

Flash Note

Thursday, August 31, 2023



Cement

Kohat Cement Limited (KOHC)

Earnings: Kohat Cement Limited (KOHC) announced its FY23 result. The Company reported unconsolidated earnings of PKR 5.8bn (EPS PKR 29/share), up by +16%/y. On a quarterly basis, the company reported earnings of PKR 0.5bn (EPS: 2.3/share) compared to earnings of PKR 0.4bn (EPS: 1.96/share) in the same period last year.

Dividend/Payout: The Company did not announce any cash dividend this year.

Operating Performance: During 4qFY23 the Company's net sales decreased to PKR 9.1bn depicting a decline of 2%/y. On an annual basis, the Company's net sales increased to PKR 38.9bn up by +18%/y. For the quarter, the company's gross margins slightly dropped to 27% compared to 28% in the previous quarter, and in FY23 gross margins were down to 27% from 30% last year. The company took a tax charge of PKR 2.2bn during the fourth quarter, due to the imposition of a recent super tax announced in the budget FY24.

Exhibit: Kohat Cement Company Limited (KOHC) Financial highlights											
For period ending: 4q/23											
PKRbn=Jun(end)	2023	4q/23	3q/23	2q/23	1q/23	2022	4q/22	3q/22	2q/22	1q/22	2021
Net Sales	38.9	9.1	10.0	11.0	8.9	32.9	9.3	8.6	8.2	6.8	24.1
Gross Profits	10.4	2.5	2.2	3.0	2.8	9.8	2.6	2.5	2.5	2.3	6.0
Admin	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3
EBIT	11.2	2.9	2.5	3.0	2.8	9.5	2.6	2.4	2.3	2.1	5.4
Finance cost	0.7	0.2	0.2	0.2	0.2	0.5	0.2	0.1	0.1	0.1	0.5
Profit before tax	10.5	2.6	2.3	2.9	2.7	8.9	2.4	2.3	2.2	2.0	4.9
Taxation	4.6	2.2	0.7	0.9	0.9	3.9	2.0	0.7	0.6	0.6	1.4
Profit after Tax	5.8	0.5	1.6	2.0	1.8	5.0	0.4	1.6	1.6	1.4	3.5
EPS	28.98	2.28	8.08	9.73	8.89	25.01	1.96	8.19	7.90	6.96	17.41
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margins	27%	27%	22%	27%	31%	30%	28%	29%	30%	33%	25%
EBIT Margins	29%	32%	25%	28%	32%	29%	28%	28%	29%	31%	22%
Effective tax	44%	83%	30%	32%	33%	44%	84%	28%	29%	30%	28%
Net Margins	15%	5%	16%	18%	20%	15%	4%	19%	19%	21%	15%

Source: Company Accounts, IGI Research, Number of Shares (mn): 200.9

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

Aariz Raza

Aariz.Raza@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Deputy Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 810	Aariz.raza@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
 Stock Exchange Road, Karachi.
 Tel: (+92-21) 32429613-4, 32462651-2
 Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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