Cement

## DGKC: FY25 Management Call Takeaways

- D.G Khan Cement Company Limited (DGKC) held a corporate briefing session to discuss the FY25 financial results and provide key insights on the future outlook for the Company.
- DGKC's overall revenues grew +9% y/y in FY25, supported by higher export dispatches and better pricing. Gross profit was up +61% to 25.7% vs 15.9% in FY24. While PAT rose +1.6x to PKR 8.67bn (EPS: PKR 19.80) vs PKR 0.54bn (EPS: PKR 1.24). A dividend of PKR 2.00/share was announced vs no dividend last year.
- DGKC's performance outpaced the industry, with sales utilization at 79% versus the industry average of 55%. Capacity utilization also improved significantly to 75% vs (FY24: 65%), supported by sustained output.

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### Key highlights from Corporate Briefing

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- Management revealed that DGKC's performance outpaced the industry, with sales utilization at 79% versus the industry average of 55%. Capacity utilization also improved significantly to 75% vs (FY24: 65%), supported by sustained output at its plants.

- DGKC's total energy requirement stands at 113 MW against an in-house generation capacity of 185 MW. The company currently sources about 30% of power from the grid, with the remainder from the in-house generation. Average power cost ranges between PKR 25–30 per unit.


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- Amidst border closure, DGKC is now heavily reliant on imported coal, with ~90% sourced internationally. Current coal cost stands at PKR 39,000/ton (USD 100–105/ton). Fuel costs remain a key profitability driver.

- The management mentioned that DGKC Retention price in the domestic market ranges between PKR 1,340-1,390, with slight variations across regions (North: PKR 15,800–15,900/ton & South: PKR 15,400–15,300/ton). The company expects double-digit growth in dispatches in FY26, with exports playing a major supportive role.

- Management revealed that DGKC is evaluating expansion in the North region, with no plans for South plant anytime soon. Any future capacity addition would be via brownfield expansion in D.G. Khan. There is no BMR activity planned for the plants currently.

- Regarding the royalty case, there has been no progress so far. Additionally, management noted that the recent Export development surcharge policy will not yield significant benefits but may help slightly improve retention prices.

- Management disclosed that cement exports fetch around PKR 11,000/ton and clinker around PKR 8,000/ton. Moving forward, company is focusing more on the cement exports as compared to clinker. Key export destinations include the Middle East (Bangladesh, and the US, where margins are strongest however Middle East region is expected to have even better margins.

- Export retention prices are expected to improve going forward while Post-flood rebuilding is expected to lift medium-term local cement demand.

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