Pakistan Cements | 4QFY26 Result Review

CHASE SECURITIES
Pakistan (Private) Limited

KOHC – 4QFY26 EPS: PKR 3.58/sh – above expectation

KOHAT CEMENT COMPANY LIMITED

10th September 2026
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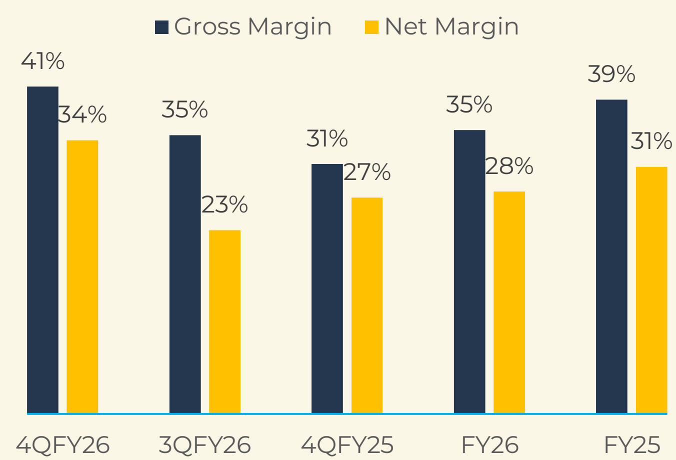
P&L Summary

PKR Mn	4QFY26	4QFY25	YoY	3QFY26	QoQ	FY26	FY25	YoY
Net Sales	9,630	8,720	10%	8,157	18%	38,531	37,536	3%
Cost of sales	5,697	6,000	-5%	5,318	7%	24,883	22,814	9%
Gross profit	**3,933**	**2,720**	**45%**	**2,839**	**39%**	**13,648**	**14,722**	**-7%**
Gross Margin (%)	41%	31%		35%		35%	39%	
S&A expenses	75	71	5%	75	0%	250	226	11%
Administrative expenses	449	150	199%	236	90%	1,071	696	54%
Other expenses	240	197	22%	195	23%	868	984	-12%
Other Income	1,419	1,303	9%	621	129%	4,663	5,281	-12%
Finance costs	36	80	-55%	36	0%	153	350	-56%
Profit before taxation	4,552	3,525	29%	2,917	56%	15,968	17,747	-10%
Taxation	1,265	1,171	8%	1,047	21%	5,271	6,172	-15%
Profit after taxation	**3,287**	**2,354**	**40%**	**1,870**	**76%**	**10,697**	**11,575**	**-8%**
EPS (PKR)	3.58	2.50	43%	2.03	76%	11.64	11.93	-2%
DPS (PKR)	-	-		-		-	-	

Analyst Note:

- Net sales increased 10% YoY to PKR 9.63bn, while rising 18% QoQ, indicating a meaningful sequential recovery in dispatches/revenues. On an annual basis, sales grew only 3% to PKR 38.53bn.
- Gross margin improved sharply to 41% vs. 31% in 4QFY25 and 35% in 3QFY26. The combination of higher sales and a 5% YoY decline in cost of sales drove the substantial margin expansion.
- Administrative expenses were the key negative within operating costs, increasing 199% YoY and 90% QoQ to PKR 449mn.
- Other income provided a significant boost, rising 9% YoY and 129% QoQ to PKR 1.42bn.
- Effective tax rate declined to ~28% in 4QFY26 from ~36% in 3QFY26, further supporting earnings, with quarterly EPS rising 43% YoY and 76% QoQ to PKR 3.58.
- The Board approved renewal of PKR 600mn loan/advance investment in Ultra Kraft and enhancement/renewal of equity investment in Ultra Properties by up to PKR 1.5bn for its Lahore-based real estate project.



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Rating Definition	
Buy	Total stock return > 15%
Neutral	Total stock return between 0% -15%
Sell	Total Stock return < 0%

* Total stock return = capital gains + dividend yield

Valuation Methodology:

- Period end target prices, Chase Securities Pakistan Private Limited uses different valuation methodologies including but not limited to:
- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return o arrive at our based methodologies (EVA, Residual Income etc.)