

Flash Note

Tuesday, April 29, 2025



Cement

Cherat Cement Company Limited (CHCC)

Earnings: Cherat Cement Company Limited (CHCC) announced its 3QFY25 result. The Company reported earnings for 3QFY25 of PKR 1.7bn (EPS PKR 8.67/share), up by +35% y/y, compared to PKR 1.2bn (EPS PKR 6.4/share) in the similar period last year. The higher earnings during the quarter under review are attributable to better gross margins and lower finance cost. On 9MFY25 basis the Company reported earnings of PKR 6.8bn (EPS PKR 35.17/share) compared to PKR 4.6bn (EPS PKR 23.91/share) during the same period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: During 3QFY25 the Company's net sales were reported to PKR 7.8bn depicting a decline of -10% y/y mainly due to a 14%/y/y decline in quarterly dispatches for the period under review. For the quarter, the company's gross margins were reported at 40% compared to 30% during 3QFY24. The gross margins improved likely due to lower coal prices and better retention prices. The effective tax rate during 3QFY25 stood at 39% compared to 36% during the corresponding period last year. Finance cost declined by 62%/y/y owing to decreasing interest rates.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights										
For period ending: 3q/25										
PKRbn	9MFY25	3q/25	2q/25	1q/25	9MFY24	3q/24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	28.1	7.8	10.6	9.7	28.9	8.6	10.2	10.1	-10%	-27%
Gross Profits	10.8	3.1	3.8	3.9	9.2	2.6	3.5	3.1	21%	-19%
Admin	0.4	0.1	0.1	0.1	0.4	0.1	0.1	0.1	30%	1%
EBIT	10.4	2.9	3.8	3.7	8.2	2.3	3.2	2.7	27%	-25%
Finance cost	0.5	0.1	0.2	0.2	1.1	0.3	0.4	0.4	-62%	-46%
Profit before tax	9.9	2.8	3.7	3.5	7.1	1.9	2.8	2.3	42%	-25%
Taxation	3.1	1.1	1.4	0.6	2.4	0.7	1.0	0.7	52%	-23%
Profit after Tax	6.8	1.7	2.3	2.9	4.6	1.2	1.9	1.5	35%	-26%
EPS*	35.17	8.67	11.69	14.81	23.91	6.40	9.62	7.89	35 %	-26%
DPS	0.00	0.00	0.00	0.00	1.50	0.00	1.50	0.00	-	-
Gross Margins	38%	40%	36%	40%	32%	30%	35%	30%	10%	4%
EBIT Margins	37%	37%	36%	38%	28%	26%	31%	27%	11%	1%
Effective tax	31%	39%	38%	18%	34%	36%	34%	33%	3%	1%
Net Margins	24%	22%	21%	30%	16%	14%	18%	15%	7%	0%

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

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- Justified Price to Book
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