

Flash Note

Monday, April 28, 2025



Cement

Kohat Cement Limited (KOHK)

Earnings: Kohat Cement Limited (KOHK) announced its 3QFY25 result. The Company reported earnings for 3QFY25 of PKR 2.3bn (EPS PKR 11.93/share), up by +14% y/y, compared to PKR 2.1bn (EPS PKR 10.51/share) in the similar period last year. On a 9MFY25 basis, the company recorded earnings of PKR 9.2bn (EPS PKR 47.08/share) up by 42% y/y, compared to PKR 6.5bn (EPS PKR 33.24/share) during the same period last year.

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

Operating Performance: During 3QFY25 the Company's net sales were recorded at PKR 8.2bn depicting a decrease of -4% y/y likely owing to lower dispatches during the quarter. For the quarter, the company's gross margins were recorded at 40% compared to 30% during the same period last year likely due to higher retention prices and lower coal prices. Finance cost also declined by 60%y/y owing to declining interest rates. Effective tax rate stood at 35% during 3QFY25 compared to 39% in the corresponding period last year.

Exhibit: Kohat Cement Company Limited (KOHK) Financial highlights										
For period ending: 3q/25										
PKRbn	9MFY25	3q/25	2q/25	1q/25	9MFY24	3q/24	2q/24	1q/24	ΔYoY	ΔQoQ
Net Sales	28.8	8.2	10.6	10.1	30.0	8.5	10.4	11.1	-4%	-23%
Gross Profits	12.0	3.2	4.5	4.3	8.5	2.5	2.7	3.2	27%	-28%
Admin	0.5	0.2	0.2	0.2	0.4	0.1	0.1	0.1	47%	-10%
EBIT	14.5	3.7	5.5	5.3	10.5	3.3	3.5	3.7	13%	-33%
Finance cost	0.3	0.1	0.1	0.1	0.5	0.2	0.2	0.2	-60%	-36%
Profit before tax	14.2	3.6	5.4	5.2	10.0	3.1	3.4	3.5	16%	-33%
Taxation	5.0	1.3	2.0	1.7	3.5	1.1	1.1	1.3	20%	-35%
Profit after Tax	9.2	2.3	3.4	3.4	6.5	2.1	2.2	2.2	14%	-32%
EPS*	47.08	11.93	17.59	17.56	33.24	10.51	11.35	11.38	14%	-32%
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Gross Margins	42%	40%	42%	43%	28%	30%	26%	29%	10%	-3%
EBIT Margins	50%	45%	52%	52%	35%	39%	34%	33%	7%	-7%
Effective tax	35%	35%	36%	33%	35%	34%	34%	36%	1%	-1%
Net Margins	32%	29%	33%	34%	22%	24%	21%	20%	4%	-4%

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

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- Discounted Cash Flow (DCF)
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- Justified Price to Book
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