

## GCWL — FY25 Analyst Briefing Takeaways

**Ghani Chemworld Ltd. (GCWL) held its analyst briefing today to apprise investors of the progress on the commencement of operations and future outlook. Key highlights are as follows:**

- To recall, Ghani Chemical Industries Ltd. (GCIL) has demerged its calcium carbide business into GCWL through the allotment of ordinary shares to GCIL shareholders in Apr'24.
- GCWL is commissioning a 25k TPA Calcium Carbide plant. As per management, plant commissioning has begun, and trial production is expected to commence by early Dec'25.
- Notably, the group has been involved in the trading of calcium carbide for more than 15 years and holds ~40% trading market share.
- Management guided that current domestic Calcium Carbide market stands at 12–15k tons, with ~95% of demand being met through imports, primarily from China.
- Management expects to capture up to 90% of the domestic Calcium Carbide market. In addition, company also plans to export to Afghanistan, Middle East and African markets.
- Management anticipates demand to grow steadily moving forward, supported by improving industrial activity.
- Primary raw materials include limestone and pet coke, while the plant's power requirement would be 11–12MW and would be sourced from the grid.
- Management projects production of 10–11k tons during Dec'25-Jun'26 and expects the plant to achieve 80% utilization by next year.
- Revenue is projected at Pkr3.5–4.0bn in FY26 and above Pkr8.0bn in FY27, with net margins expected in the range of 7–10% (excluding the share of profit from associates).
- Company benefits from a 10-year tax exemption as it is established at Hattar Special Economic Zone.
- Post commissioning, the company's product range will include: i) Calcium Carbide, ii) Precipitated Calcium Carbonate, and iii) Calcium Oxide.
- Calcium Carbide is used in manufacturing of acetylene gas, fertilizer-related chemicals, and in steelmaking.
- Precipitated Calcium Carbonate is utilized in the paper industry, food and pharmaceuticals, plastics and rubber, and paints and coatings.
- Calcium Oxide is used in alkaline processes of the paper and pulp industry, sugar refinery purification, and leather tanning.
- The Scrip is not under our formal coverage.

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- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

## New Rating Definitions

BUY > 15% expected total return

NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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