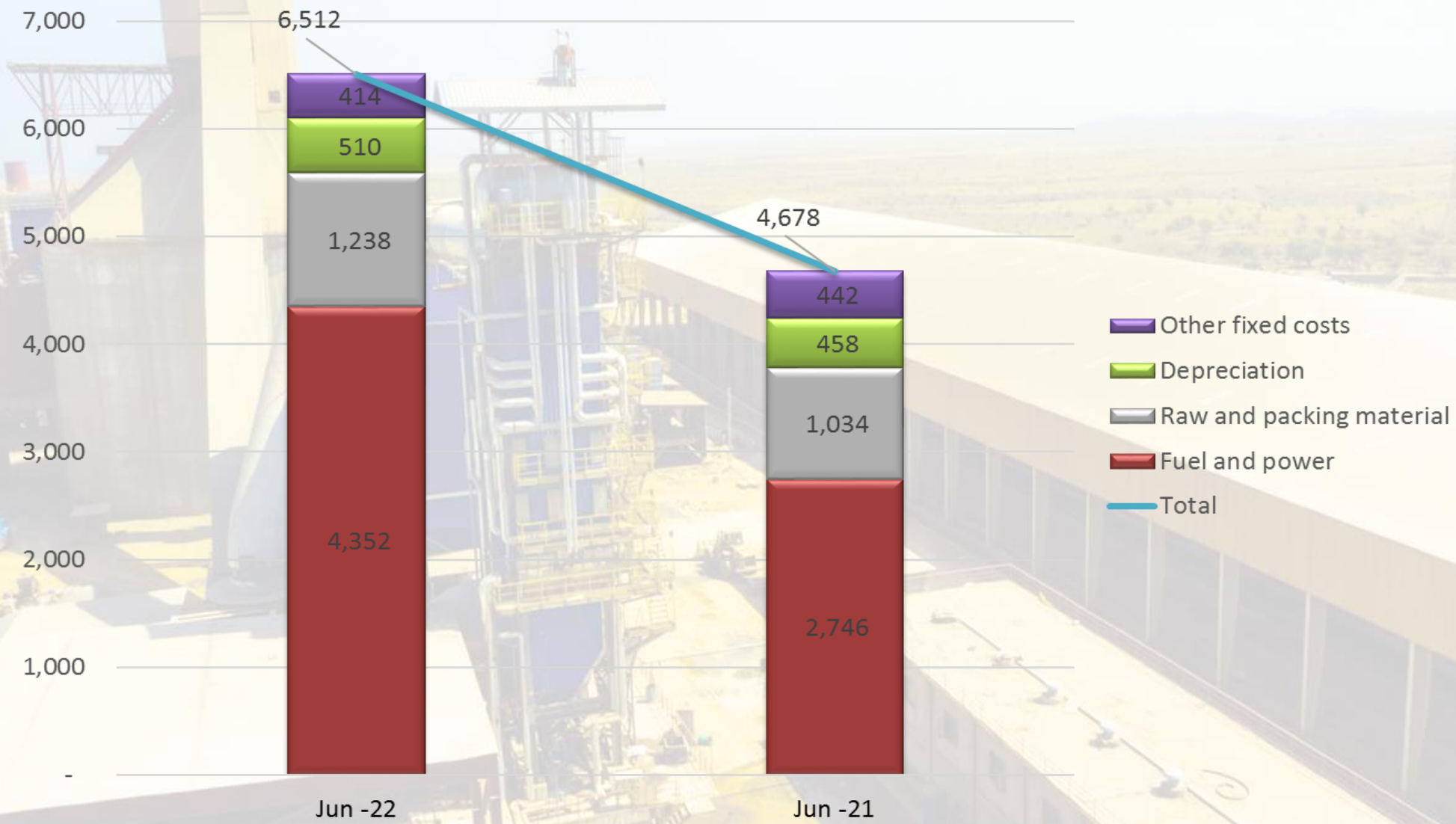
HISTORICAL IMPORTED COAL PRICES (Per Ton)

Imported Coal Rates in US Dollars

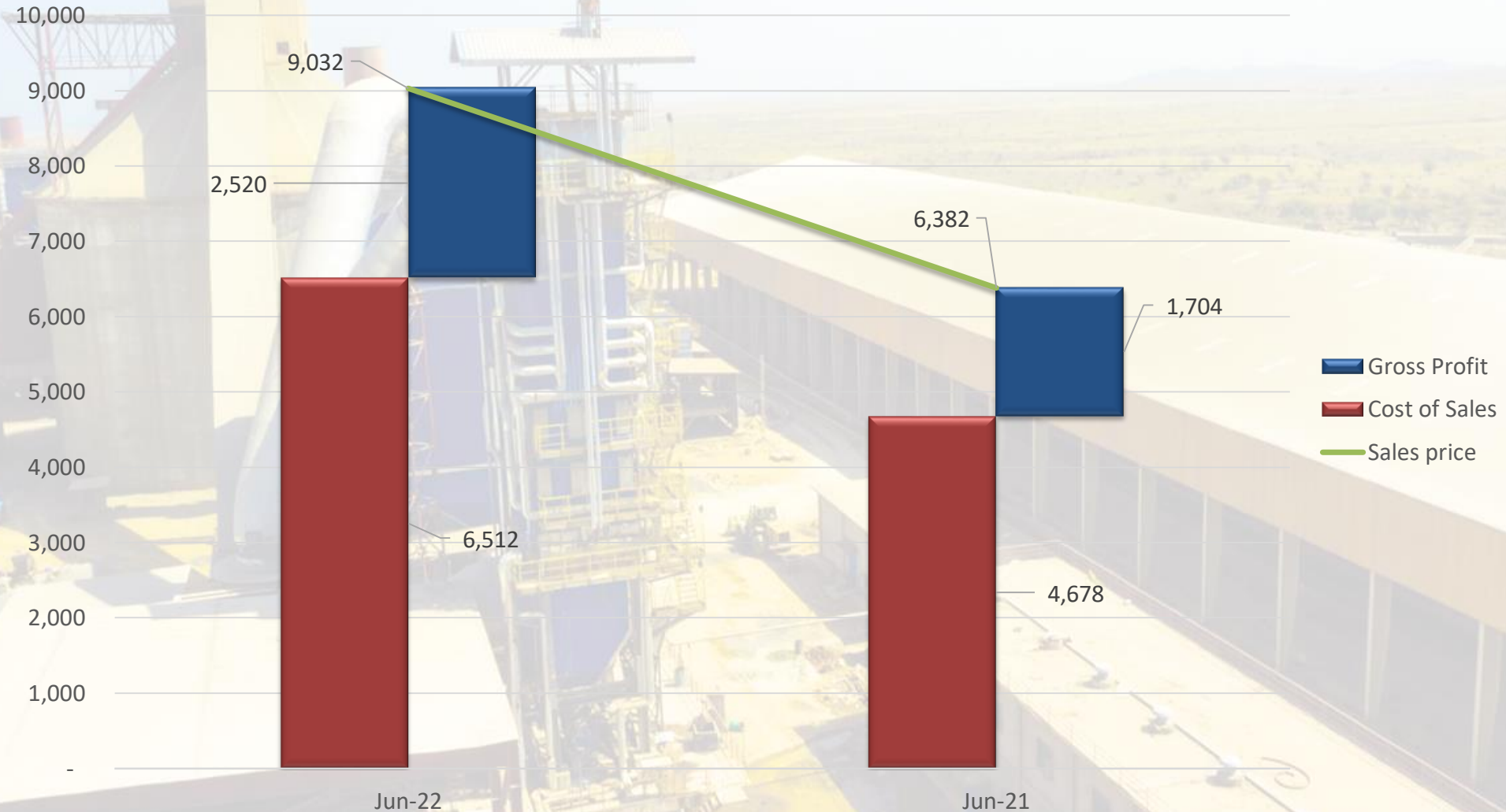
(source: ICE Richard Bay)



COST PER TON ANALYSIS (Rs.)



GROSS PROFIT ANALYSIS (Rs. Per Ton)



STATEMENT OF PROFIT OR LOSS



For the Year Ended
June 30,

	2022 ----- (Rupees in '000) -----	2021	Variance	%
Turnover - net	32,085,361	25,206,811	6,878,550	27%
Cost of sales	(23,134,576)	(18,478,508)	(4,656,068)	25%
Gross profit	<u>8,950,785</u>	<u>6,728,303</u>	<u>2,222,482</u>	<u>33%</u>
Distribution costs	(529,254)	(429,264)	(99,990)	23%
Administrative expenses	(349,141)	(291,220)	(57,921)	20%
Other expenses	(275,286)	(251,324)	(23,962)	10%
	<u>(1,153,681)</u>	<u>(971,808)</u>	<u>(181,873)</u>	<u>19%</u>
Other income	390,495	104,900	285,595	272%
Operating profit	<u>8,187,599</u>	<u>5,861,395</u>	<u>2,326,204</u>	<u>40%</u>
Finance costs	(1,358,874)	(1,524,177)	165,303	-11%
Profit before taxation	<u>6,828,725</u>	<u>4,337,218</u>	<u>2,491,507</u>	<u>57%</u>
Taxation	(2,372,760)	(1,132,162)	(1,240,598)	110%
Net profit	<u><u>4,455,965</u></u>	<u><u>3,205,056</u></u>	<u><u>1,250,909</u></u>	<u><u>39%</u></u>
Earnings per share - basic and diluted	<u>Rs. 22.93</u>	<u>Rs. 16.50</u>		



KEY FINANCIAL RATIOS

	FY 2022	FY 2021
Gross Profit	27.90%	26.69%
EBITDA	30.61%	29.93%
Net Profit After Taxation	13.89%	12.72%
Earnings Per Share	22.93	16.50
Price / Earnings Ratio	4.06	10.75
	June 2022	June 2021
Return On Equity	25.73%	23.58%
Break-up Value Per Share	89.12	69.94
Long-term Debt to Equity Ratio	45:55	53:47
Total Debt to Equity Ratio	50:50	56:44
Interest Cover (times)	6.03	3.85
Current Ratio	1.06:1	1.08:1
Quick / Acid-test Ratio	0.97:1	0.94:1

CURRENT CEMENT INDUSTRY ISSUES

- Cement demand concerns
- Heavy taxation
- Higher discount rate
- Energy prices
- Afghanistan trade issues

THANK YOU

