



CHCC: FY16 RESULTS SNAPSHOT

FY16 Earnings clocked in at PKR 7.96/sh, in line with our expectations

- Cherat cement company ltd (CHCC) announced its FY16 earnings of PKR 1.405bn (EPS: PKR 7.96) as compared to our projected earnings of PKR 1.408bn (EPS: PKR 7.97), in line with our expectations. The company announced a cash dividend of 2.25/sh in addition to interim dividend already paid at PKR 1/sh during 1HFY16.
- During 4QFY16, CHCC posted PAT of PKR 362mn (EPS: PKR 2.05) compared to PKR 350mn (EPS: PKR 1.98) in 4QFY15, witnessing meager growth of 3%.
- Industry sales remained robust during the year however Cherat's current capacity served as detriment to capitalize domestic off take resulting in 1%YoY growth of top line during 4QFY16 as compared to corresponding period of last year.
- Gross margins surged to ~37% during FY16 vs. ~30% in FY15 owing to reduction in coal and oil price in international market resulting in use of cheap inhouse power generation (~68% CPP and ~32% WHR).

PKR 'mn'	FY16	FY15	YoY	4QFY16	4QFY15	YoY	4QFY16	3QFY16	QoQ
Net Sales	7,079	6,565	8%	1,858	1,839	1%	1,858	1,732	7%
Cost of sales	4,445	4,582	-3%	1,098	1,224	-10%	1,098	1,055	4%
Gross Profit	2,634	1,984	33%	760	615	23%	760	678	12%
Admin Exp	192	164	17%	52	42	23%	52	48	7%
Dist Exp	234	206	14%	60	55	10%	60	59	2%
Other op exp	156	105	48%	46	39	17%	46	40	14%
Other op inc	43	201	-78%	4	43	-91%	4	18	-79%
Finance Cost	44	38	15%	14	8	76%	14	14	-1%
PBT	2,051	1,672	23%	591	514	15%	591	534	11%
Tax	646	383	69%	229	163	40%	229	167	38%
PAT	1,405	1,288	9%	362	350	3%	362	367	-1%
EPS	7.96	7.29	9%	2.05	1.98	3%	2.05	2.08	-1%

Source: PSX, Company Accounts

Regards,

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