Result Review | Pakistan Research

Hassan Raza
hassan.raza@akseerresearch.com

Alpha Capital REN # REP - 004 | akseer إكسير REN # REP - 400 R

25 February 2026

KOHC: 2QFY26 EPS clocks in at PKR 2.82, down by 21% YoY

Kohat Cement Company Limited

PSX: KOHC | Bloomberg: KOHC PA | Reuters: KOHC.PSX

- KOHC announced its 2QFY26 results today wherein the company reported an EPS of PKR 2.82, down by 21% YoY.
- Net sales for 2QFY26 clocked in at PKR 10.5bn, flattish YoY. The 9% YoY growth in local dispatches to ~0.7mn tons is offset by a decline in net retention due to greater pricing pressure in the KP region.
- Gross margins for 2QFY26 clocked in at 32%, down 10 ppts YoY reflecting normalization from elevated SPLY levels when KOHC's regional prices of PKR 1,476/bag were above the northern average of PKR 1,459/bag. Furthermore, the margin compression is driven by higher royalty charge and energy cost. The limestone royalty increased to PKR 350/ton for FY26 from PKR 250/ton for FY25.
- Other income declined by 27% YoY from PKR 1.6bn SPLY to PKR 1.2bn in 2QFY26 reflecting lower interest rates. However, the effective annualized interest rate on short-term investments clocked in at 14%, greater than the average interest rate of ~10.5% during the quarter, indicating mark to market gains on investments.
- On a sequential basis, earnings declined by 12% QoQ. Net revenue increased 2% QoQ reflecting increase of 5% QoQ growth in local dispatches. Gross margins declined by 2ppts QoQ, reflecting upward pressure on coal costs due to Afghan border closure.
- We maintain a 'Hold' recommendation on the stock based on our Dec-26 price target (PT) of PKR 124/share.

Financial Estimates (PKR mn)	2QFY25	2QFY26	YoY	1HFY25	1HFY26	YoY
Sales	10,580	10,457	-1%	20,663	20,744	0%
Cost of Sales	6,115	7,068	16%	11,885	13,867	17%
Gross Profit	**4,465**	**3,389**	**-24%**	**8,778**	**6,877**	**-22%**
General and Admin	54	51	-6%	101	100	0%
Selling and Distribution	191	205	7%	372	386	4%
Other Operating Expenses	281	234	-17%	563	434	-23%
Other Income	1,585	1,157	-27%	3,056	2,624	-14%
Finance Cost	94	42	-55%	210	82	-61%
Profit Before Tax	**5,429**	**4,012**	**-26%**	**10,589**	**8,499**	**-20%**
Taxation	1,983	1,416	-29%	3,704	2,959	-20%
Net Income	**3,446**	**2,596**	**-25%**	**6,885**	**5,540**	**-20%**
EPS	3.52	2.82	**-21%**	7.12	**6.03**	**-15%**
DPS	0.00	0.00		0.00	0.00	

Source: Company Accounts, Akseer Research

Key Data	
PSX Ticker	KOHC
Target Price (PKR)	124
Current Price (PKR)	94
Upside/(Downside) (%)	32%
Dividend Yield (%)	0%
Total Return (%)	32%
12-month High (PKR)	127
12-month Low (PKR)	66
Outstanding Shares (mn)	919
Market Cap (PKR mn)	85,937

Source: PSX, Akseer Research

Disclaimer

This report has been prepared and marketed jointly by Akseer Research (Pvt) Limited and Alpha Capital (Pvt) Limited, hereinafter referred jointly as "JV" and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, the JV and/or any of their officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professionals who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and the JV accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of the JV's Research Department and do not necessarily reflect those of the JV or its directors. Akseer Research and Alpha Capital as firms may have business relationships, including investment--banking relationships, with the companies referred to in this report. The JV or any of their officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the companies mentioned in this report, may have a financial interest in the securities of these companies to an amount exceeding 1% of the value of the securities of these companies, may serve or may have served in the past as a director or officer of these companies, may have received compensation from these companies for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from these companies for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the companies mentioned in this report.

Valuation Methodology

To arrive at our 12-months Price Target, the JV uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology.

Ratings Criteria

JV employs a three-tier ratings system to rate a stock, as mentioned below, which is based upon the level of expected return for a specific stock. The rating is based on the following with time horizon of 12-months.

Rating	Expected Total Return
Buy	Greater than or equal to +15%
Hold	Between -5% and +15%
Sell	Less than or equal to -5%

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

Research Dissemination Policy

The JV endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc.

Analyst Certification

The research analyst, denoted by 'AC' on the cover of this report, has also been involved in the preparation of this report, and is a member of JV's Equity Research Team. The analyst certifies that (1) the views expressed in this report accurately reflect his/her personal views and (2) no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Contact Details

Akseer Research (Pvt) Limited
1st Floor, Shaheen Chambers, KCHS block 7 & 8,
off. Shahrah-e-Faisal
T: +92-21-34320359 -60
E: info@akseerresearch.com

Alpha Capital (Pvt) Limited
3rd Floor, Shaheen Chambers, A-4 Central Commercial Area,
KCH Society, Block 7 & 8, Near Virtual University, Karachi
T: +92-21-38694242
E: info@alphacapital.com.pk

www.jamapunji.pk