

Flash Note

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Cement

Cherat Cement Company Limited (CHCC)

Earnings: Cherat Cement Company Limited (CHCC) announced its 3QFY26 result. The Company reported earnings for 3QFY26 of PKR 1.4bn (EPS PKR 7.24), down by -16% y/y, compared to PKR 1.7bn (EPS PKR 8.67) in the similar period last year. On 9MFY26 basis the Company reported earnings of PKR 5.5bn (EPS PKR 28.4), down by 19%y/y, compared to PKR 6.8bn (EPS PKR 35.17) during the same period last year.

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

Operating Performance: During 3QFY26 the Company's net sales were reported to PKR 7.9bn depicting an increase of +1% y/y mainly due to rise in domestic dispatches for the period under review. For the quarter, the company's gross margins were reported at 31% compared to 40% during 3QFY25. The gross margins decreased due to higher weighted average coal costs during the quarter. Finance cost declined by 34%y/y owing to lower interest rates. The effective tax rate during 3QFY26 stood at 38.4% (2QFY26: 37.2%) compared to 38.8% during the corresponding period last year bringing total effective tax rate for 9MFY26 to 38% compared to 30.8% in the same period last year.

Exhibit: Cherat Cement Company Limited (CHCC) Financial highlights								
For period ending: 3q/26								
PKRbn	3q/26	3q/25	y/y	2q/26	q/q	9MFY26	9MFY25	y/y
Net Sales	7.9	7.8	1%	9.4	-16%	27.6	28.1	-2%
Gross Profits	2.4	3.1	-21%	3.4	-29%	9.6	10.8	-11%
Admin	0.2	0.1	15%	0.2	2%	0.5	0.4	13%
EBIT	2.4	2.9	-18%	3.3	-29%	9.2	10.4	-12%
Finance cost	0.1	0.1	-34%	0.1	-20%	0.3	0.5	-45%
Profit before tax	2.3	2.8	-17%	3.2	-29%	8.9	9.9	-10%
Taxation	0.9	1.1	-18%	1.2	-27%	3.4	3.0	11%
Profit after Tax	1.4	1.7	-16%	2.0	-30%	5.5	6.8	-19%
EPS*	7.24	8.67		10.37		28.40	35.17	
DPS	0.00	0.00		1.50		1.50	1.50	
Gross Margins	31%	40%		36%		35%	38%	
EBIT Margins	30%	37%		35%		33%	37%	
Effective tax	38%	39%		37%		38%	31%	
Net Margins	18%	22%		21%		20%	24%	

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

Analyst

Syed Muzammil Hasan Rizvi

muzammil.rizvi@igi.com.pk

Tel: +92 21 111 234 234 Ext: 974

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- Justified Price to Book
- Residual Income (RI)
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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
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@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
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@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

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 Analyst(s)

Research Identity Number: BRP009

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