Torah Portland Cement

Bloomberg	Incorporation	1927	MCap Mn	Recent		PE TTM	6.2	PB TTM	2.8	DIV. YIELD	WATHEEQA BLACK BOX
TORA EY	Fiscal year end	December	2,592	Price EGP	36.2	PE MEDIAN	7.9	PB MEDIAN	2.3	14.6%	
	Listing	Egypt		19-Sep-11		PE AVG	18.0	PB AVG	2.4		

Watheeqa Rating	Our Opinion	Intrinsic Value (IV) Range	
-	-	-	-

Margin of Safety	Buy Below	- Discount/+Premium to IV
-	-	-

Business: Torah Portland Cement produces ordinary portland cement, sea water cement, rapid hardening cement and Karnak cement (mixed). It also produces lime oxide and hydroxide used in the construction industry.

Sector: Materials **Business:** Cement

Key Stock Details		Shareholders (%)	
52 Week H/L	40 / 23	Suez Cement	66.1
3M-D.Avg.Vol	8,261	Government	1.2
Free Float	33%	Public	32.7
Shares O/S (M)	72		

Compounded Annual Growth Rates (%)				
Parameters	10 Yrs	5 Yrs	3Yrs	1 Yr
Revenue	12.9	19.1	22.7	15.6
Gross Profit	16.4	14.3	12.1	30.9
Opr. profit	17.8	11.8	10.9	30.0
Net Profit	17.3	(10.3)	4.8	29.6
EPS	17.3	(10.3)	4.8	29.6
BVPS	3.9	(5.5)	12.6	12.9
DPS	-	(18.0)	19.4	32.5
Assets	0.7	0.1	13.1	24.3
SH Equity	3.9	(5.5)	12.6	12.9
Mcap	10.9	(10.4)	(10.2)	(8.6)

Valuations	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD/TTM
Mcap (M)	741	549	742	1,895	3,624	3,242	2,887	1,805	2,289	2,092	2,592
Ent.Value (M)	729	517	524	1,552	2,577	2,861	2,518	1,530	1,772	1,388	2,166
PE x High	11.1	154.6	14.5	13.8	5.0	20.7	9.0	17.3	9.2	6.4	6.7
PE x Low	5.3	98.7	8.3	4.9	2.1	11.0	7.2	5.4	3.6	4.0	3.8
PE x Close	8.2	100.9	13.7	12.5	4.7	14.0	7.5	6.5	6.7	4.7	6.2
PB x High	1.4	1.3	1.1	2.6	2.7	8.1	4.6	6.1	3.3	2.6	3.1
PB x Low	0.7	0.8	0.6	0.9	1.1	4.3	3.7	1.9	1.3	1.6	1.8
PB x Close	1.0	0.8	1.1	2.4	2.5	5.5	3.8	2.3	2.4	1.9	2.8
Mcap/Sales x	1.5	1.2	1.5	3.3	5.1	3.7	3.1	1.6	1.6	1.2	1.6
EV/EBIDTA x	-	4.6	4.1	6.8	8.3	10.4	6.7	4.5	4.4	2.7	4.6
Earning Yld %	12.3	1.1	10.3	9.8	29.6	8.1	15.3	18.1	19.3	31.9	19.4
Div. Yld %	-	-	6.4	6.3	28.3	6.6	7.7	8.5	12.5	18.1	14.6

Forecasts *	2010F	2011F	
Revenue	-	-	-
Opr.Profit	-	-	-
OprMargin	-	-	-
Net Profit	-	-	-
EPS	-	-	-
Fwd PE x	-	-	-
Fwd PB x	-	-	-

* Bloomberg Consensus Estimates

Financial M	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Revenue	503	461	510	583	709	873	918	1,113	1,467	1,696	1,573
Gross.Profit	136	104	155	228	318	432	440	380	473	619	525
Gr.Margin %	27.0	22.6	30.4	39.2	44.8	49.5	47.9	34.2	32.2	36.5	33.4
Opr.Profit	94	74	93	194	278	249	356	319	373	485	430
Opr.Margin%	18.7	16.0	18.2	33.3	39.2	28.5	38.7	28.6	25.4	28.6	27.3
Non.Opr. Inc	58	21	(38)	5	542	45	111	42	52	73	117
Net Profit	90	5	54	152	763	231	385	277	342	443	419

Profitability Analysis (%) - Multi year averages				
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr
Gross Margi	36.4	40.1	34.3	36.5
Opr Margin	27.5	30.0	27.5	28.6
Net Margin	30.6	28.5	24.8	26.1
ROE	31.0	39.9	39.7	43.7
ROCE	30.4	42.9	44.7	47.8

Per share	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
EPS	1.3	0.1	0.8	2.1	10.7	3.2	5.4	3.9	4.8	6.2	5.9
BV	10.3	9.0	9.8	11.1	19.9	8.3	10.5	11.0	13.3	15.0	12.8
DPS	-	-	0.7	1.7	14.3	3.0	3.1	2.2	4.0	5.3	5.3
CEPS	-	0.6	1.2	2.6	11.1	3.6	5.7	4.2	5.1	6.7	6.4
Div. Payout %	-	-	88.4	78.5	134.4	92.7	57.9	55.5	83.7	85.6	-
Share O/S M	72	72	72	72	72	72	72	72	72	72	72

Financial Position (EGP Mn)				
Assets	2008	2009	2010	Common size
Cash & Eq	274	517	723	44.5
Receivable	2	1	2	0.1
Inventories	243	210	232	14.3
ST.Inv.	-	-	-	0.0
Others	221	91	83	5.1
Cur. Asset	740	819	1,040	64.1
AFS	3	3	8	0.5
Fixed Asset	406	476	574	35.4
Intangibles	-	-	-	0.0
Others	13	7	-	0.0
Total Asset	1,162	1,305	1,623	100.0
Liabilities				
Payables	88	77	123	7.6
ST Debt	-	-	-	0.0
Others	288	276	405	24.9
Cur. Liability	377	354	528	32.5
LT Debt	-	-	19	-
Others	-	-	2	0.1
Total Liability	377	354	549	33.8
Eq. Capital	358	358	358	22.0
R.Earnings	428	594	716	44.1
Liability+SHE	1,162	1,305	1,623	100.0

Cash Flow	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Opr.Cash	-	125	186	191	185	513	262	244	389	581	417
Cap.spending	-	(21)	(1)	(11)	(30)	(52)	(47)	-	(92)	(0)	(6)
Free Cash	-	104	185	181	155	460	215	244	297	581	411

Profitability	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
ROAA %	6.8	0.4	5.5	16.4	58.7	17.9	36.7	24.3	27.7	30.3	29.5
ROACE %	13.2	10.4	13.9	26.5	25.3	25.2	55.3	42.8	43.6	47.8	45.9
ROAE %	12.7	0.8	8.0	20.3	68.6	22.9	57.2	36.1	39.3	43.7	46.0
Net Margin %	17.9	1.2	10.6	26.1	107.6	26.5	41.9	24.9	23.3	26.1	26.7
Asset T/O x	0.4	0.4	0.5	0.6	0.5	0.7	0.9	1.0	1.2	1.2	1.1
Asset/Equity x	2.1	1.7	1.2	1.2	1.1	1.6	1.5	1.5	1.4	1.5	1.6

Fin.Health	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Working Cap	482	396	454	582	1,201	260	387	363	466	512	354
Fixed Assets	279	261	228	204	211	306	333	406	476	574	623
Total Assets	1,510	1,078	869	983	1,616	971	1,123	1,162	1,305	1,623	1,492
Total Debt	655	301	29	15	3	0	0	0	0	19	69
Total Equity	735	646	699	797	1,426	594	751	786	951	1,074	918
Debt/Equity x	0.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1

Quarterly	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	EPS
Q3-10	370	(22.3)	78	(28.1)	1.1
Q4-10	439	18.6	173	121.4	2.4
Q1-11	416	(5.1)	98	(43.7)	1.4
Q2-11	348	(16.5)	70	(27.9)	1.0

Peer Group	Mcap (M)	PE x	ROE (%)

WATHEEQA CAPITAL COMPANY

Source: Company, Bloomberg, Zawya, Watheeqa - Legend: Valuation are based on year end figures - Abbreviations: IV - Intrinsic Value, M - Million, O/S - Outstanding, SHE - Share Holders Equity, ST - Short Term, LT - Long Term, Cur - Current, T/O - Turnover, Ent. - Enterprise, MCap - Market Capitalization, BVPS - Book Value Per Share