

Flash Note

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Cement

Kohat Cement Limited (KOHC)

Earnings: Kohat Cement Limited (KOHC) announced its 2QFY25 result. The Company reported earnings for 2QFY25 of PKR 3.4bn (EPS PKR 17.59/share), up by +55% y/y, compared to PKR 2.2bn (EPS PKR 11.35/share) in the similar period last year. On a half-yearly basis, the company recorded earnings of PKR 6.9bn (EPS PKR 35.15/share) during 1HFY25 up by 55% y/y, compared to PKR 4.5bn (EPS PKR 22.74/share) during the same period last year.

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

Operating Performance: During 2QFY25 the Company's net sales were recorded at PKR 10.6bn depicting an increase of +2% y/y owing to better cement prices. For the quarter, the company's gross margins were recorded at 42% compared to 26% during the same period last year likely due to higher retention prices and lower coal prices. Finance cost also declined by 48%/y/y owing to declining interest rates. Effective tax rate stood at 35% during 2QFY25 compared to 34% in the corresponding period last year.

Exhibit: Kohat Cement Company Limited (KOHC) Financial highlights								
For period ending: 2q/25								
PKRbn	1HFY25	2q/25	1q/25	1HFY24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	20.7	10.6	10.1	21.5	10.4	11.1	2%	5%
Gross Profits	8.8	4.5	4.3	6.0	2.7	3.2	64%	4%
Admin	0.4	0.2	0.2	0.2	0.1	0.1	45%	6%
EBIT	10.8	5.5	5.3	7.2	3.5	3.7	56%	5%
Finance cost	0.2	0.1	0.1	0.4	0.2	0.2	-48%	-19%
Profit before tax	10.6	5.4	5.2	6.9	3.4	3.5	62%	5%
Taxation	3.7	2.0	1.7	2.4	1.1	1.3	75%	15%
Profit after Tax	6.9	3.4	3.4	4.5	2.2	2.2	55%	0%
EPS*	35.15	17.59	17.56	22.74	11.35	11.38	55.0%	0%
DPS	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Gross Margins	42%	42%	43%	28%	26%	29%	16%	-1%
EBIT Margins	52%	52%	52%	34%	34%	33%	18%	0%
Effective tax	35%	36%	33%	35%	34%	36%	3%	3%
Net Margins	33%	33%	34%	21%	21%	20%	11%	-2%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 195.9

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