Flash Note

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Cement

D.G. Khan Cement Company Limited (DGKC)

Earnings: D.G. Khan Cement Company Limited (DGKC) announced it 4QFY25 result. The Company reported unconsolidated earnings for 4QFY25 of PKR 3.2bn (PKR 7.2/share) supported by higher retention prices and export dispatches, compared to Loss of PKR 1.7bn (LPS: 3.86/share) in the same period last year. On FY25 basis, the Company reported earnings of PKR 8.7bn (EPS PKR 19.8/share) up by +14.99xy/y compared to PKR 0.5bn (EPS PKR 1.24/share) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 2.0/share along with the result. This is the first cash payout since FY22.

Operating Performance: During 4QFY25, company's net sales decreased slightly by -1%y/y (-7% q/q) to PKR 16.8bn as compared to same period last year, likely owning to a reduction of -11%q/q in local cement dispatches while export dispatches rose moderately by +6%q/q. Finance cost plummeted by -70%y/y as compared to SPLY likely owing to decline in interest rates. The effective tax rate during 4QFY25 stood at 23% compared to 42% during the preceding quarter bringing total effective tax rate for FY25 to 30% against 77% last year.

Exhibit: D.G. Khan Cement Company Limited Financial highlights - Unconsolidated

For period ending: 4q/25

PKRbn	**FY25**	**4q/25**	**3q/25**	**2q/25**	**FY24**	**4q/24**	**3q/24**	**2q/24**	**ΔYoY**	**ΔQoQ**
Net Sales	71.9	16.8	18.1	21.7	66.0	17.0	14.3	18.3	-1%	-7%
Gross Profits	18.5	5.3	4.7	5.5	10.5	1.3	3.6	2.3	2.98x	13%
Admin	1.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	9%	9%
EBIT	16.9	4.8	4.2	4.9	10.8	1.1	3.9	2.7	3.36x	14%
Finance cost	3.9	0.6	0.7	1.1	8.0	1.9	2.0	2.0	-70%	-14%
Profit before tax	12.4	4.1	3.4	3.7	2.3	(1.3)	1.9	0.7	n/m	20%
Taxation	3.8	0.9	1.4	1.0	1.8	0.3	0.7	0.3	1.70x	-34%
Profit after Tax	8.7	3.2	2.0	2.7	0.5	(1.7)	1.2	0.4	n/m	58%
EPS*	**19.80**	**7.20**	**4.56**	**6.21**	**1.24**	**(3.86)**	**2.69**	**0.90**	**n/m**	**58%**
DPS	**2.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**-**
Gross Margins	26%	32%	26%	25%	16%	8%	26%	13%	24%	6%
EBIT Margins	23%	29%	23%	23%	16%	6%	27%	15%	22%	5%
Effective tax	30%	23%	42%	27%	77%	-26%	39%	40%	49%	-19%
Net Margins	12%	19%	11%	13%	1%	-10%	8%	2%	29%	8%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 438.1

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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