



**Cherat Cement  
Company Limited**  
A Ghulam Faruque Group Company

# **CHERAT CEMENT COMPANY LIMITED**

## **CORPORATE BRIEFING SESSION FOR THE YEAR ENDED JUNE 30, 2024**



Ghulam Faruque  
Group

# THE FOUNDER

## LATE MR. GHULAM FARUQUE

### (CIE, HPK, OBE)



Cherat Cement  
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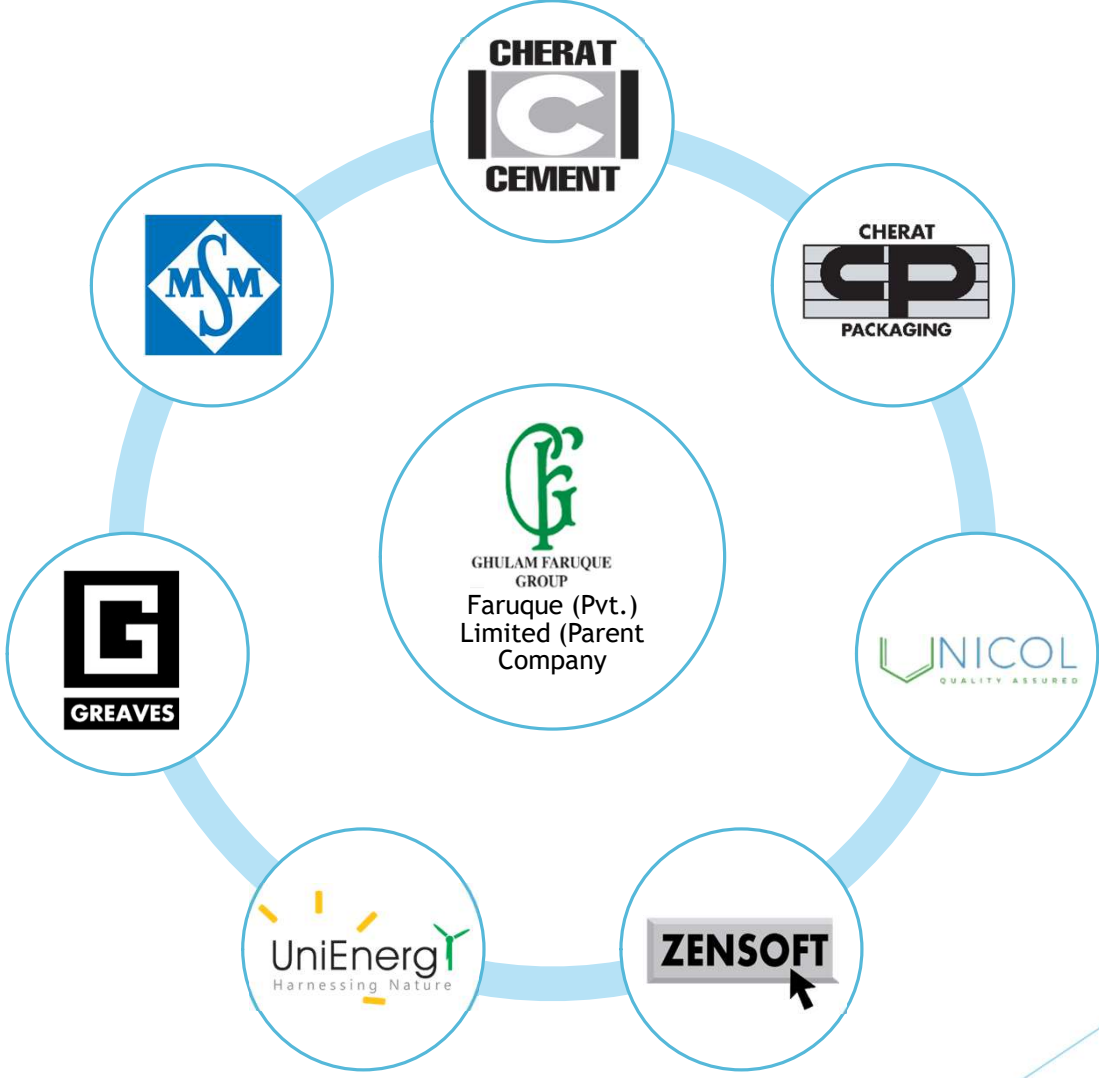


- A Visionary and a highly respected name in industrial circles.
- Spearheaded development of Pakistan's industry and laid the foundation for the Country's industrialization.

#### HONOURS CONFERRED

- Office of the Order of the British Empire, 1944
- Companion of the Order of the Indian Empire, 1946
- Commander of the Order of Merit, Spain, 1956
- Hilal-e-Pakistan, 1958 (highest-ranking civilian award of Pakistan)
- Honorary Doctorate of Science, West Pakistan University of Engineering and Technology, 1966
- Fellow Member of the Chartered Institute of Logistics & Transport, London
- Member of the Association of Iron and Steel Technology, USA

# GROUP STRUCTURE OF GHULAM FARUQUE





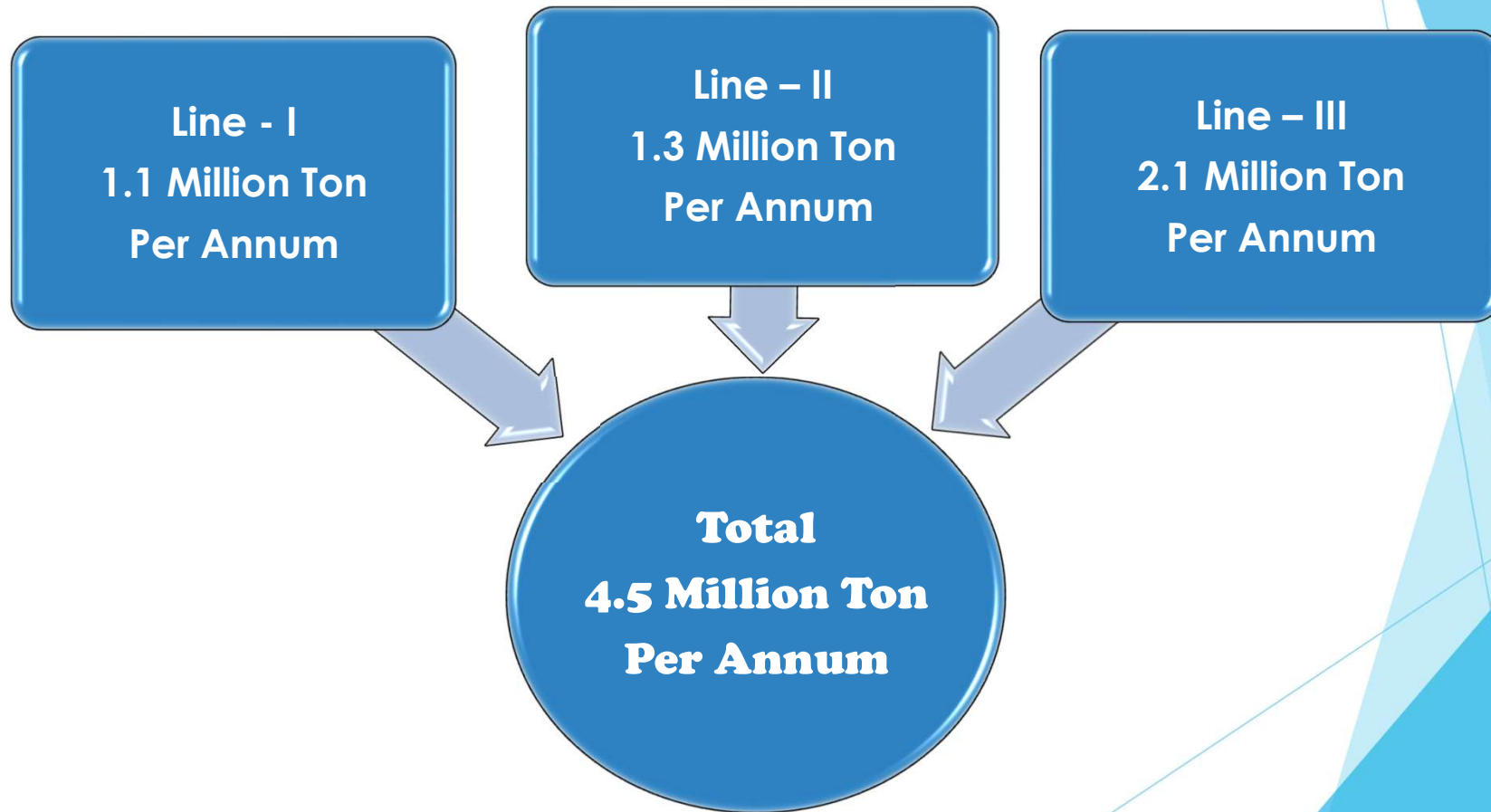
# VISION AND MISSION STATEMENTS



# INSTALLED CAPACITY - CEMENT PRODUCTION



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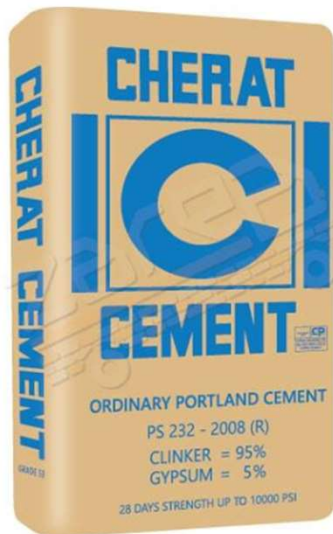
**Cherat Cement  
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# OUR PRODUCTS

- CCCL is known for its commitment to quality.
- Makes every effort to provide its customers highest quality products at lowest possible cost.

We are producing following two types of cement:

- ✓ Ordinary Portland Cement (OPC) and
- ✓ Portland Composite Cement



# JOURNEY OF SUCCESS

Implementation of Conveyor Belt System for material Transportation

Implementation of 'Recruitment' and 'Onboarding' modules in SAP

2024

Upgraded from SAP ECC to SAP S/4 HANA

Success Factor implemented  
BMR on Line-I completed

2023

Commissioned Solar Power Project

2022

Acquisition of Land and other assets at D.I Khan for Green Field Project

Work started on Line - I upgradation

2021

Commercial production of Line-III with a clinker capacity of more than 6,700 tons per day along with WHR

5 MMCFD Gas Pipeline project completed  
Solar project initiated

2020

Installation of 3 Wartsila dual fuel generators of 9.7 MW each

2019

L/C opened for 3 Wartsila dual fuel generators having production capacity of 9.7 MW each

2018

Commercial production of Line-II with the capacity of 4,200 clinker t/day started  
L/C opened for Line-II having clinker production capacity of more than 6,700 t/day

2017

Capacity Expansion to 3,300 t/day

2005

LVT Cement Press installed

2006

03 Roto Packers Haver & Boecker commissioned with packing capacity of 270 t/hour

2008

Installed SAP (ERP)

2009

Waste Heat Recovery for Power Generation commissioned

2010

Tyre Derived Fuel Processing Plant installed

2012

Refuse Derived Fuel Processing Plant installed

2013

Work started on Line-II having clinker production capacity of 4,200 t/day

2014

Commissioning of Coal Grinding Mill to replace primary fuel, i.e. Furnace oil

2003

Cherat Electric Merger in Cherat Cement Co. Ltd.  
Cooler E.P. Multicyclones converted to Electrostatic Precipitators

2002

HMI Manual operating panels converted to HMI

2001

IKN System at Cooler capacity increased to 2,500 t/day

1998

Wartsila Diesel commissioned 04 Wartsila Diesel plants (20 MW)

1996

Doubling capacity expansion to 2,300 t/day  
Installed Roller Press at Raw Mill & Cement Grinding areas  
Caterpillar commissioned 04 CAT power generators (6 MW)

1994

Optimization capacity expansion to 1,400 t/day

1988

The Company started production with 1,100 t/day capacity

1985



## **SIGNIFICANT EVENTS**



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**Macroeconomic factors**

**Post Budget Scenario**

**Lower cement demand**

**PSDP allocation**

**Improved Afghanistan export**

**Higher taxation for cement industry**

**Continuous Gas tariff hike**

**Improved Company's liquidity**

**Highest Profitability**



## INDUSTRY DISPATCHES (Tons in '000)

Description	June 2024	June 2023	Variance (%)
<b><u>Local</u></b>			
- South	6,640	7,237	-8.2%
- North	31,545	32,780	-3.8%
<b>Total Local</b>	<b>38,185</b>	<b>40,017</b>	<b>-4.5%</b>
<b><u>Export</u></b>			
- Afghanistan	1,458	1,069	36.4%
- Sea	5,652	3,499	61.5%
<b>Total Export</b>	<b>7,110</b>	<b>4,568</b>	<b>55.6%</b>
<b>Total Dispatches</b>	<b>45,295</b>	<b>44,585</b>	<b>1.6%</b>



## COMPANY DISPATCHES (Tons)

Description	June 2024	June 2023	Variance (%)
- Local	2,221,187	2,539,391	-12.5%
- Export	405,700	331,347	22.4%
<b>Total Dispatches</b>	<b>2,626,887</b>	<b>2,870,738</b>	<b>-8.5%</b>

# SYNOPSIS - STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024



	2024	2023	Variance	%
	----- (Rupees in '000) -----			
Turnover - Gross	<u>52,315,285</u>	<u>50,545,990</u>	1,769,295	4%
Turnover - net	<u>38,433,747</u>	<u>37,386,186</u>	1,047,561	3%
Cost of Sales	<u>26,593,361</u>	<u>27,249,373</u>	(656,012)	-2%
Gross profit	<u>11,840,386</u>	<u>10,136,813</u>	1,703,573	17%
Operating profit	<u>10,609,162</u>	<u>9,186,199</u>	1,422,963	15%
Finance Cost	<u>(1,381,082)</u>	<u>(1,914,170)</u>	533,088	-28%
Profit before taxation	<u>9,228,080</u>	<u>7,272,029</u>	1,956,051	27%
Net Profit	<u>5,499,751</u>	<u>4,403,932</u>	1,095,819	25%

EPS Jun-23 = 22.67

EPS Jun-24 = 28.31

15.00    17.00    19.00    21.00    23.00    25.00    27.00    29.00

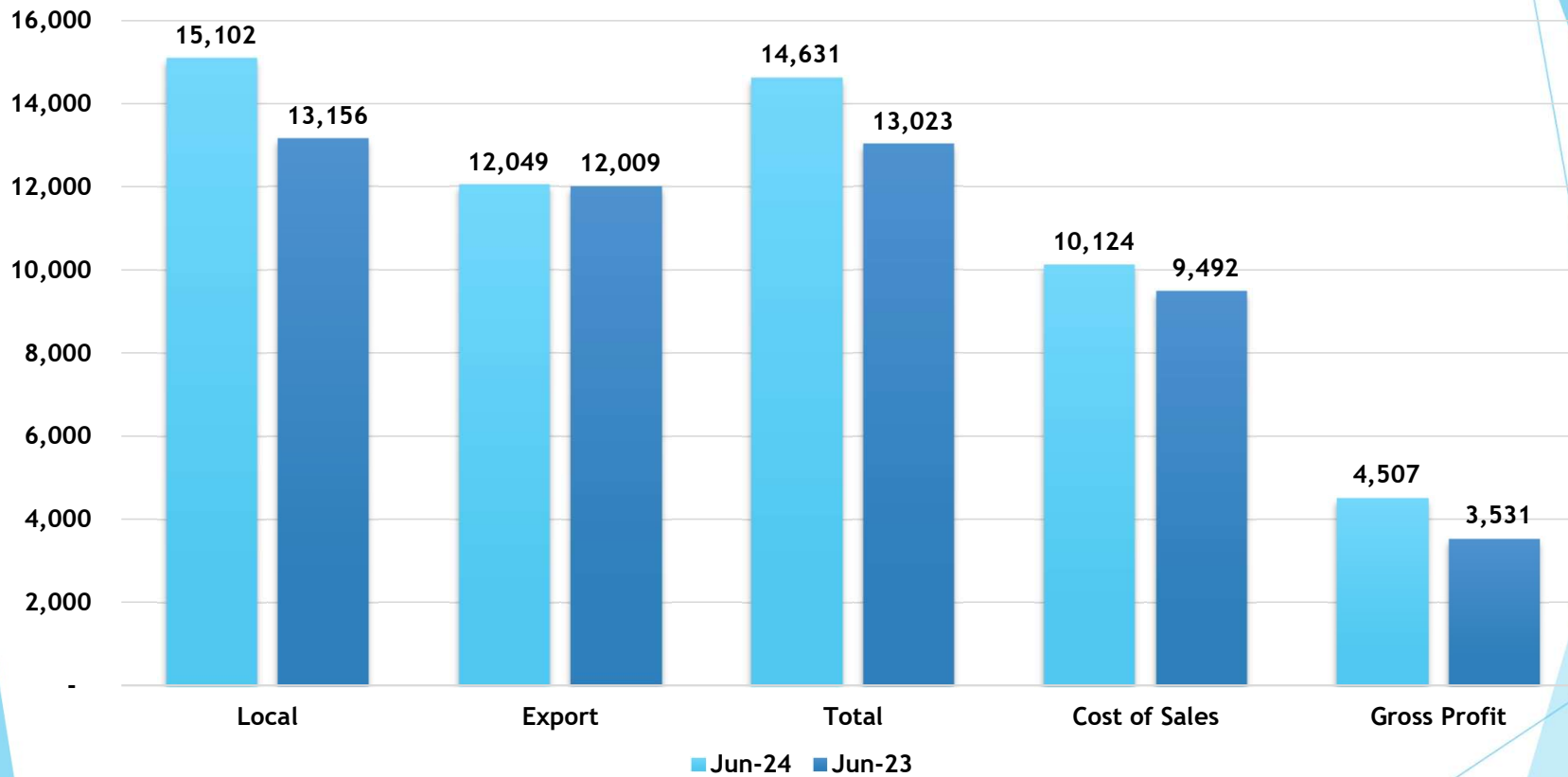




# PER TON RETENTION, COST SALES & GROSS PROFIT ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (WITH JUNE 2023)



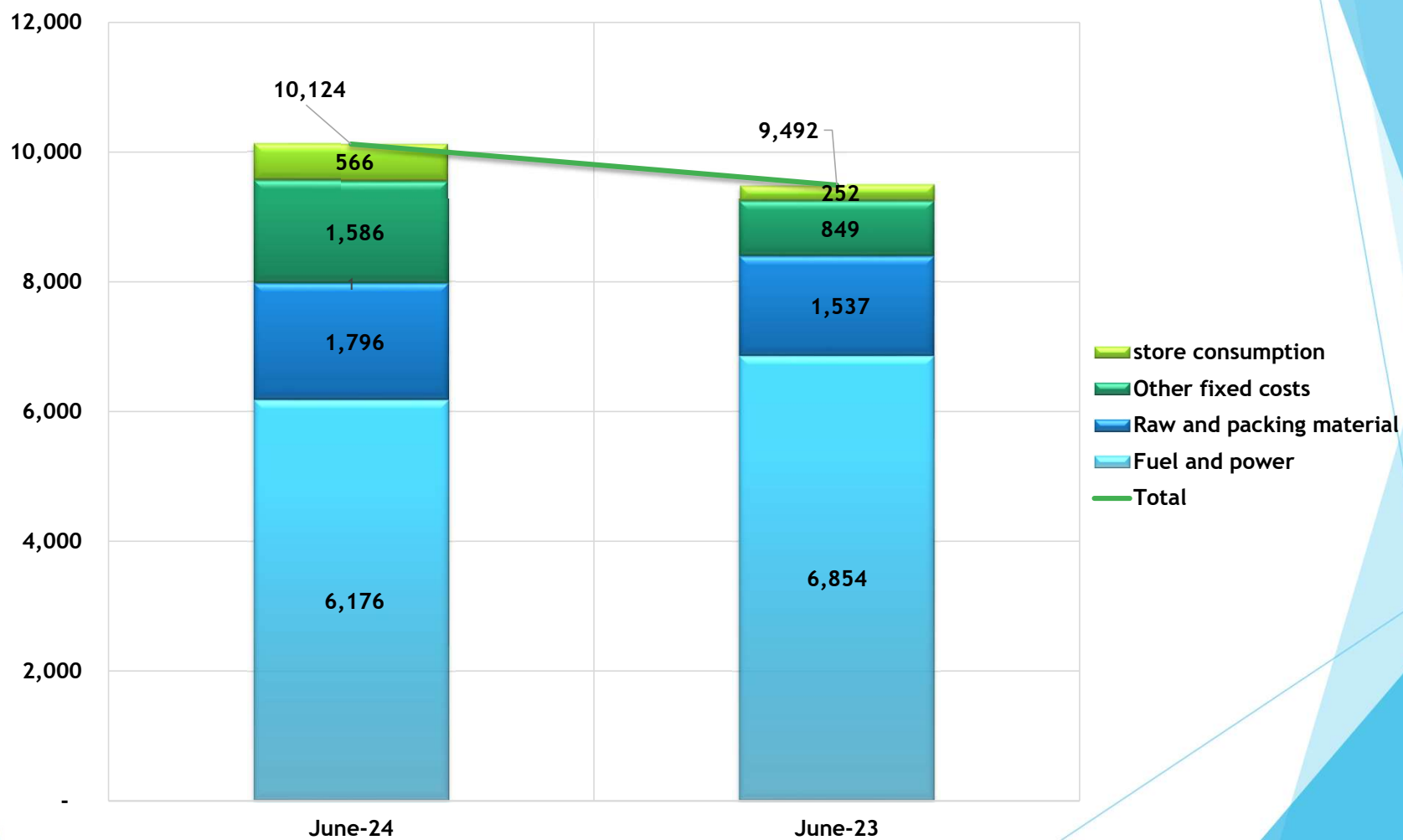
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## Per Ton Variance

1,946	40	1,608	632	976
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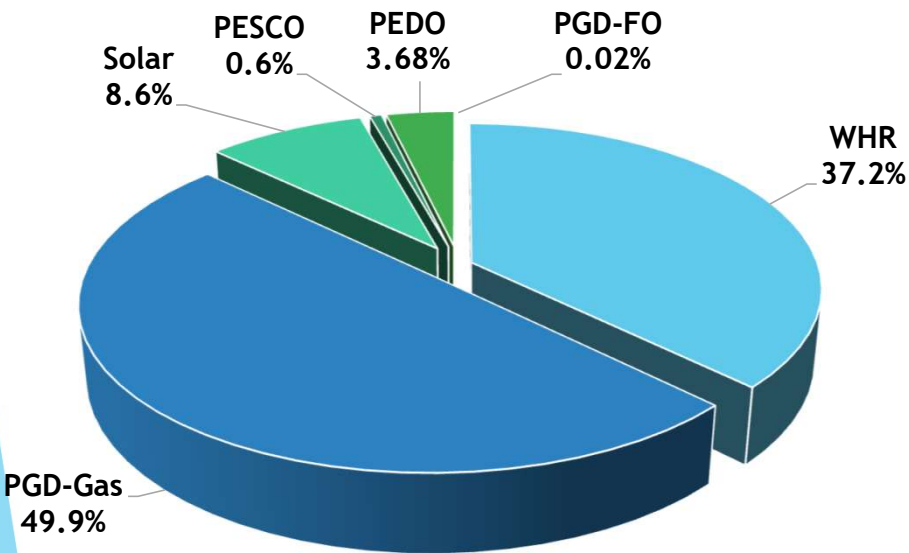
# COST PER TON ANALYSIS (Rs.)



**Cherat Cement Company Limited**  
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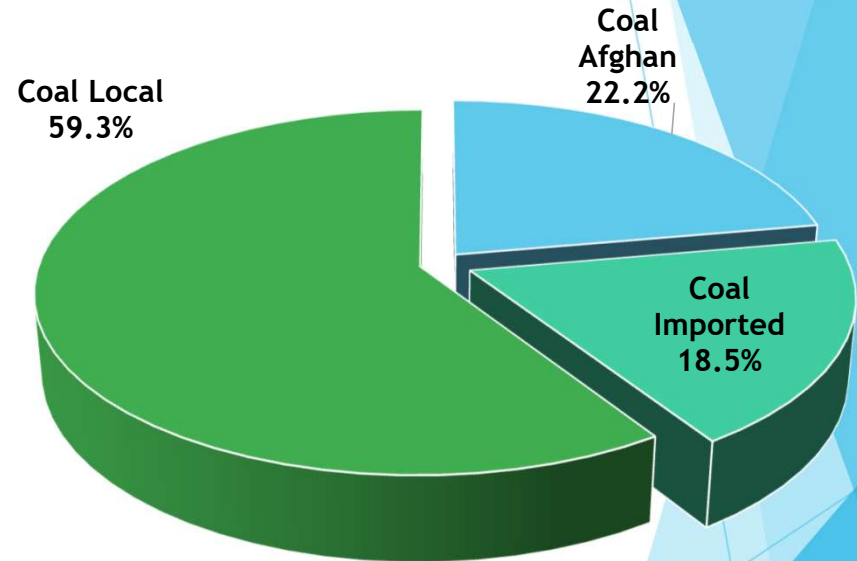
# POWER AND FUEL MIX (%) FOR THE YEAR ENDED JUNE 30, 2024

**POWER MIX %**



■ WHR ■ PGD-Gas ■ Solar ■ PESCO ■ PEDO ■ PGD-FO

**FUEL MIX %**



■ Coal Afghan ■ Coal Imported ■ Coal Local

Year	PGD (Gas)	WHR	Solar	PEDO	PESCO	PGD (FO)
Jun-24	49.9%	37.2%	8.6%	3.68%	0.6%	0.02%
Jun-23	51.0%	37.8%	7.5%	2.7%	0.7%	0.3%

Local Coal	Afghan Coal	Imported Coal	Pet Coke
59.3%	22.2%	18.5%	0%
5.0%	89.9%	0%	5.1%



# STATEMENT OF PROFIT OR LOSS



**Cherat Cement Company Limited**  
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	2024	(Restated) 2023	2024	(Restated) 2023	Variance	
	----- (Rate / ton) -----		----- (Rupees in '000) -----			%
Turnover - net	14,631	13,023	38,433,747	37,386,186	1,047,561	3%
Cost of sales	(10,124)	(9,492)	(26,593,361)	(27,249,373)	656,012	-2%
Gross profit	<u>4,507</u>	<u>3,531</u>	<u>11,840,386</u>	<u>10,136,813</u>	1,703,573	17%
Distribution costs	(290)	(211)	(760,578)	(606,436)	(154,142)	25%
Administrative expenses	(191)	(152)	(500,441)	(436,116)	(64,325)	15%
Other expenses	(176)	(126)	(463,631)	(362,027)	(101,604)	28%
	(657)	(489)	(1,724,650)	(1,404,579)	(320,071)	23%
Other income	188	158	493,426	453,965	39,461	9%
Operating profit	<u>4,039</u>	<u>3,200</u>	<u>10,609,162</u>	<u>9,186,199</u>	1,422,963	15%
Finance costs	(526)	(667)	(1,381,082)	(1,914,170)	533,088	-28%
Profit before taxation	<u>3,513</u>	<u>2,533</u>	<u>9,228,080</u>	<u>7,272,029</u>	1,956,051	27%
Final taxes	(37)	(15)	(97,390)	(44,316)	-53074	120%
Profit before income tax	<u>3,476</u>	<u>2,518</u>	<u>9,130,690</u>	<u>7,227,713</u>	<u>1,902,977</u>	26%
Taxation	(1,382)	(984)	(3,630,939)	(2,823,781)	(807,158)	29%
Profit After taxation	<u>2,094</u>	<u>1,534</u>	<u>5,499,751</u>	<u>4,403,932</u>	<u>1,095,819</u>	25%
Earnings per share - basic and diluted			<u>28.31</u>	<u>22.67</u>		

# KEY FINANCIAL RATIOS

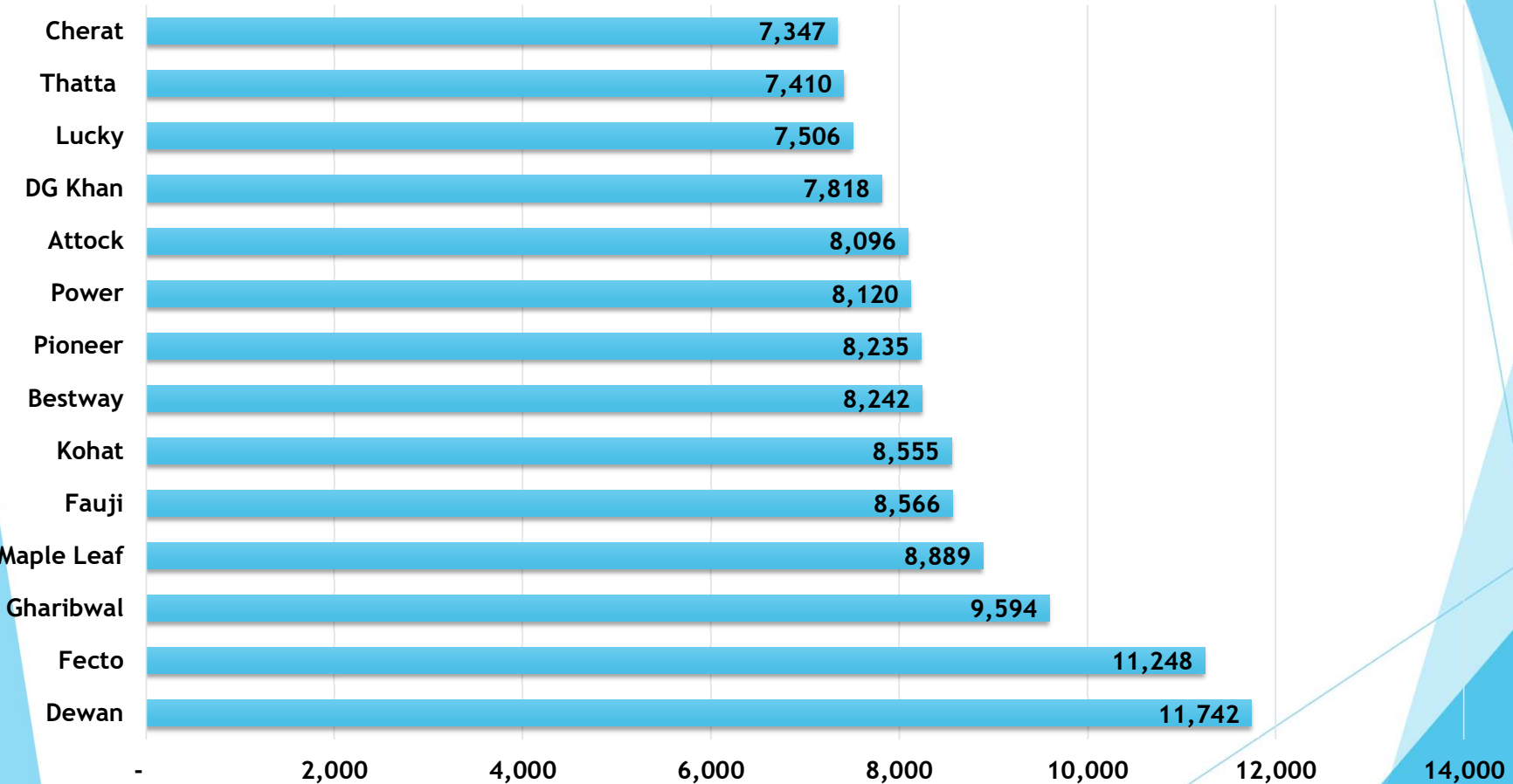
DESCRIPTION	UOM	FY	
		Jun-24	Jun-23
<b>Leverage</b>			
Debt to Equity Ratio	Times	16:84	49:51
Interest Coverage Ratio		7.68	4.80
<b>Liquidity Ratios</b>			
Current Ratio	Times	1.56	1.21
Quick Ratio		1.32	0.93
<b>Investment Ratios</b>			
EPS	PKR	28.31	22.67
ROE	%	23.69	23.06
ROCE		18.58	14.14
Break-up Value Per Share	PKR	131.46	107.46
<b>Key Operating Ratios</b>			
Gross Profit Margin	%	30.81	27.11
EBITDA		32.37	28.91
After Tax Margin		14.31	11.78
Price / Earnings Ratio	PKR	5.76	5.31



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# COMPETITIVE EDGE

## INDUSTRY ANALYSIS OF VARIABLE COST PER TON BASED ON JUNE 30, 2024 RESULTS (Rs)



Variable cost comprised of fuel, power, raw and packing material.



# RENEWABLE ENERGY

- WHR capacity at all cement lines is 19.5 MW.
- WHR capacity at Genset is 3 MW.
- Solar capacity is 13.56 MW with additional planned capacity of 9 MW resulting in accumulated capacity will reach at 22.56 MW.
- Total renewable energy capacity will stand at 45.06 MW



# SYNOPSIS - STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2024



**Cherat Cement  
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	September 2024	September 2023	Variance	%
	----- (Rupees in '000) -----			
Turnover - net	<u>9,659,012</u>	<u>10,071,489</u>	(412,477)	-4%
Cost of Sales	<u>(5,792,199)</u>	<u>(6,999,807)</u>	1,207,608	-17%
Gross profit	<u>3,866,813</u>	<u>3,071,682</u>	795,131	26%
Other Income	<u>348,418</u>	<u>48,120</u>	300,298	624%
Operating profit	<u>3,678,280</u>	<u>2,705,098</u>	973,182	36%
Finance Cost	<u>(155,209)</u>	<u>(424,534)</u>	269,325	-63%
Profit before taxation	<u>3,523,071</u>	<u>2,280,564</u>	1,242,507	54%
Net Profit	<u>2,877,860</u>	<u>1,533,061</u>	1,344,799	88%

EPS Sep-23 = 7.89

EPS Sep-24 = 14.81

6.00      8.00      10.00      12.00      14.00      16.00



# FUTURE OUTLOOK



**Cherat Cement  
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Long-term outlook remain optimistic.

Indicators suggest that inflation may further ease, and interest rates could further decline.

Increase in PSDP may bring optimism for growth in cement industry.

Initiatives undertaken to mitigate impact of rising costs of coal and energy tariffs.



# Q & A SESSION



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