

Flash Note

Thursday, February 16, 2023



Result announcement 2QFY23

Cements

Kohat Cement Company Limited (KOHK)

Earnings: Kohat Cement Company Limited (KOHK) announced its 2QFY23, financial result. The company reported earnings of PKR 2.0bn (PKR 9.73/share) compared to same period last year of PKR 1.6bn (PKR 7.90/share), up by +23%/y/y. This takes 1HFY23 earnings to PKR 3.74bn (PKR 18.62/share) compared to last year PKR 3.0bn (PKR 14.86/share), an increase of +25%/y/y.

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

Operating Performance: During the period under review, company reported net sales of PKR 11.0bn (up +33%/y/y). Its gross profit arrived at PKR 3.0bn (+19%/y/y) However, company's gross margins deteriorated slightly during the period to 27% compared to 30% last year same period. Furthermore, administrative costs came at PKR 0.1bn (up by +6%/y/y and +10%q/q). In addition, the company reported finance cost of PKR 0.2bn during the quarter (up by +44%) owing to higher interest rates.

Exhibit: Kohat Cement Company Limited (KOHK) Financial highlights									
For period ending: 2q/23									
PKRbn=Jun(end)	1h'23	2q/23	1q/23	2022	4q/22	3q/22	2q/22	1q/22	2021
Net Sales	19.8	11.0	8.9	32.9	9.3	8.6	8.2	6.8	24.1
Gross Profits	5.7	3.0	2.8	9.8	2.6	2.5	2.5	2.3	6.0
Admin	0.2	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3
EBIT	5.9	3.0	2.8	9.5	2.6	2.4	2.3	2.1	5.4
Finance cost	0.3	0.2	0.2	0.5	0.2	0.1	0.1	0.1	0.5
Profit before tax	5.5	2.9	2.7	8.9	2.4	2.3	2.2	2.0	4.9
Taxation	1.8	0.9	0.9	3.9	2.0	0.7	0.6	0.6	1.4
Profit after Tax	3.7	2.0	1.8	5.0	0.4	1.6	1.6	1.4	3.5
EPS	18.62	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
Gross Margins	29%	27%	31%	30%	28%	29%	30%	33%	25%
EBIT Margins	30%	28%	32%	29%	28%	28%	29%	31%	22%
Effective tax	32%	32%	33%	44%	84%	28%	29%	30%	28%
Net Margins	19%	18%	20%	15%	4%	19%	19%	21%	15%

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

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