

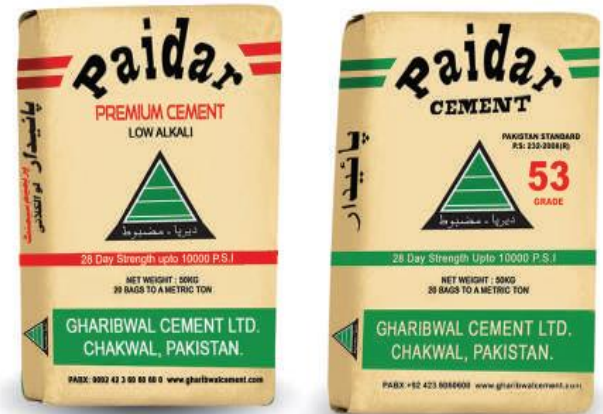
# GHARIBWAL CEMENT LIMITED



Corporate Briefing 2022

## INTRODUCTION ABOUT COMPANY

- GCL was incorporated in 1960.
- GCL plant is situated in Tehsil Pind Dadan Khan, district Chakwal, over more than 347 acres.
- Plant has access to GT Road as well as Motorway and railway line
- Company installed capacity is **6,700 TPD** (i.e. 2,010,000 ton clinker annually) which is a blend of Chinese & European machinery.
- GCL has its **own power generation plant** of 38.5 MW comprising of 2 HFO, 2 gas based and 3 dual fuel based Wartsila generators.



## INTRODUCTION ABOUT COMPANY

- **Waste Heat Recovery of 20 MW (Including coal based Boiler)** alongwith 38.5-MW Captive Power Plant (HFO+Gas) makes total power generation capacity to 58.5 MW approx.
- GCL primarily produces and sell “Ordinary Portland Cement (OPC)” under the brand name of "**PAIDAR**".
- Company’s cement was used in various national construction projects such as the Mangla Dam, Qadirabad Barrage, Sulemanki Barrage etc.
- GCL has quarry of prime limestone, shale and gypsum (main ingredient of cement) having reserves sufficient for more than 100 years
- **GCL Credit Rating History by PACRA:**  
Long term A and Short Term A2. Outlook: Stable

## ENVIRONMENT COMPLIANCE REVIEW

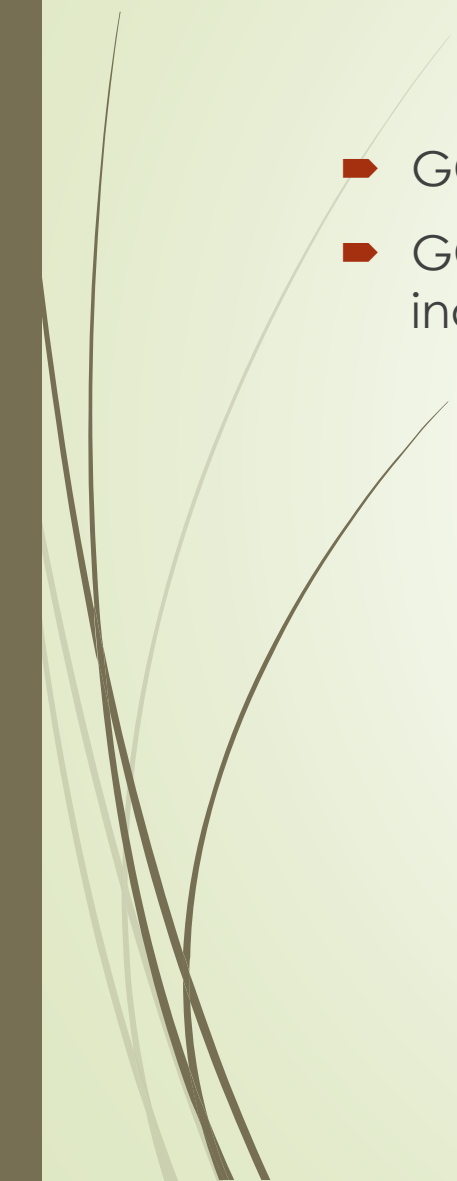
- ▶ Company fully comply all rules and regulations of EPA
- ▶ GCL is located in Zone A (As per EPA/GOP Report) which is positive Zone.
- ▶ Government of Punjab & Mines and Mineral Department had declared only Zone B & few portion of Zone C as negative whereas all other Zones are positive for expansion & installation of new cement plants

## PAKISTAN CEMENT INDUSTRY

- ▶ Pakistan cement industry operates in two zones; **North Zone and South Zone**.
- ▶ **North Zone** includes provinces of Punjab, Khyber Pakhtunkhwa, Azad Kashmir, Gilgit-Baltistan which represents ~76% of installed capacity in Pakistan. **South Zone** includes provinces of Sindh & Balochistan representing 24% of the installed capacity..
- ▶ There are **17 cement manufacturing companies** operating with **25-plant locations in the industry**.
- ▶ Both north and south zones have their separate demand-supply dynamics. Players operating in the South Market have the opportunity to tap a number of export markets thus providing greater room for revenue diversification.
- ▶ Considering stronger local demand in North Zone, reliance on exports is lower. Export potential for players in the North Zone is limited to Afghanistan and India.



## GCL Despatch & Capacity Utilization

- ▶ GCL Despatch in FY 2022 remained 1,683,250 tons
  - ▶ GCL Capacity utilization remained 80% which is in line with the industry average capacity utilization.
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# Key financial figures-FY 2022

		FY2022	FY2021	%Change
Despatch [Ton]	Ton	1,683,250	1,776,483	-5.2%
Average selling price (Rs./Ton)	Rs./Ton	9,621	6,815	41.2%
<b><u>SUMMARY OF FINANCIAL PERFORMANCE</u></b>				
Net sales revenue	Rs. '000	16,193,788	12,106,985	33.8%
Gross profit	Rs. '000	3,787,670	3,191,305	18.7%
EBITDA	Rs. '000	3,933,363	3,635,120	8.2%
Profit before tax	Rs. '000	2,753,888	2,288,098	20.4%
Income tax	Rs. '000	1,235,319	19,169	6344.4%
Profit after tax	Rs. '000	1,354,723	1,551,383	-12.7%
<b><u>KEY RATIO</u></b>				
EPS	Rs.	3.38	3.88	-12.9%
GP ratio	%	23.4%	26.4%	-11.3%
NP Ratio	%	8.4%	12.8%	-34.7%
EBITDA ratio	%	11.7%	12.4%	-5.4%
Current ratio	Times	1.77	1.32	33.6%
Debt equity ratio	Times	0.09	0.16	-43.8%

## Key financial figures-First Qtr of FY 2023 (September 30)

		1QFY2023	1QFY2022	%Change
Despatch [Ton]	Ton	283,750	388,706	-27.0%
Average selling price (Rs./Ton)	Rs./Ton	13,485	8,182	64.8%
<b><u>SUMMARY OF FINANCIAL PERFORMANCE</u></b>				
Net sales revenue	Rs. '000	3,826,442	3,180,293	20.3%
Gross profit	Rs. '000	889,150	725,676	22.5%
EBITDA	Rs. '000	1,080,883	865,458	24.9%
Profit before tax	Rs. '000	650,180	560,387	16.0%
Profit after tax	Rs. '000	435,620	386,668	12.7%
<b><u>KEY RATIO</u></b>				
EPS	Rs.	1.09	0.97	12.7%
GP ratio	%	23.2%	22.8%	1.8%
NP Ratio	%	11.4%	12.2%	-6.4%
EBITDA ratio	%	28.2%	27.2%	3.8%
Current ratio	Times	1.64	1.77	-7.0%





## GCL Net Selling Price/ Retention - Advantage

- ▶ GCL Retention remained best in industry
- ▶ GCL Plant is located in center of Punjab
- ▶ GCL Plant located near to main consumption area
- ▶ Government is also improving road infrastructure in the area which will further improve company access to areas around plant

## Energy Consumption Data – FY 2022

	FY2022	FY2021
<b><u>COAL MIX</u></b>		
Local	18%	0%
Afghani	24%	0%
Imported	57%	100%
	<b>100%</b>	<b>100%</b>
<b><u>POWER MIX</u></b>		
WHR + CFB	51%	56%
HFO	9%	3%
GAS	5%	30%
GRID	36%	11%
	<b>100%</b>	<b>100%</b>

# FUTURE DEMAND AND PROSPECTS OF PAKISTAN CEMENT INDUSTRY

- In Pakistan, infrastructure projects and the housing sector are the key drivers for consumption/Demand of cement.

## Housing Sector

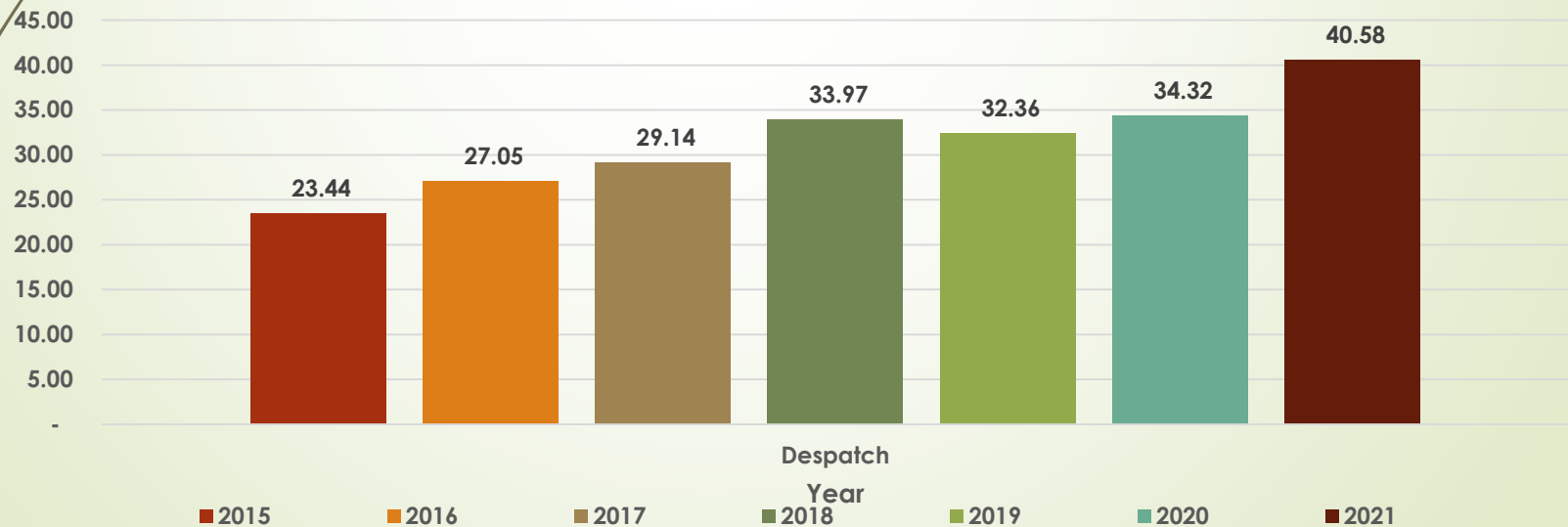
- Increasing urbanization with urban areas having lower number of people per household vis-à-vis rural areas creating additional demand for housing units

## Infrastructure

- Infrastructure projects are planned to be undertaken under CPEC and PSDP particularly construction of dams/hydro projects, roads, Industrial parks and bridges
- Rehabilitation of flood effected areas.

# Historic Growth of Local Sales - Last Six (6) Years Average

- ▶ Industry in north zone had posted a domestic growth of around **7.63%** at average over a period of last six years.
- ▶ From 27.05 million tons in FY 2016 to 39.44 million tons in FY 2022.
- ▶ On Average 2.1 million tons increase each year





# New Production Line upto 10,000 TPD Clinker

- ▶ Company has signed contract with FLSmidth for Supply of Pyro Process System (CF Silo to Clinker Cooler)
- ▶ For other machinery company is under discussion with Chinese Company
- ▶ Company has established LC
- ▶ Partial shipments has arrived at factory
- ▶ Civil Work has been started
- ▶ Project is delayed because of present economic conditions



**THANK YOU**



**QUESTIONS & ANSWERS**