

## Result announcement 1QFY23

### Cements

## D.G. Khan Cement Company Limited

**Earnings:** D.G. Khan Cement Company Limited (DGKC) announced its financial result for the first quarter FY23, whereby company reported earnings of PKR 389mn or PKR 0.89/share compared to last year PKR 908mn or PKR 2.07/share, down by 57%y/y.

**Payout:** The Company did not announce any payout along with the result.

**Operating performance:** For the 1QFY23, Company's sales recorded a +22%y/y growth to PKR 13.6bn on account higher retail prices. However, on sequential basis, sales are down by 8%q/q. Moreover, company's gross margins clocked in at 15% down by nearly 3%, when compared to previous quarter (4qFY23: 18%) and down by 4% when compared to last year same quarter (1QFY22: 19%). Interest costs continue to climb with latest quarter reported a PKR 1,593mn financial cost, up by +43%q/q on sequential basis and almost double of last year same period. Effective tax rate for the period came at 33% (additional tax measures announced in budget 2023) compared to 51% in 4QFY23, and 23% during last year same period.

Exhibit: D.G. Khan Cement Company Limited (DGKC) Financial highlights							
For period ending: 1q/23a							
PKRmn=Jun(end)	1q/23a	FY22a	4q/22a	3q/22a	2q/22a	1q/22a	FY21
Net Sales	13,585	58,044	14,747	15,862	16,282	11,153	45,108
Gross Profits	2,073	10,428	2,621	2,949	2,759	2,099	8,072
EBIT	2,174	9,600	2,328	2,873	2,485	1,913	7,588
Finance cost	1,593	3,571	1,118	916	802	736	2,921
Profit before tax	581	6,020	1,201	1,958	1,683	1,178	4,771
Taxation	192	3,048	1,848	516	414	270	1,050
Profit after Tax	389	2,972	(647)	1,442	1,269	908	3,721
<b>EPS</b>	<b>0.89</b>	<b>6.78</b>	<b>(1.48)</b>	<b>3.29</b>	<b>2.90</b>	<b>2.07</b>	<b>8.49</b>
<b>DPS</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>
Sales Gr. y/y	22%	29%	-67%	46%	43%	6%	19%
Gross Margins	15%	18%	18%	19%	17%	19%	18%
EBIT Margins	16%	17%	16%	18%	15%	17%	17%
Effective tax	33%	51%	154%	26%	25%	23%	22%
Net Margins	3%	5%	-4%	9%	8%	8%	8%

Source: Company Accounts, IGI Research

Number of Shares (mn): 438.1

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