

Flash Note

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Cement

Kohat Cement Limited (KOHK)

Earnings: Kohat Cement Limited (KOHK) announced its 3QFY26 result. The Company reported earnings for 3QFY26 of PKR 1.9bn (EPS PKR 2.03/share), down by -20% y/y, compared to PKR 2.3bn (EPS PKR 2.54/share) in the similar period last year. On a 9MFY26 basis, the company recorded earnings of PKR 7.4bn (EPS PKR 8.06/share) down by -20% y/y, compared to PKR 9.2bn (EPS PKR 10.03/share) during the same period last year.

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

Operating Performance: During 3QFY26 the Company's net sales were recorded at PKR 8.2bn remaining flat on y/y basis. For the quarter, the company's gross margins were recorded at 35% compared to 40% during the same period last year likely due to lower retention prices and persistent cost pressures. Administrative costs jumped to +37% y/y to PKR 0.24bn compared to PKR 0.17bn in the similar period last year. Finance cost also declined by 41% y/y owing to decline in interest rates. Net Margins stood at 23% during 3QFY26 compared to 29% in the corresponding period last year. The effective tax rate during 3QFY26 stood at 36% compared to 35% (2QFY26: 35%) during the same period last year bringing effective tax rate for 9MFY26 to 35% against 35% in the similar period last year.

Exhibit: Kohat Cement Company Limited (KOHK) Financial highlights								
For period ending: 3q/26								
PKRbn	3q/26	3q/25	y/y	2q/26	q/q	9MFY26	9MFY25	y/y
Net Sales	8.2	8.2	0%	10.5	-22%	28.9	28.8	0%
Gross Profits	2.8	3.2	-12%	3.4	-16%	9.7	12.0	-19%
Admin	0.2	0.2	37%	0.2	15%	0.6	0.5	14%
EBIT	3.0	3.7	-20%	4.1	-27%	8.3	10.5	-21%
Finance cost	0.0	0.1	-41%	0.0	-16%	0.1	0.3	-56%
Profit before tax	2.9	3.6	-19%	4.0	-27%	11.4	14.2	-20%
Taxation	1.0	1.3	-19%	1.4	-26%	4.0	5.0	-20%
Profit after Tax	1.9	2.3	-20%	2.6	-28%	7.4	9.2	-20%
EPS*	2.03	2.54		2.82		8.06	10.03	
DPS	0.00	0.00		0.00		0.00	0.00	
Gross Margins	35%	40%		32%		34%	42%	
EBIT Margins	36%	45%		39%		29%	36%	
Effective tax	36%	35%		35%		35%	35%	
Net Margins	23%	29%		25%		26%	32%	

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

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- Justified Price to Book
- Residual Income (RI)
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