November 19, 2026

# Foundation Alert

## KOHC: FY26 Analyst Briefing Takeaways

### Event

- Kohat Cement Company Limited (KOHC PA) held its FY26 analyst briefing today to discuss financial/operational performance and outlook of the company.

### Impact

- In 1QFY27, KOHC topline reported at PKR 11.8Bn, up 15/23% YoY/QoQ. Despite fall in dispatches of 3% YoY revenue increased which is backed by strong retention prices. Sequentially, net revenue growth is aided by uptick in sales volume of 17% QoQ along with better retention prices.
- In FY26, topline of the company remained stable with a mere increase of 3% YoY to PKR 38.5Bn.
- Kohat Cement Company Limited (KOHC PA) profitability clocked in at PKR 2.9Bn (EPS: PKR 3.20/sh) in 1QFY26 vs. PKR 3.4Bn (EPS: PKR 3.74/sh) during 1QFY25. In FY25, KOHC profitability was reported at PKR 11.6Bn (EPS: PKR 12.59/sh) as compared to PKR 8.9Bn (EPS: PKR 9.67/sh) in FY24.
- The fuel mix in FY26 was 34.4/65.6% of Local/imported coal vs. 50.3/49.7% in FY25. Similarly, 1QFY27 local/imported coal mix was 57.2/42.8% vs. 49.2/50.8% in the SPLY. KOHC current inventory cost is PKR 54.55k/ton and prevailing buying rates of imported coal range between PKR 58k/ton. Inland freight cost is in the range of PKR 12k/ton.
- The energy mix of the company was 43.6/52.2/4.2% of renewables/grid/others with average rate of PKR 20.4/kWh in FY26 vs. 41.3/36.1/22.6% in FY25. Similarly, energy mix during 1QFY27 was 47.7/0/52.3% renewables/grid/others, respectively.
- Upcoming coal fired power plant of 28.5MW is in the works and is expected to be complete by 4QCY26.
- The company currently has 17.66MW of solar capacity wherein KOHC is in process of further enhancing this capacity to 20MW.
- KOHC's management stated that domestic cement demand is expected to grow by 6-7% for FY27.

### Outlook

- We remain bullish on the scrip as improved profitability is expected on the back of (1) coal captive 28.5MW installation, (2) renewables capacity addition, and (3) demand recovery.

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**Table 1: KOHC Key Financial Highlights (PKR Mn)**

| | 1QFY27 | 1QFY26 | YoY | QoQ | FY26 | FY25 | YoY |
|---|---|---|---|---|---|---|---|
| Net Sales | 11,837 | 10,287 | 15% | 23% | 38,531 | 37,536 | 3% |
| Cost of sales | 6,892 | 6,800 | 1% | 21% | 24,883 | 22,644 | 10% |
| **Gross Profit** | **4,945** | **3,488** | **42%** | **26%** | **13,648** | **14,892** | **-8%** |
| Admin Expenses | 260 | 181 | 44% | -42% | 1,071 | 865 | 24% |
| S&D expense | 50 | 49 | 2% | -34% | 250 | 226 | 11% |
| Other expense | 327 | 200 | 64% | 47% | 851 | 984 | -14% |
| Other Income | 938 | 1,467 | -36% | -33% | 4,646 | 5,281 | -12% |
| **EBIT** | **5,247** | **4,526** | **16%** | **14%** | **16,121** | **18,097** | **-11%** |
| Finance cost | 28 | 40 | -30% | -23% | 153 | 350 | -56% |
| **PBT** | **5,219** | **4,486** | **16%** | **15%** | **15,968** | **17,747** | **-10%** |
| Tax | 1,906 | 1,542 | 24% | 51% | 5,271 | 6,172 | -15% |
| **PAT** | **3,313** | **2,944** | **13%** | **1%** | **10,697** | **11,575** | **-8%** |
| EPS | 3.6 | 3.2 | | | 11.6 | 12.6 | |
| | | | | | | | |
| Gross margins | 42% | 34% | | | 35% | 40% | |
| EBIT Margins | 44% | 44% | | | 42% | 48% | |
| Net margins | 28% | 29% | | | 28% | 31% | |
| Effective tax rate | 37% | 34% | | | 33% | 35% | |

Source: Company accounts, Foundation Research, Nov 2026

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**Recommendations definitions**

| If | |
|---|---|
| Expected return >+15% | Outperform. |
| Expected return from 0% to +15% | Neutral. |
| Expected return <0% | Underperform. |