

Pakistan Equity | Cement | Company Report

Cherat Cement Company Limited

Sep 23, 2026

A Foundation for
Sustainable Growth

Target Price
PKR 367.59

Potential Upside
31.4%

Shiza Javed | Nasheed Malik

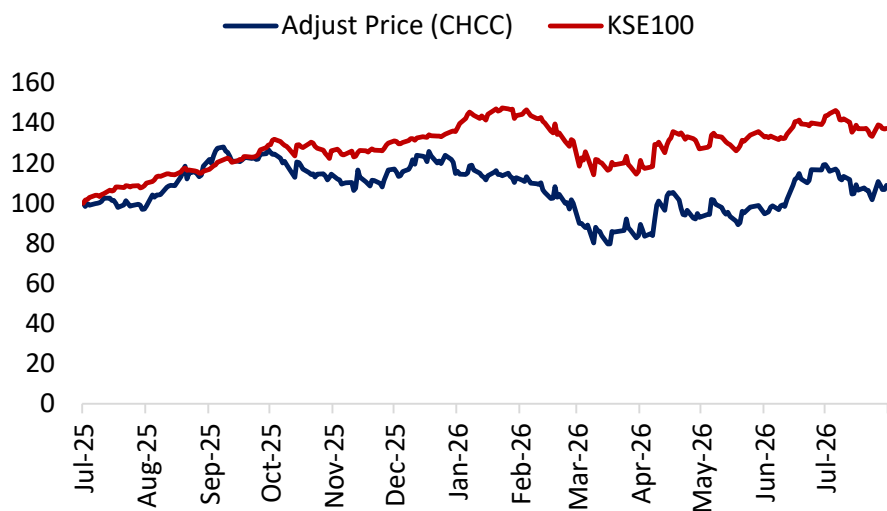
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CHCC TP PKR 367.59/share; Upside of 31.4%

Symbol	CHCC
Recommendation	BUY
Current Price	279.70
Target Price	367.59
Potential Upside	31.4%
Market Cap	54,344.3
Shares mn	194.3
Free Float	60.0%

Source: Company Accounts, Growth Securities



Source: PSX, Growth Securities

We initiate coverage on Cherat Cement Company Limited with a BUY recommendation and a Jun'27 target price of PKR 367.59/share, derived on a FCFE framework.

We expect the company's earnings to grow at a CAGR of 12.7% over FY27–31F, supported by a recovery in domestic cement demand, improving capacity utilization, stable cost efficiencies and value accretion from its investment in Cherat Packaging. We forecast revenue and earnings to grow at a CAGR of 9.2% and 12.7%, respectively, over our forecast horizon.

We forecast EPS of PKR 46.2/share in FY27F and PKR 54.2/share in FY28F.

At the current market price of PKR 279.70/share, we believe CHCC is undervalued, offering a potential 31.4% upside to our Jun'27 target price.

Our investment thesis is supported by multiple earnings and valuation drivers:

1) Domestic Demand Recovery to Support Volume Growth: We expect domestic cement demand to continue to recover in FY27 as well and grow at a rate of 9.4% for FY27F, and then by 4.5% avg. onwards, supported by lower interest rates, higher public sector development spending, improving macroeconomic conditions and a gradual revival in housing and private construction activity. As dispatches recover, Cherat Cement is well positioned to benefit through higher capacity utilization and stronger sales volumes.

2) Operating Leverage to Accelerate Earnings Growth: We forecast capacity utilization to improve from 52.6% in FY26E to 70.6% by FY31F, enabling better absorption of fixed manufacturing costs. Consequently, we expect gross margins to improve from 34% to 36%, while EPS grows at a CAGR of 12.7 %, outpacing revenue growth of 9.2 %.

3) Operational Efficiency to Preserve Cost Competitiveness: Despite a challenging environment, CHCC has continued to strengthen its cost competitiveness through efficient plant operations, optimized fuel and power consumption, and disciplined cost management. Combined with improving capacity utilization, these operational efficiencies are expected to support profitability. We forecast EBITDA margins to improve from 34% in FY26E to 37% in FY31F, positioning the company to benefit from the anticipated recovery in cement demand.

CHCC TP PKR 367.59/share; Upside of 31.4%

Key Ratios					
	FY24A	FY25A	FY26A	FY27F	FY28F
EPS	28.3	44.7	37.3	46.2	54.2
EPS YoY	25%	58%	-16%	24%	17%
P/E	5.3x	5.3x	8.4x	6.8x	5.8x
P/B	0.7x	0.9x	1.2x	0.9x	0.8x
DY	3.7%	2.3%	1.3%	2.2%	2.6%
GM	30.8%	36.9%	33.0%	33.3%	34.6%
EBITDA	32.3%	37.9%	33.7%	34.6%	35.9%
NPM	14.3%	23.0%	19.9%	20.2%	21.3%
ROE	17.4%	13.2%	13.9%	18.4%	12.9%
ROA	10.9%	8.7%	10.5%	13.5%	9.8%

Source: Company Accounts, Growth Securities

4) CHCC Trades at a 55.7% Discount to PIOC's Acquisition Valuation: Cherat Cement currently trades at an EV/ton of USD 35.19, significantly below the USD 79.4/ton implied by MLCF's acquisition of Pioneer Cement (PIOC). Given both companies' presence in the Northern region, we believe the valuation gap provides meaningful room for CHCC to re-rate toward the transaction benchmark.

5) Packaging Business Adds a Non-Cyclical Earnings Stream: CHCC holds 12.7% stake in Cherat Packaging Limited CPPL. Cherat Cement's investment in CPPL provides exposure to Pakistan's growing packaging industry, diversifying earnings beyond its core cement operations. As demand from the FMCG, food and pharmaceutical sectors continues to expand, we expect the investment to support long-term value creation while reducing the company's reliance on the cyclical cement business.

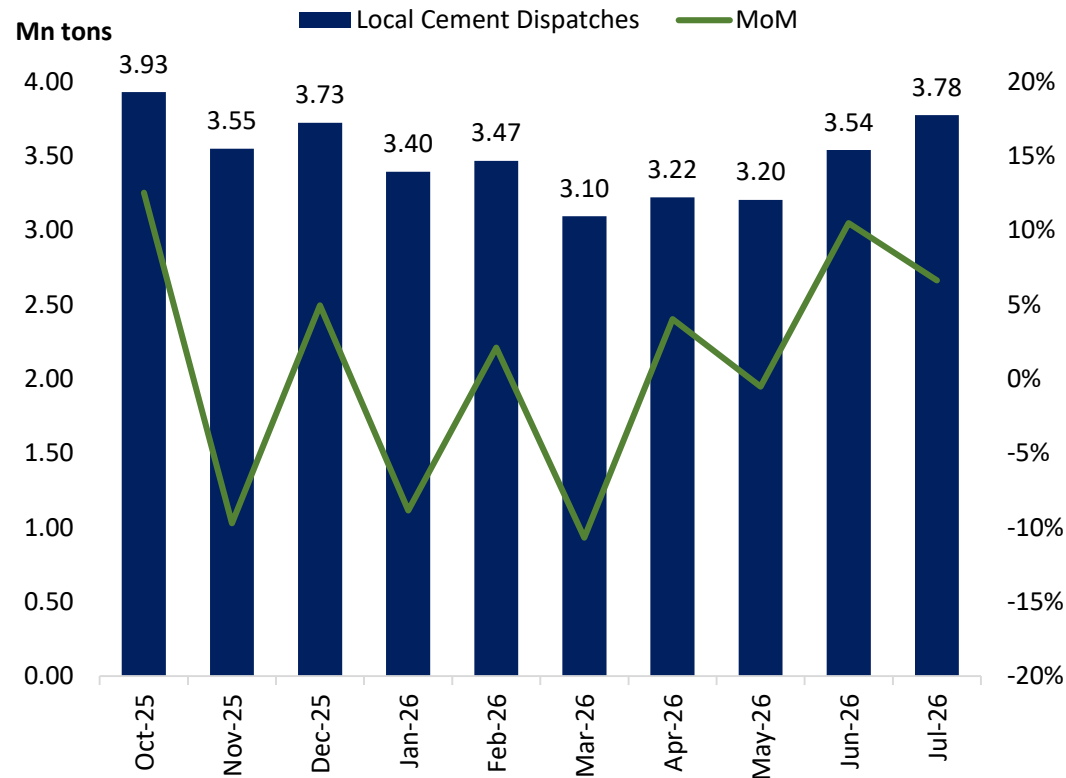
6) Strong Northern Footprint Positions CHCC for Demand Recovery: CHCC's strategic presence in the northern region positions it to benefit from the anticipated recovery in domestic construction activity. As infrastructure spending and private sector demand improve, we expect the company to capitalize on higher dispatches, translating into stronger sales volumes and improved profitability.

7) Diversification Beyond Cement to Add Incremental Earnings: CHCC's proposed 30% acquisition in NICL provides exposure to diversified chemical businesses, broadening its earnings base beyond the cyclical cement sector.

8) Valuation: We have valued CHCC using the Discounted Cash Flows (FCFE) approach where we have used a risk-free rate of 12.0% (10-Year PIB), risk premium 6%, and beta of 1.27. CHCC is trading at FY27F/28F PE of 6.8/5.8x compared to last 10-YR average PE of 6.5x. The company is also trading at a discount to Cement sector, which are currently trading at an average of 11.7x.

9) Risk: Key risks in our thesis include: 1) Slower-than-Expected Recovery in Domestic Cement Demand, 2) Intensifying Pricing Competition, 3) Higher-than-Expected Energy and Fuel Costs, 4) Delays in PSDP and Construction Activity, 5) Lower-than-Expected Contribution from Cherat Packaging.

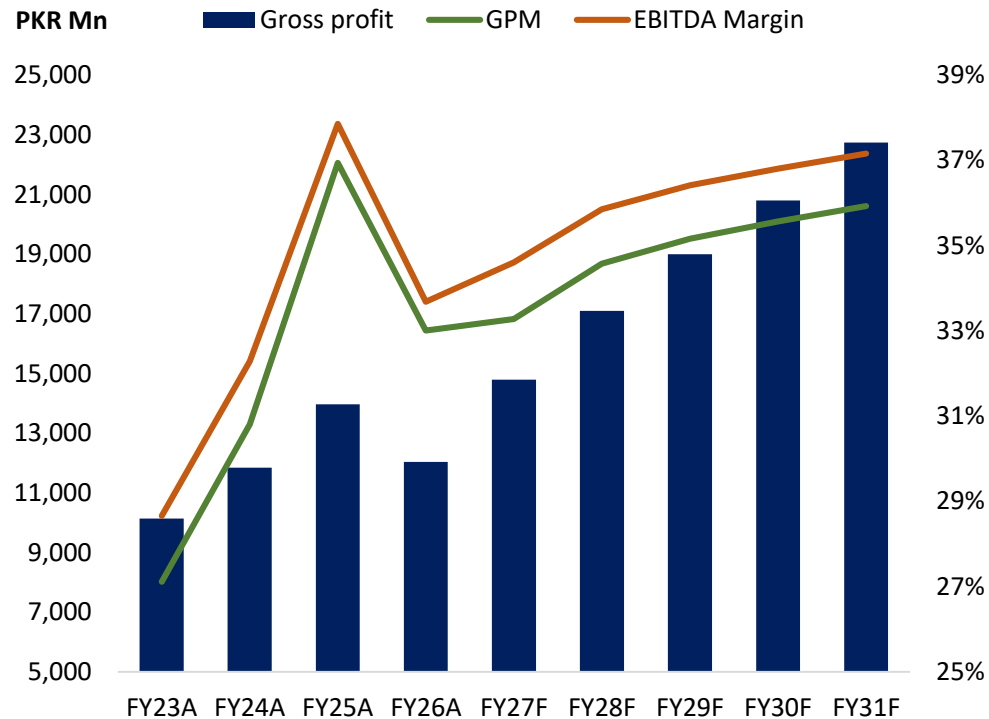
Domestic Demand Recovery to Support Volume Growth



Source: APCMA, Growth Securities

- Pakistan's cement industry has experienced nearly four consecutive years of contraction, with domestic dispatches declining from 48.1mn tons in FY21 to 36.7mn tons in FY25, a cumulative decline of 23.6%.
- The downturn was driven by elevated interest rates, subdued construction activity and constrained development spending, creating significant pent-up demand across the housing, infrastructure and private construction segments.
- The recovery has already started in FY26, with domestic cement dispatches rising 11.8% YoY to 41.1mn tons, marking the first meaningful rebound after four years of contraction. We believe this double-digit growth signals an inflection in the cement cycle, supported by easing monetary conditions, improving macroeconomic activity, higher development spending and a gradual revival in private-sector construction. With the economy expected to expand from 3.7% in FY27F to above 4.0% over the medium term, we expect cement consumption to maintain its recovery trajectory.
- Importantly, we expect the recovery to extend beyond FY26 as pent-up construction demand continues to unwind. We forecast domestic dispatches to grow by 9.4% in FY27F, followed by a normalization to 7.0%, 5.0%, 4.0% and 4.0% during FY28–31F, respectively. This would take industry domestic dispatches to 54.6mn tons by FY31F, exceeding the previous FY21 peak of 48.1mn tons. The trajectory implies a 5.0% CAGR in domestic dispatches from FY27–31F, reflecting a sustained normalization rather than a one-year rebound.
- As a predominantly domestic player, Cherat Cement is positioned to directly benefit from this recovery. We forecast CHCC's dispatches to increase from 2.48mn tons in FY27F to 3.02mn tons by FY31F, representing a 4.99% CAGR.
- Consequently, capacity utilization is expected to improve from 52.6% in FY25 to 70.6% by FY31F, allowing higher volumes to translate into better fixed-cost absorption, revenue growth and profitability.

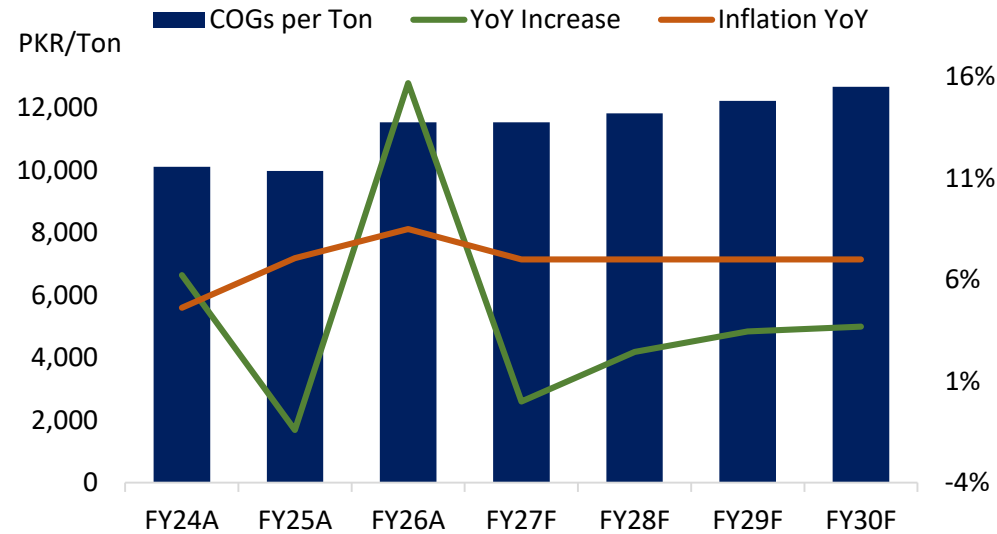
Operating Leverage to Accelerate Earnings Growth



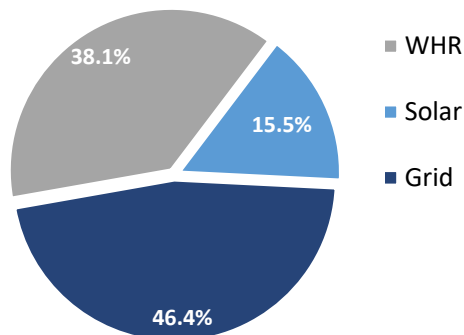
Source: Company Accounts, Growth Securities

- Following two years of subdued demand, Pakistan's cement industry has been operating at utilization levels well below its historical average, limiting manufacturers' ability to absorb fixed production costs.
- As domestic demand recovers from FY27 onwards, we expect higher dispatches to improve capacity utilization across the sector, unlocking meaningful operating leverage for producers.
- For Cherat Cement, we forecast capacity utilization to increase from 58.9% in FY26E to 70.6% by FY31F, driven by a recovery in domestic dispatches and improving plant throughput.
- Higher production volumes are expected to enhance the absorption of fixed manufacturing costs—including depreciation, salaries and plant overheads—supporting an improvement in profitability despite a competitive pricing environment.
- Consequently, we project gross margins to expand from 34% in FY26E to 39% in FY31F, while EBITDA margins improve from 35% to 40% over the same period.
- We forecast revenue to grow at a CAGR of 12.8%, whereas EPS is expected to grow at a faster CAGR of 19.1%, reflecting the benefits of operating leverage as earnings expand more rapidly than sales.
- We believe this will remain one of the key drivers of Cherat Cement's earnings growth over our forecast horizon.

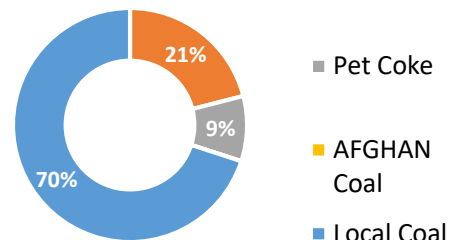
Operational Efficiency to Preserve Cost Competitiveness



Power Mix



Coal Mix



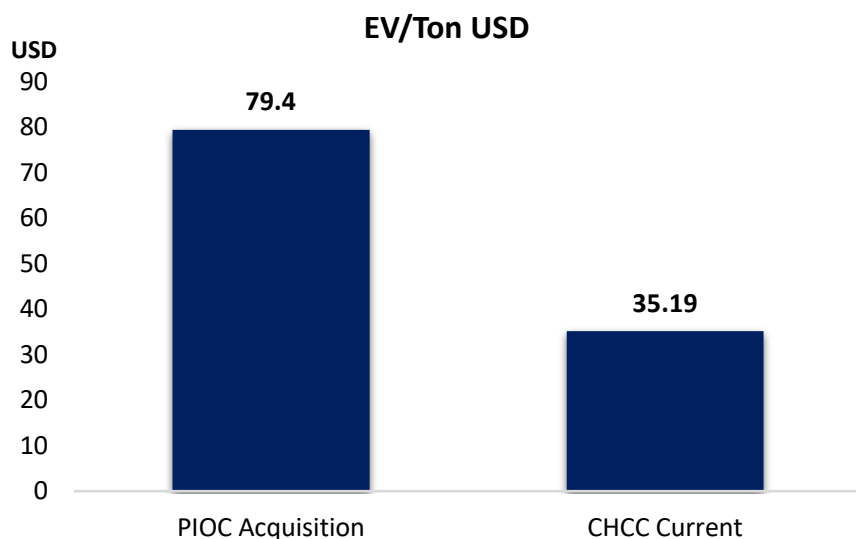
- Energy remains a key cost component in cement manufacturing, making CHCC's favorable fuel and power mix important for sustaining margins.
- The company currently relies on 70% local coal, 21% RB coal and 9% pet coke, while its power mix comprises 38.1% WHR, 17.2% solar and 44.7% grid, reducing exposure to imported fuel and grid tariff volatility.
- These efficiencies underpin our relatively contained COGS/ton assumptions. Following a 15.7% YoY increase in COGS/ton in FY26, we expect costs to remain broadly flat in FY27 and rise by only 2.4–3.7% YoY over FY28–30, versus our assumed 7% inflation.
- We believe the moderation will be supported by higher WHR/solar contribution, greater reliance on local coal and improved fixed-cost absorption as volumes recover.
- Further supporting this view, CHCC announced in January the installation of a 25MW Battery Energy Storage System (BESS) and an additional 5.4MW solar plant at its Nowshera facility, with total investment of ~PKR1.85bn and a targeted completion period of six months.
- Accordingly, we assume the additional solar and BESS capacity becomes operational during FY27, helping lower grid dependence and contain power costs going forward.
- With recovering volumes also improving fixed-cost absorption, we expect CHCC's improving energy mix and incremental renewable capacity to support cost containment and margin resilience, allowing a greater share of revenue growth to flow through to EBITDA as demand recovers.

Source: Company Accounts, Growth Securities

CHCC Trades at a 55.7% Discount to PIOC's Acquisition Valuation

PKRmn	PIOC	CHCC
Mkt. Cap	108,675	54,344
EV PKR	110,398	44,219
EV USD	393.0	158
Capacity Tons mn	5.02	4.54
EV/Ton PKR	21,992	9,749
EV/Ton USD	79.4	35.19

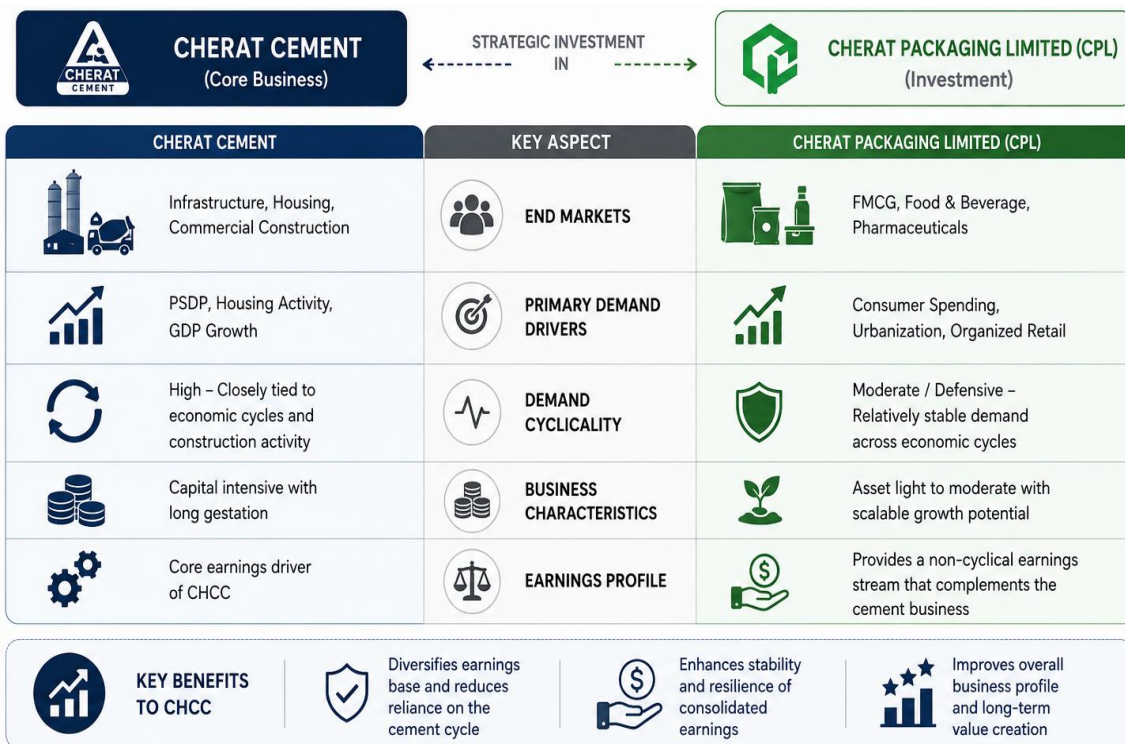
Source: PSX, Company Accounts, Growth Securities



Source: PSX, Company Accounts, Growth Securities

- The recent acquisition of Pioneer Cement by Maple Leaf Cement provides a relevant transaction benchmark for Northern-region cement assets. MLCF acquired PIOC at PKR 478.43/share, implying an enterprise value of approximately USD 393mn and an EV/ton of USD 79.4.
- In comparison, Cherat Cement currently carries an enterprise value of USD 158mn, translating into an EV/ton of USD 35.19 — a 55.7% discount to the valuation achieved by PIOC.
- Importantly, the valuation discount exists despite CHCC maintaining a stronger profitability profile. CHCC reported a FY26 gross margin of 33.0%, compared with 30% for PIOC, while CHCC's Operating margin stood at 29% versus 28% for PIOC.
- This indicates that CHCC's lower EV/ton is not simply a reflection of weaker operating profitability, with the company already demonstrating strong cost absorption and margin generation. As domestic cement demand recovers, higher utilization should further support CHCC's earnings and asset productivity.
- CHCC also carries a strategic export advantage through its Nowshera-based manufacturing facility, which is located close to the Afghanistan border. The company has historically maintained a strong position in the Afghan market. The Pakistan-Afghanistan border closure since October 2025 halted cement exports to Afghanistan, creating a temporary drag on export volumes.
- However, any normalization of cross-border trade would provide CHCC with an additional volume outlet, given its proximity to the border and established presence in the Afghan market.
- Applying PIOC's acquisition benchmark of USD 79.4/ton to CHCC's 4.54mn tons of installed capacity implies an enterprise value of approximately USD 360.16mn, compared with CHCC's current EV of USD 158mn. This represents a potential ~128.6% increase in enterprise value from current levels.
- While the PIOC transaction may incorporate a control premium and differences in asset characteristics, the combination of CHCC's lower EV/ton, stronger profitability and export optionality provides a clear basis for valuation re-rating as domestic demand recovers and Afghan trade normalizes.

Packaging Business Adds a Non-Cyclical Earnings Stream

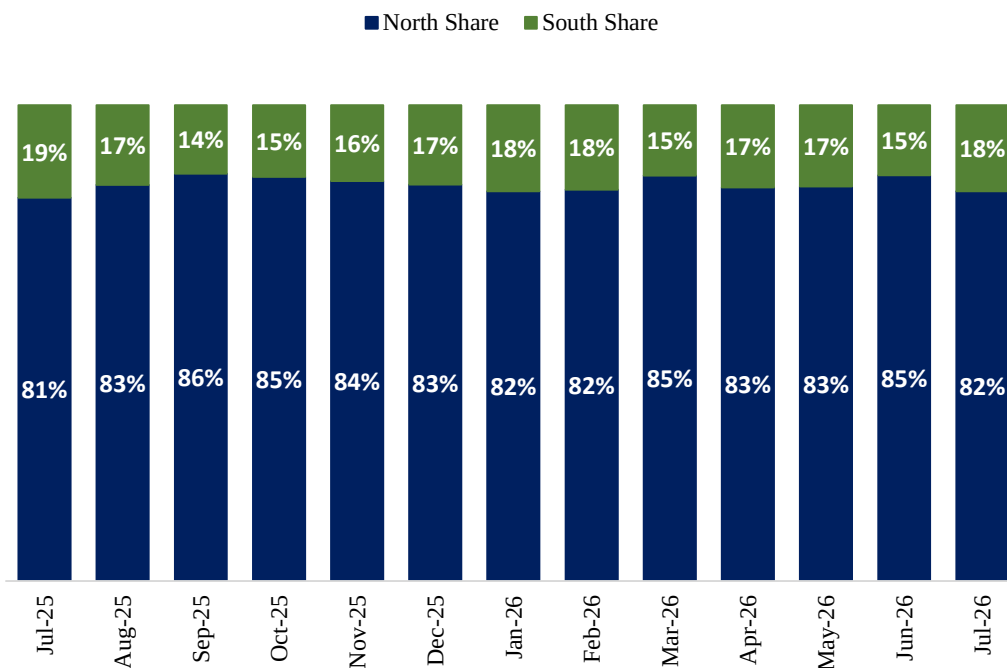


Source: Company Presentation/Accounts, Growth Securities

- Beyond its core cement operations, Cherat Cement has strategically diversified its business through its investment in Cherat Packaging Limited (CPL), one of Pakistan's leading manufacturers of flexible packaging solutions.
- Unlike the cement business, which is closely tied to construction activity and economic cycles, the packaging industry is supported by relatively stable demand from the FMCG, food, beverage and pharmaceutical sectors, providing the company with a more resilient earnings stream.
- The investment enhances Cherat Cement's business profile by reducing its reliance on the cyclical cement sector while creating an additional avenue for long-term value creation.
- Supported by rising consumer spending, urbanization and increasing demand for packaged products, Pakistan's packaging industry is expected to maintain steady growth over the medium term.
- We believe Cherat Packaging is well positioned to capitalize on these structural trends, benefiting from its established customer base, diversified product portfolio and ongoing capacity enhancements.
- Going forward, we expect Cherat Packaging to continue contributing to the group's consolidated profitability while improving the quality and stability of earnings.
- In our view, this diversification provides Cherat Cement with a strategic advantage over pure-play cement manufacturers, supporting long-term shareholder value beyond the traditional cement cycle.

Strong Northern Footprint Positions CHCC for Demand Recovery

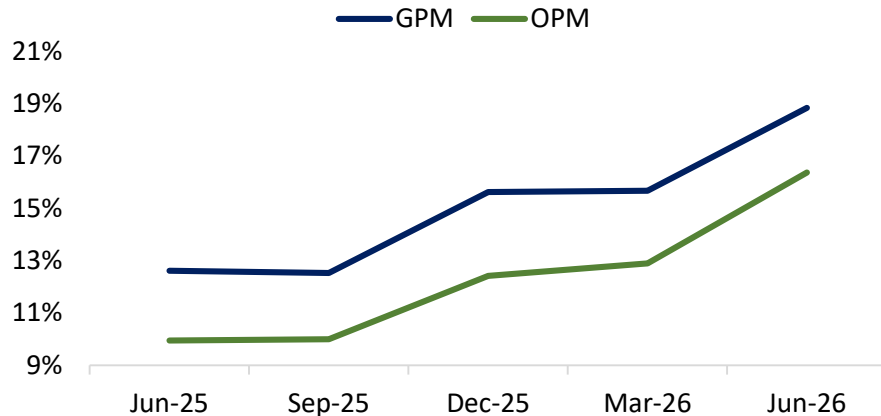
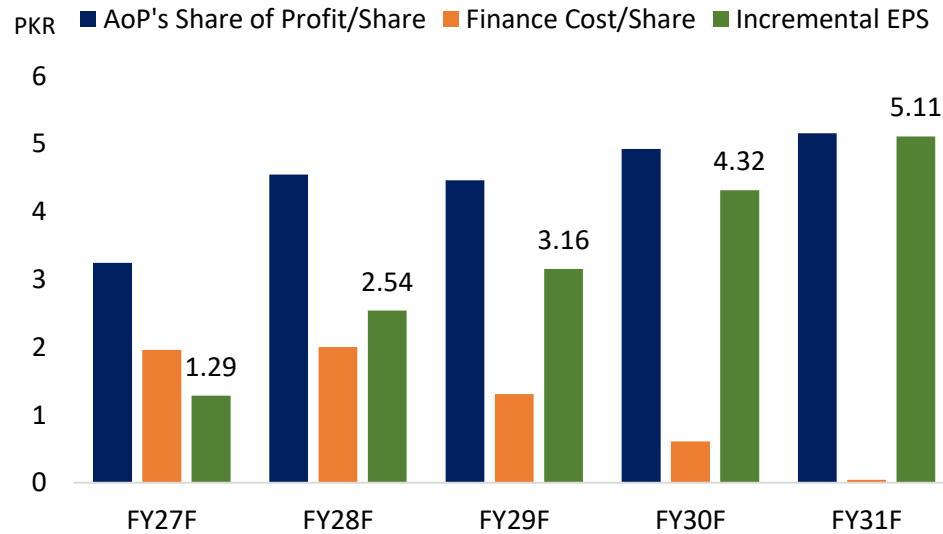
Domestic Zone Wise Share



Source: APCMA, Growth Securities

- Pakistan's northern region accounts for more than 80% of the country's total cement consumption, making it the primary driver of domestic dispatches and industry profitability.
- With infrastructure development, housing activity and private sector construction expected to continue to recover from FY27 onwards, we believe the northern market will remain the key beneficiary of improving economic conditions.
- As one of the established cement producers in the region, Cherat Cement is well positioned to capitalize on this demand recovery through its extensive distribution network and proximity to major consumption centers.
- The company's strategically located production facilities enable efficient access to key markets across Punjab and Khyber Pakhtunkhwa, supporting competitive freight economics and timely product availability. This regional presence allows Cherat Cement to effectively serve both retail and institutional demand while maintaining operational flexibility amid changing market dynamics.
- As domestic dispatches recover, we expect Cherat Cement to benefit from higher sales volumes and improved plant utilization, translating into stronger revenue growth and enhanced profitability.
- In our view, the company's established footprint in Pakistan's largest cement market places it in a favorable position to capture incremental demand over our forecast period.

Diversification Beyond Cement to Add Incremental Earnings



Source: Company Accounts, Growth Securities

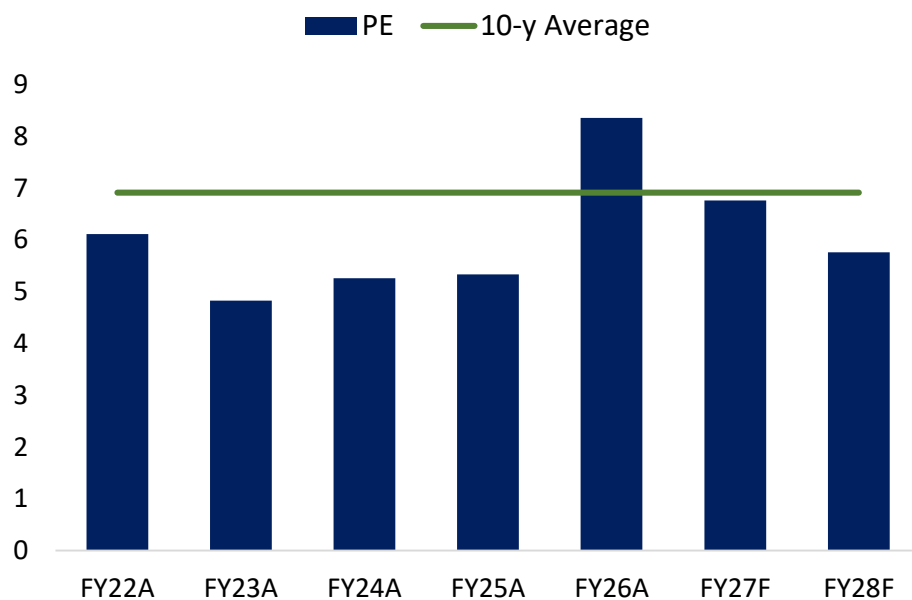
- Cherat Cement Company Limited (CHCC) has announced its intention to acquire at least a 30% stake in Nimir Industrial Chemicals Limited (NICL), equivalent to 33.18mn shares.
- NICL operates across oleo chemicals, chlor-alkali, aerosols, personal/home-care and third-party manufacturing, providing CHCC with exposure to a diversified earnings stream beyond cyclical cement.
- The acquisition would broaden CHCC's earnings base by adding exposure to chemical and consumer-linked end markets, reducing reliance on cement-sector cyclicality.
- NICL's profitability is improving, with 4QFY26 gross margin reported at ~19% vs. 13% in 4QFY25, supported by improving operating efficiency.
- NICL working is not included in our base case. We forecast 5% YoY revenue growth in FY27, while NICL's recently announced PKR3.0bn capex—covering a Palmitic Acid plant, CPW and Chlorine Liquefaction expansions, and relocation of an oleo chemicals plant to Hub—is expected to support growth from FY28 onward.
- The new investments are expected to expand NICL's product portfolio, cater to growing domestic demand and strengthen its export potential, particularly through the relocation of the oleo chemicals plant to Hub
- .For the acquisition, we assume PKR261.5/share (28-day VWAP), implying consideration of PKR8.68bn for the 30% stake.
- We assume 50:50 equity-debt financing, with PKR4.34bn each. The debt is modelled over four years at 12.5%, resulting in estimated finance cost of ~PKR136mn in 2QFY27 and ~PKR381mn for FY27.
- Assuming acquisition during FY27, CHCC would recognize a nine-month share of NICL earnings of PKR631mn, translating into ~PKR1.29 incremental EPS after financing costs.
- As acquisition-related debt amortizes and NICL's earnings grow, we estimate the contribution could rise to PKR5.11/share by FY31, providing a progressively larger contribution to CHCC's.

Valuation and Key Risks

Valuation Assumption

Risk Free Rate	12.0%
Risk Premium	6.0%
Beta	1.27
Discount Rate	20.2%
Growth Rate	7.0%

Source: Growth Securities



Source: Company Accounts, Growth Securities

- CHCC Offers a potential upside of 31.4% to our June'27 target price of PKR 367.59/share.
- The Stock is currently trading at a PE ratio of 6.8x for FY27F, and 5.8x for FY28F as compared to 10y PE average of 6.9x.
- At this PE ratio, the stock offers a discount of 2.2% and 16.6% for FY27F and FY28F respectively.
- Our valuation assumptions are based on:
 - Risk-free rate is assumed at 10y PIB, i.e. 12.0%.
 - Discount rate is calculated through CAPM.
 - BETA is calculated as 1.27 via adjusted beta method, and,
 - Expected Inflation after 5y is assumed as terminal growth rate.

Risks

- Slower-than-Expected Recovery in Domestic Cement Demand
- Intensifying Pricing Competition
- Higher-than-Expected Energy and Fuel Costs
- Delays in PSDP and Construction Activity
- Lower-than-Expected Contribution from Cherat Packaging.

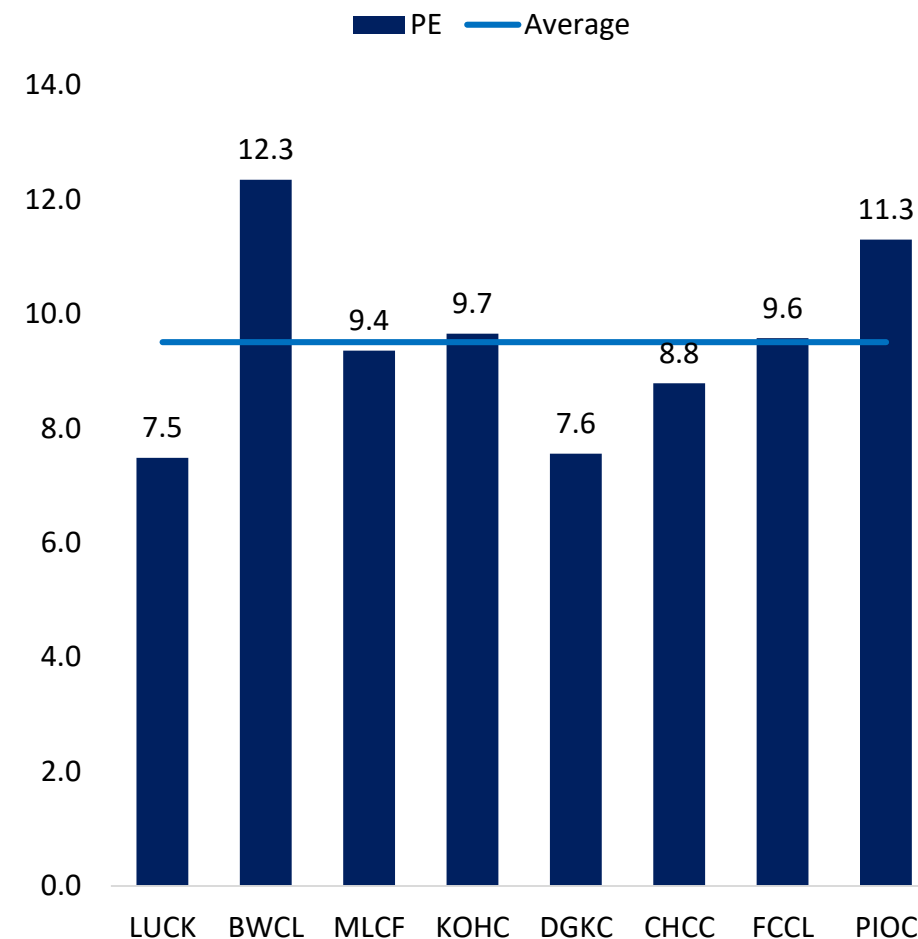
Cash flow based and historical valuations

Cash Flow Based Valuation (FCFE)

PKRmn	FY27	FY28	FY29	FY30	FY31
Net Income	8,969	10,522	11,808	13,090	14,455
Add: Depreciation	2,154	2,252	2,354	2,462	2,575
▲ in Working Capital	(2,653)	(3,786)	(3,752)	(3,738)	(3,798)
Capital Expenditure	(7,370)	(2,507)	(2,632)	(2,764)	(2,902)
Add: Net Borrowing	3,304	471	169	169	184
FCFE	4,405	6,953	7,948	9,220	10,515
Discount Factor	0.0	1.0	2.0	3.0	4.0
Discounted FCFE	4,405	5,812	5,554	5,386	5,135
PV of Future Cash Flows	26,293				
PV of Terminal Value	43,541				
Equity Value	69,834				
Outstanding shares (mn)	194.30				
Value/Share (PKR)	359.42				
Exit Multiple	8.30				
Target Price	449.49				
Equity Value/Share	375.76				

Blended Equity Value/Share 367.59

Source: Company Accounts, Growth Securities



Source: PSX, Growth Securities

Financial Summary

Income Statement					
PKRmn	FY24A	FY25A	FY26A	FY27F	FY28F
Net sales	38,434	37,810	36,482	44,468	49,466
Cost of sales	-26,594	-23,841	-24,440	-29,668	-32,363
Gross profit	11,841	13,969	12,043	14,800	17,103
Sell/Dist. Exp.	-762	-855	-911	-922	-954
Admin Exp.	-500	-596	-690	-644	-666
Operating profit	10,579	12,518	10,443	13,234	15,482
Financial charges	-1,381	-592	-341	-356	-405
Other income	493	1,588	1,767	1,899	2,165
Other charges	-464	-629	-568	-540	-540
Profit before tax	9,228	12,887	11,300	14,237	16,702
Taxation	-3,728	-4,205	-4,045	-5,268	-6,180
Profit after tax	5,499	8,682	7,254	8,969	10,522
EPS - adjusted	28.30	44.68	37.33	46.16	54.16
DPS - adjusted	5.50	5.50	5.50	6.92	8.12

Source: Company Accounts, Growth Securities

Balance Sheet					
PKRmn	FY24A	FY25A	FY26A	FY27F	FY28F
Non-Current Assets	29,533	29,199	29,211	34,523	34,883
Current Assets	11,501	21,355	23,083	29,815	39,249
Total Assets	41,034	50,554	52,294	64,338	74,133
Equity	25,543	33,308	39,514	47,138	56,082
Non-Current Liabilities	8,134	8,477	8,074	7,569	7,359
Current Liabilities	7,358	8,769	4,706	9,631	10,692
Total Equity & Liabilities	41,034	50,554	52,294	64,338	74,133

Source: Company Accounts, Growth Securities

Cement Sector Comp Sheet

Listed Cement Comp Sheet

Companies		Price (PKR/share) (Sep 22, 2026)	Market Cap (US\$mn)	Sales CAGR		Profit CAGR		P/E (x)***		P/S(x)***		P/B(x)***		EV/Ton (US\$) (Inv.Adjusted)	EV/EBITDA(x) (Inv.Adjusted)	
				5-Year (FY22-26A)	10-Year (FY17-26A)	5-Year (FY22-26A)	10-Year (FY17-26A)	FY25A	FY26A*	FY25A	FY26A*	FY25A	FY26A*			
LUCK	Lucky Cement Limited (LUCK)**	423.79	2,241.34	16%	11%	25%	13%	7.3	6.9	1.4	1.3	1.6	1.4	51.8	5.8	4.9
BWCL	Bestway Cement Limited (BWCL)	445.97	959.97	14%	9%	16%	7%	11.1	11.0	2.5	2.5	2.1	2.2	63.6	6.5	6.8
MLCF	Maple Leaf Cement Factory Limited (MLCF)	96.19	363.77	16%	12%	24%	9%	8.8	8.8	1.5	1.4	1.4	1.2	76.3	7.1	6.8
KOHC	Kohat Cement Company Limited (KOHC)	91.10	302.34	9%	10%	23%	8%	7.2	8.6	2.2	2.2	1.7	1.5	34.9	3.2	3.8
DGKC	DG Khan Cement Company Limited (DGKC) **	200.20	316.65	11%	10%	25%	3%	9.0	6.9	1.1	1.0	0.9	0.8	36.0	4.0	3.5
CHCC	Cherat Cement Company Limited (CHCC)	279.70	196.19	8%	18%	18%	18%	6.3	7.4	1.4	1.5	1.6	1.4	35.2	3.1	3.4
FCCL	Fauji Cement Company Limited (FCCL)	54.06	478.70	30%	16%	33%	11%	10.0	9.0	1.5	1.4	1.6	1.4	44.9	4.0	4.0
ACPL	Attock Cement Pakistan Limited (ACPL)**	229.00	113.61	15%	12%	21%	0%	18.2	10.9	0.9	0.7	1.4	1.3	32.5	7.5	4.7
PIOC	Pioneer Cement Limited (PIOC)	249.98	204.99	11%	15%	23%	8%	11.6	10.3	1.7	1.5	1.2	1.1	42.4	4.5	4.5
GWLC	Gharibwal Cement Limited (GWLC)	50.58	73.09	12%	7%	12%	0%	9.2	7.5	1.0	0.9	0.8	0.7	25.9	3.0	2.7
POWER	Power Cement Limited (POWER)	22.53	104.97	19%	23%	53%	20%	35.6	9.7	1.0	0.9	1.2	1.2	47.6	7.7	5.3
FLYNG	Flying Cement Company Limited (FLYNG)	35.64	89.40	36%	20%	44%	22%	38.7	27.6	2.2	1.7	2.0	1.9	89.3	20.3	13.1
THCCL	Thatta Cement Company Limited (THCCL)	78.42	141.15	32%	15%	61%	16%	16.7	13.4	4.1	3.5	4.8	4.5	221.5	14.0	11.8
FECTC	Fecto Cement Limited (FECTC)	96.1	17.4	20%	10%	NA	-1%	7.9	6.9	0.4	0.4	1.1	1.0	24.0	3.7	5.2
DCL	Dewan Cement Limited (DCL)	9.9	17.2	31%	6%	11%	NA	NA	NA	0.2	0.2	0.2	0.2	8.6	4.0	3.8
Average Listing Sector Total			5,620.8	16%	12%	24%	9%	8.9	11.2	2.2	2.1	1.5	1.4	49.9	5.4	5.1

Source: Company Accounts, Growth Securities, *TTM as of Mar'26, **Unconsolidated, ***For P/E, P/S, and P/B we have taken consolidated numbers for all companies.

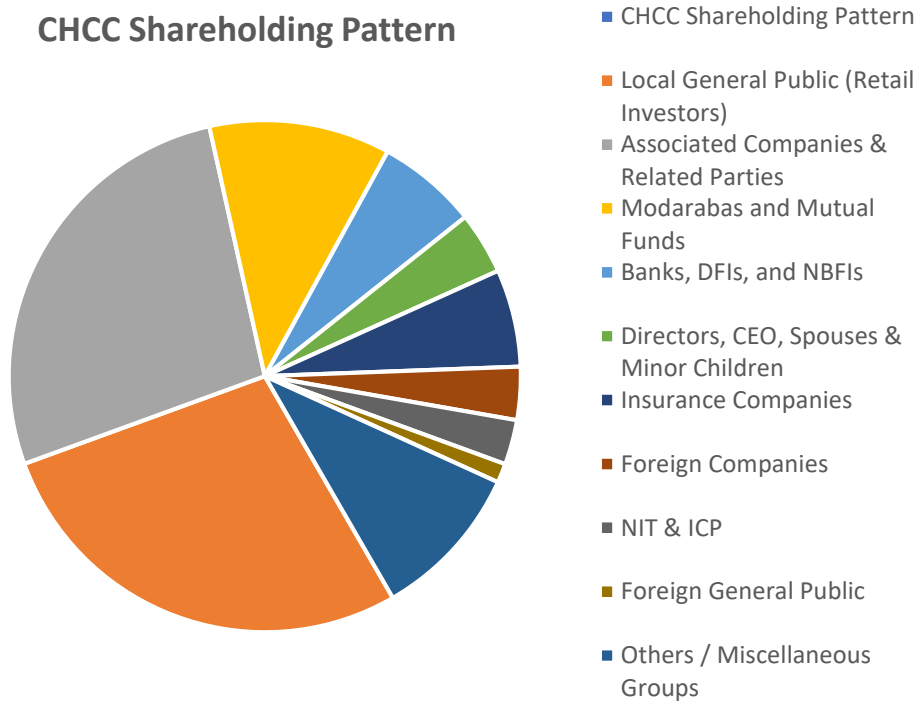
Key Assumptions Table

	FY24A	FY25A	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F
USD/PKR	283.1	279.5	280.6	286.2	300.6	315.6	331.4	347.9
Inflation YoY	23.9%	4.6%	7.1%	8.5%	7.0%	7.0%	7.0%	7.0%
Policy Rate	21.9%	14.6%	10.9%	11.0%	10.5%	10.0%	10.0%	10.0%
Richard Bay US\$/MT	106.8	101.4	96.1	105.0	105.0	105.0	105.0	105.0
North Bag Price PKR	1,229.8	1,433.8	1,424.0	1,524.9	1,578.3	1,633.5	1,690.7	1,749.9
Afghan Coal PKR/Ton	38,997.2	36,090.0	39,601.9	44,161.3	46,369.3	48,687.8	51,122.2	53,678.3
Local Coal PKR/Ton	33,147.6	34,950.3	35,433.3	34,864.2	36,607.4	38,437.7	40,359.6	42,377.6
Cherat Domestic Dispatches	2.22	2.00	2.20	2.48	2.66	2.79	2.90	3.02
Cherat Export Dispatches	0.41	0.40	0.19	0.19	0.19	0.19	0.19	0.19
Total Industry dispatches	45.30	45.96	50.34	54.20	57.34	59.75	61.77	63.87

Source: SBP, PBS, Investing.com, APCMA, Growth Securities.

CHCC: Company Intro

CHCC Shareholding Pattern



Source PSX, Company Accounts, Growth Securities.



- Cherat Cement Company Limited (CHCC) is one of Pakistan's leading cement manufacturers and a flagship company of the Ghulam Faruque Group. Incorporated in 1981 and listed on the Pakistan Stock Exchange (PSX), the company has established itself as a prominent producer of high-quality cement, serving both domestic and export markets.
- Over the years, CHCC has consistently expanded its production capacity while investing in operational efficiency, alternative energy, and technological modernization, enabling it to maintain a competitive position within Pakistan's cement industry.
- The company operates an integrated cement manufacturing facility at Lakrai, District Nowshera, Khyber Pakhtunkhwa, strategically located near abundant limestone reserves and key transportation networks.
- The plant's proximity to major consumption centers in northern Pakistan, coupled with access to export markets through Afghanistan and Central Asia, provides CHCC with logistical advantages and market diversification opportunities. Through successive brownfield expansions, the company has significantly enhanced its production capacity while improving plant efficiency and environmental performance.
- A key component of the company's integrated operating model is its investment in captive power generation and renewable energy infrastructure. CHCC has invested in waste heat recovery (WHR) and solar power projects, reducing its dependence on grid electricity and lowering energy costs.
- Given the energy-intensive nature of cement manufacturing, these investments enhance operational reliability, improve cost efficiency, and strengthen the company's resilience against fluctuations in fuel and electricity prices.
- Beyond its core cement business, Cherat Cement has further diversified its earnings profile through strategic investments within the Ghulam Faruque Group. The company holds a significant stake in Cherat Packaging Limited, one of Pakistan's leading manufacturers of paper sacks and flexible packaging solutions. This investment provides an additional source of dividend income and earnings diversification while complementing the group's broader industrial ecosystem.

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‘Buy’ – Total stock return > 15%

‘Hold’ – Total stock return > 0% and < 15%

‘Sell’ – Total stock return < 0%

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