

Flash Note

Thursday, 21 February 2019

Cements

Kohat Cement Company Limited (KOHC)

Enhanced dispatches arrest the impact of deteriorating margins; push 2QFY19 EPS up by +35%YoY to PKR 4.97

- Kohat Cement Company Limited (KOHC) announced its financial results for 2QFY19 with earnings clocking in at PKR 998mn (EPS: PKR 4.97), up by +35%YoY, as compared to PKR 741mn (EPS: PKR 3.69) reported in the same period last year.
- Sales of the Company during the quarter inched up by +41%YoY, likely due to increase in cement dispatches and enhanced sales prices during the quarter under review.
- Though gross margins during the quarter dropped by 240bps, gross profits increased by +31%YoY as a direct function of improved net sales.

Exhibit:

KOHC Result Highlights

Period end (JUN) - PKRmn	2QFY19	2QFY18	YoY	1HFY19	1HFY18	YoY
Net Sales	4,871	3,450	41%	8,392	6,868	22%
Gross Profit	1,544	1,176	31%	2,407	2,529	-5%
Sell. / Dist. & Admin	103	96	6%	201	169	18%
Non-Operating Income	85	87	-3%	171	176	-3%
EBIT	1,415	1,088	30%	2,206	2,354	-6%
Financial Charges	13	20	-36%	24	37	-36%
Pre-tax Profits	1,402	1,068	31%	2,182	2,317	-6%
Taxation	404	327	24%	655	673	-3%
Post-tax Profits	998	741	35%	1,527	1,644	-7%
EPS	4.97	3.69		7.60	8.19	
DPS	-	-		-	-	
Key Ratios						
Gross Margin (%)	31.7	34.1		28.7	36.8	
Net Margin (%)	20.5	21.5		18.2	23.9	
Effective Tax Rate (%)	28.8	30.6		30.0	29.0	

Source: Company Accounts, IGI Research

No. of Shares : 201mn

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