

Flash Note

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Cement

Cherat Cement Company Limited (CHCC)

Earnings: Cherat Cement Company Limited (CHCC) announced its 2QFY25 result. The Company reported earnings for 2QFY25 of PKR 2.3bn (EPS PKR 11.69/share), up by +22% y/y, compared to PKR 1.9bn (EPS PKR 9.62/share) in the similar period last year. The higher earnings during the quarter under review are attributable to higher other income and lower finance cost. On half-yearly basis the Company reported earnings of PKR 5.1bn (EPS PKR 26.50/share) compared to PKR 3.4bn (EPS PKR 17.51/share) during the same period last year.

Dividend/Payout: The Company announced interim cash dividend of PKR 1.5/share along with the result.

Operating Performance: During 2QFY25 the Company's net sales increased to PKR 10.6bn depicting an increase of +4% y/y mainly due to higher average cement prices and better dispatches. For the quarter, the company's gross margins were reported at 36% compared to 35% during 2QFY24. The effective tax rate during 2QFY25 stood at 38% compared to 34% during the corresponding period last year. Other income increased by +3.7xy/y due to increase in short-term investments. Finance cost declined by 41%/y/y owing to decreasing interest rates.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights								
For period ending: 2q/25								
PKRbn	1HFY25	2q/25	1q/25	1HFY24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	20.3	10.6	9.7	20.3	10.2	10.1	4%	10%
Gross Profits	7.7	3.8	3.9	6.6	3.5	3.1	8%	-1%
Admin	0.3	0.1	0.1	0.3	0.1	0.1	11%	-3%
EBIT	7.5	3.8	3.7	5.9	3.2	2.7	19%	4%
Finance cost	0.4	0.2	0.2	0.8	0.4	0.4	-41%	46%
Profit before tax	7.2	3.7	3.5	5.1	2.8	2.3	29%	4%
Taxation	2.0	1.4	0.6	1.7	1.0	0.7	43%	114%
Profit after Tax	5.1	2.3	2.9	3.4	1.9	1.5	22%	-21%
EPS*	26.50	11.69	14.81	17.51	9.62	7.89		
DPS	1.50	1.50	0.00	1.50	1.50	0.00		
Gross Margins	38%	36%	40%	33%	35%	30%	1%	-4%
EBIT Margins	37%	36%	38%	29%	31%	27%	4%	-2%
Effective tax	28%	38%	18%	33%	34%	33%	4%	19%
Net Margins	25%	21%	30%	17%	18%	15%	3%	-8%

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

Analyst

Laraib Nisar

laraib.nisar@igi.com.pk

Tel: +92 21 111 234 234 Ext: 974

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

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Research Identity Number: BRP009

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