KOHAT CEMENT COMPANY LIMITED
CORPORATE BRIEFING SESSION FY2023 & Q1FY2024

Shaping the Future

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November 14, 2023

GROUP STRUCTURE

ANS Capital (Pvt.) Limited

- Kohat Cement Company Limited
- Ultra Pack (Pvt.) Limited
- Ultra Kraft (Pvt.) Limited

<u>Shareholding Pattern</u>:

1. ANS Capital (Pvt.) Ltd. (Holding Company) -56.4%
2. Directors- 18.1%
3. Free Float -25.4%

OUR PRODUCTS

OPC – GREY CEMENT

OPC – PRECAST CEMENT

OPC – COMPOSITE CEMENT

OPC –WHITE CEMENT

FINANCIAL & OPERATIONAL PERFORMANCE

Dispatches and Capacity Utilization

	1st Quarter Sep/22	2nd Quarter Dec/22	3rd Quarter Mar/23	4th Quarter Jun/23	YTD 30-Jun-23	YTD 30-Jun-22	YoY	Q1FY2024 Sep/23	QoQ	YoY
Cement Industry										
Industry Dispatches	9,620,884	12,142,852	11,836,055	10,983,848	44,583,639	52,891,703	*-16%*	11,879,871	*8%*	*23%*
- Local	8,601,829	11,427,685	10,534,593	9,453,466	40,017,574	47,635,467	*-16%*	10,128,632	*7%*	*18%*
- Export	1,019,054	715,167	1,301,462	1,530,382	4,566,065	5,256,236	*-13%*	1,751,239	*14%*	*72%*
Capacity utilization	**51.8%**	**65.4%**	**63.8%**	**59.2%**	**60.1%**	**76.3%**	*-16%*	**60.2%**	*1.0%*	*8.4%*
- Local	46.3%	61.6%	56.8%	50.9%	53.9%	68.7%	*-15%*	51.4%	*0.4%*	*5.0%*
- Export	5.5%	3.9%	7.0%	8.2%	6.2%	7.6%	*-1%*	8.9%	*0.6%*	*3.4%*
Kohat Cement										
Dispatches	**688,955**	**855,377**	**771,178**	**685,035**	**3,000,545**	**3,557,818**	*-16%*	**761,623**	*11%*	*11%*
- Local	688,437	854,776	761,743	663,926	2,968,882	3,550,134	*-16%*	745,397	*12%*	*8%*
- Export	518	601	9,435	21,109	31,663	7,684	*312%*	16,226	*-23%*	*3032%*
Capacity utilization	***53.4%***	***66.3%***	***59.8%***	***53.1%***	***58.2%***	***69.0%***	*-11%*	***59.0%***	*6%*	*6%*
- Local	*53.4%*	*66.3%*	*59.1%*	*51.5%*	*57.5%*	*68.8%*	*-11%*	*57.8%*	*6%*	*4%*
- Export	*0.04%*	*0.05%*	*0.7%*	*1.6%*	*0.6%*	*0.1%*	*0%*	*1.3%*	*0%*	*1%*

FY 23

Gross Profit

6% ↑

FY23 : 10.4 B | FY22 : 9.8 B

Revenue

18% ↑

FY23 : 38.9 B | FY22 : 32.8 B

Operating Profit

18% ↑

FY23 : 11.2 B | FY22 : 9.4 B

EBITDA

16% ↑

FY23 : 12.3 B | FY22 : 10.5 B

Other Income

202% ↑

FY23 : 2085 M | FY22 : 690 M

PAT

16% ↑

FY23 : 5.8 B | FY22 : 5 B

EPS

16% ↑

FY23 : 28.98 | FY22 : 25.01

Q1FY24

Gross Profit

17% ↑

Q1FY24 : 3.2 B	Q1FY23 : 2.7 B

Revenue

25% ↑

Q1FY24 : 11.06 B	Q1FY23 : 8.8 B

Operating Profit

31% ↑

Q1FY24 : 3.7 B	Q1FY23 : 2.8 B

EBITDA

29% ↑

Q1FY24 : 4.0 B	Q1FY23 : 3.1 B

Other Income

136% ↑

Q1FY24 : 864 M	Q1FY23 : 366 M

EPS

27% ↑

Q1FY24 : 11.25	Q1FY23 : 8.89

PAT

25% ↑

Q1FY24 : 2.2 B	Q1FY23 : 1.7 B

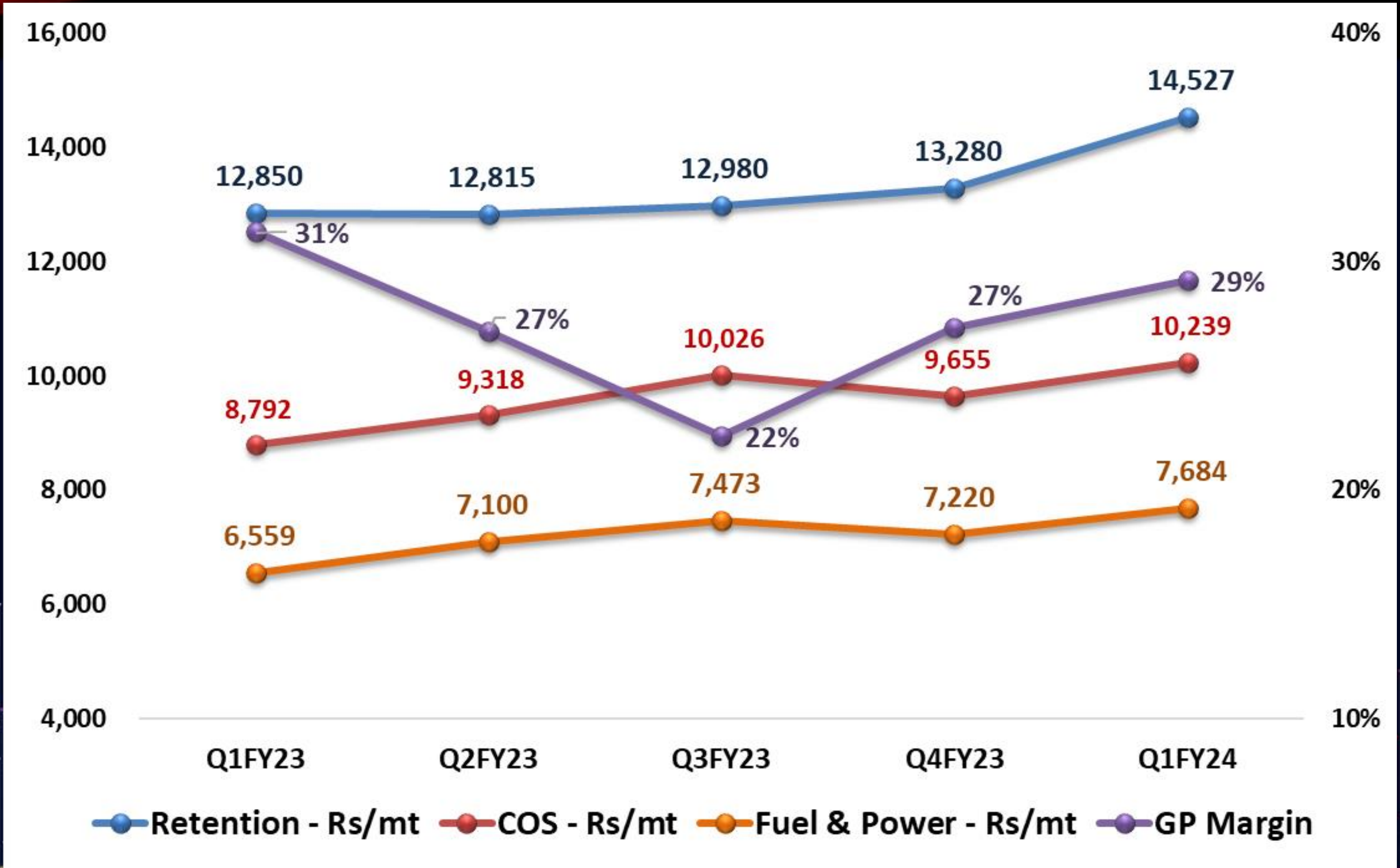
Financial Performance FY 23 & Q1 FY24

(Amount in Rs.'000')	1st Quarter Sep/22	2nd Quarter Dec/22	3rd Quarter Mar/23	4th Quarter Jun/23	YTD 30-Jun-23	YTD 30-Jun-22	YoY	Q1FY2024 Sep/23	QoQ	YoY
Sales - Net	8,852,817	10,961,535	10,010,223	9,097,060	38,921,635	32,876,949	18%	11,064,118	22%	25%
Cost of Sales	6,082,022	8,004,925	7,769,120	6,632,875	28,488,941	23,065,181	24%	7,834,895	18%	29%
Gross Profit	**2,770,795**	**2,956,610**	**2,241,103**	**2,464,185**	**10,432,694**	**9,811,769**	6%	**3,229,223**	31%	17%
GP Margin	*31.3%*	*27.0%*	*22.4%*	*27.1%*	*26.8%*	*29.8%*		*29.2%*		
Selling and Distr. Expense	32,602	41,533	41,722	60,266	176,123	122,137	44%	36,103	-40%	11%
Administration Expenses	92,874	101,798	95,956	105,602	396,230	353,523	12%	111,127	5%	20%
Other Expenses	189,178	211,924	164,766	170,645	736,513	563,052	31%	245,037	44%	30%
Other Income	(366,969)	(433,339)	(541,338)	(744,162)	(2,085,808)	(690,143)	202%	(864,506)	16%	136%
Total Operating Expenses	**(52,314)**	**(78,084)**	**(238,893)**	**(407,650)**	**(776,942)**	**348,569**		**(472,239)**		
Operating Profit	**2,823,110**	**3,034,694**	**2,479,997**	**2,871,834**	**11,209,636**	**9,463,200**	18%	**3,701,462**	29%	31%
	32%	*28%*	*24.8%*	*31.6%*	*29%*	*29%*		*33.5%*		
Finance Cost	172,638	169,784	168,783	229,102	740,308	537,711	38%	203,054	-11%	18%
Profit Before Taxation	**2,650,472**	**2,864,910**	**2,311,214**	**2,642,732**	**10,469,328**	**8,925,489**	17%	**3,498,408**	32%	32%
Taxation	865,409	910,861	687,449	2,184,857	4,648,577	3,901,209	19%	1,269,010	-42%	47%
Effective tax rate	*32.7%*	*31.8%*	*29.7%*	*82.7%*	*44.4%*	*43.7%*		*36.3%*		
Profit after Tax	**1,785,062**	**1,954,049**	**1,623,765**	**457,875**	**5,820,751**	**5,024,280**	16%	**2,229,398**	387%	25%
	20%	*18%*	*16.2%*	*5.0%*	*15%*	*15%*		*20.1%*		
Earning Per Share	**8.89**	**9.73**	**8.08**	**2.28**	**28.98**	**25.01**	16%	**11.25**	394%	27%
Depreciation & Amortization	278,465	279,135	278,875	279,538	1,116,013	1,118,110		309,310	11%	11%
EBITDA	**3,101,575**	**3,313,829**	**2,758,872**	**3,151,373**	**12,325,649**	**10,581,310**	16%	**4,010,772**	27%	29%
EBITDA Margin	*35.0%*	*30.2%*	*27.6%*	*34.6%*	*31.7%*	*32.2%*		*36.3%*		

Financial Performance FY 23 & Q1FY24

	1st Quarter Sep/22	2nd Quarter Dec/22	3rd Quarter Mar/23	4th Quarter Jun/23	YTD 30-Jun-23	YTD 30-Jun-22	YoY	Q1FY2024 Sep/23	QoQ	YoY
Retention (Rs./MT)	**12,850**	**12,815**	**12,980**	**13,280**	**12,972**	**9,241**	*40%*	**14,527**	*9%*	*13%*
Local	*12,851*	*12,816*	*12,992*	*13,317*	*12,981*	*9,244*	*40%*	*14,584*	*10%*	*13%*
Export	*10,896*	*11,135*	*12,061*	*12,099*	*12,050*	*7,523*	*60%*	*11,912*	*-1.5%*	*9%*
MRP Rs./Bag	997	997	1,030	1,060	1,021	779		1,150		
Production										
- Clinker	**589,626**	**836,984**	**710,650**	**658,829**	**2,796,089**	**3,194,218**	*-12%*	**606,348**	*-8%*	*3%*
- Cement	**692,904**	**872,933**	**771,239**	**700,144**	**3,037,220**	**3,537,946**	*-14%*	**749,386**	*7%*	*8%*
COS Grey (Rs./MT)	**8,792**	**9,318**	**10,026**	**9,655**	**9,455**	**6,450**	*47%*	**10,239**	*6%*	*16%*
Variable	*8,123*	*8,752*	*9,405*	*8,948*	*8,821*	*5,947*	*48%*	*9,590*	*7%*	*18%*
Fixed	*669*	*566*	*620*	*707*	*635*	*503*	*26%*	*649*	*-8%*	*-3%*
Fuel Mix										
Imported Coal	*25%*	*71%*	*15%*	*18%*	*35%*	*34%*	*0.3%*	*45%*	*27%*	*20%*
Afghan Coal	*42%*	*9%*	*61%*	*42%*	*37%*	*36%*	*1.4%*	*28%*	*-14%*	*-14%*
Local Coal	*33%*	*20%*	*24%*	*40%*	*28%*	*30%*	*-1.7%*	*27%*	*-13%*	*-6%*
Coal Avg cost PKR/mt	41,438	45,990	47,322	45,921	45,497	27,744	*64%*	44,611	*-3%*	*8%*
Fuel and Power Rs./mt	6,559	7,100	7,473	7,220	7,099	4,607	*54%*	7,684	*6%*	*17%*
Power Rates:										
National Grid	32.35	27.52	30.58	32.86	30.12	22.16	*36%*	37.74	*15%*	*17%*
Average Rate	25.42	21.20	23.49	24.25	23.07	17.15	*35%*	27.54	*14%*	*8%*
Power Mix:										
Captive Generation	26%	30%	31%	37%	31%	30%	*2%*	34%	*-7%*	*29%*
National Grid	74%	70%	69%	63%	69%	70%	*-1%*	66%	*4%*	*-11%*

Retention, Cost and GP Margin



Key Financial Ratios

	2023	2022	2021
Capital Structure Ratios			
Debt to equity ratio	9:91	13:87	21:79
Interest coverage ratio	15.14	17.60	10.45
Debt Service Coverage Ratio	7.25	5.81	7.08
Investment/market ratios			
Earnings per share- Rs	28.98	25.01	17.41
Price Earning Ratio	5.99	5.20	11.86
Breakup value per share	162.35	135.65	110.64

	2023	2022	2021
Liquidity Ratios			
Current ratio	2.31	1.87	1.30
Quick ratio	1.54	1.28	0.75
Profitability Ratios			
Gross profit ratio	26.8%	29.8%	24.8%
Net profit to sales ratio	15.0%	15.3%	14.5%
EBITDA to sales ratio	31.7%	32.2%	27.6%
Return on equity	17.8%	18.4%	15.7%
Return on capital employeed	34.4%	33.2%	21.3%

Future Outlook

- *No significant growth in Cement demand is expected in domestic market in current FY2024.*
- *Additional cement capacity of around 11 million MT has been added during FY 2023 whereas 2 million MT shall be added in current FY.*
- *Company is working on setting up further 15mw solar power plant, after which solar generation will meet around 15% of Company's power consumption needs.*
- *BMR of Line 3 is underway which shall increase the fuel efficiencies*
- *Land is being procured for Greenfield cement production line in Khushab, Punjab and work on other infrastructure development such as utilities connection, road etc. is in progress.*

Question & Answer

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