Flash Note

Thursday, September 10, 2026

Cement

Kohat Cement Company Limited (KOHC)

Earnings: Kohat Cement Company Limited (KOHC) announced it 4QFY26 result. The Company reported unconsolidated earnings for 4QFY26 of PKR 3.3bn (PKR 3.58/share) supported by higher overall dispatches, compared to PKR 2.4bn (EPS: 2.56/share) in the same period last year. On FY26 basis, the Company reported earnings of PKR 10.7bn (EPS PKR 11.64/share) down by -8%y/y compared to PKR 11.6bn (EPS PKR 12.59/share @ 919.3 shares) in the same period last year.

Dividend/Payout: The Company didn't announced any cash dividend.

Operating Performance: During 4QFY26, company's net sales increased slightly by +1%y/y (+18% q/q) to PKR 9.6bn as compared to same period last year, likely owning to higher local dispatches by +11%q/q. Finance cost plummeted by -61%y/y as compared to same period last year due to likely due to lower interest rate environment. The effective tax rate during 4QFY26 stood at 28% compared to 36% during the preceding quarter bringing total effective tax rate for FY26 to 33% against 35% last year.

Recommendation: We have a "BUY'' stance on KOHC with our Dec-26 Target Price of PKR 145/share offering 57% upside from last close. The Company is currently trading at FY27 P/E of 6.2x.

Material Information: The Company has approved the renewal of investment of Ultra Kraft Private Limited for PKR 600 million along with the equity investment of Ultra Properties Private Limited for PKR 1500 million.

Exhibit: Kohat Cement Company Limited (KOHC) Financial highlights

For period ending: 4q/26

PKRbn	4q/26	4q/25	y/y	3q/26	q/q	FY26	FY25	y/y
Net Sales	9.6	9.5	1%	8.2	18%	38.5	38.3	1%
Gross Profits	3.9	2.8	43%	2.8	39%	13.6	14.8	-8%
Admin	0.6	0.2	213%	0.2	146%	1.1	0.7	47%
EBIT	4.6	3.6	27%	3.0	55%	16.1	18.1	-11%
Finance cost	0.0	0.1	-61%	0.0	-1%	0.2	0.4	-58%
Profit before tax	4.6	3.5	30%	2.9	56%	16.0	17.7	-10%
Taxation	1.3	1.2	9%	1.0	21%	5.3	6.1	-14%
Profit after Tax	3.3	2.4	40%	1.9	76%	10.7	11.6	-8%
EPS*	**3.58**	**2.56**		**2.03**		**11.64**	**12.59**	
DPS	**0.00**	**0.00**		**0.00**		**0.00**	**0.00**	
Gross Margins	41%	29%		35%		35%	39%	
EBIT Margins	47%	38%		36%		42%	47%	
Effective tax	28%	33%		36%		33%	35%	
Net Margins	34%	25%		23%		28%	30%	

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

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Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)
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Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- 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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Basic Definitions and Terminologies used: Target Price: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

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