

Flash Note

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Cement

Cherat Cement Company Limited (CHCC)

Earnings: Cherat Cement Company Limited (CHCC) announced its 1QFY25 result. The Company reported earnings for 1QFY25 of PKR 2.9bn (EPS PKR 14.81/share), up by +88% y/y, compared to PKR 1.5bn (EPS PKR 7.89/share) in the similar period last year. The higher earnings are attributable to better gross margins and tax adjustment of prior period.

Dividend/Payout: The Company has not announced any cash dividend along with the result.

Operating Performance: During 1QFY25 the Company's net sales decreased to PKR 9.7bn depicting a decline of -4% y/y mainly due to decline in the dispatches. For the quarter, the company's gross margins increased to 40% compared to 30% during 1QFY24. Higher gross margins are likely due to better retention prices and efficient inventory management. The effective tax rate during 1QFY25 stood at 18% compared to 30% during the corresponding period last year. The lower effective tax rate is due to tax adjustment of prior period.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights							
For period ending: 1q/25							
PKRbn	1q/25	4q/24	3q/24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	9.7	9.5	8.6	10.2	10.1	-4%	2%
Gross Profits	3.9	2.7	2.6	3.5	3.1	26%	45%
Admin	0.1	0.1	0.1	0.1	0.1	16%	14%
EBIT	3.7	2.4	2.3	3.2	2.7	36%	52%
Finance cost	0.2	0.2	0.3	0.4	0.4	-63%	-38%
Profit before tax	3.5	2.1	1.9	2.8	2.3	54%	70%
Taxation	0.6	1.2	0.7	1.0	0.7	-14%	-47%
Profit after Tax	2.9	0.9	1.2	1.9	1.5	88%	237%
EPS*	14.81	4.40	6.40	9.62	7.89	88%	237%
DPS	0.00	4.00	0.00	1.50	0.00	-	-
Gross Margins	40%	28%	30%	35%	30%	10%	12%
EBIT Margins	38%	25%	26%	31%	27%	11%	13%
Effective tax	18%	59%	36%	34%	33%	-14%	-40%
Net Margins	30%	9%	14%	18%	15%	15%	21%

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

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