Flash Note

Wednesday, February 25, 2026

Cement

Kohat Cement Company Limited (KOHC)

Earnings: Kohat Cement Company Limited (KOHC) reported consolidated earnings of PKR 2.6bn (EPS: PKR 2.82 @ 919.3mn shares) for 2QFY26, depicting a 25% y/y and 20% q/q decline, as compared to earnings of PKR 3.4bn (EPS: 3.75 @ 919.3mn shares) in the same period last year. This brings total profitability for 1HFY26 to PKR 5.5bn (EPS PKR 6.03 @ 919.3mn shares), down by 20%y/y, compared to PKR 6.9bn (EPS PKR 7.49 @ 919.3mn shares) in the corresponding period last year.

Dividend/Payout: The Company did not announce any cash dividend along with the result

Operating Performance: During 2QFY26, net sales stood at PKR 10.5bn, down 1% y/y and up by +2% q/q. Gross margins contracted to 32%y/y from 42% in 2QFY25 and depicted a decline on q/q basis from 34% likely owing to lower retention prices. Similarly, EBIT margins declined to 39% compared to 52% in the same period last year and down from 44% in the last quarter. Finance cost decreased by 55% y/y to PKR 0.04bn due to decline in interest rates. Effective tax rate stood at 35.3% during 2QFY26 (1QFY26: 34.4%) compared to 36.5% in the same period last year bringing total effective tax rate for 1HFY26 to 34.8% against 35.0% in 1HFY25.

Exhibit: Kohat Cement Company Limited (KOHC) Financial highlights

For period ending: 2q/26

PKRbn	**2q/26**	2q/25	y/y	1q/26	q/q	**1HFY26**	1HFY25	y/y
Net Sales	10.5	10.6	-1%	10.3	2%	20.7	20.7	0%
Gross Profits	3.4	4.5	-24%	3.5	-3%	6.9	8.8	-22%
Admin	0.2	0.2	7%	0.0	320%	0.3	0.4	-32%
EBIT	4.1	5.5	-27%	4.5	-10%	8.6	10.8	-21%
Finance cost	0.0	0.1	-55%	0.0	7%	0.1	0.2	-61%
Profit before tax	4.0	5.4	-26%	4.5	-11%	8.5	10.6	-20%
Taxation	1.4	2.0	-29%	1.5	-8%	3.0	3.7	-20%
Profit after Tax	2.6	3.4	-25%	2.9	-12%	5.5	6.9	-20%
EPS*	**2.82**	**3.75**		**3.20**		**6.03**	**7.49**	
DPS	**0.00**	**0.00**		**0.00**		**0.00**	**0.00**	
Gross Margins	32%	42%		34%		33%	42%	
EBIT Margins	39%	52%		44%		41%	52%	
Effective tax	35%	37%		34%		35%	35%	
Net Margins	25%	33%		29%		27%	33%	

Source: Company Accounts, IGI Research, *Number of Shares (mn): 919.3

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- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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