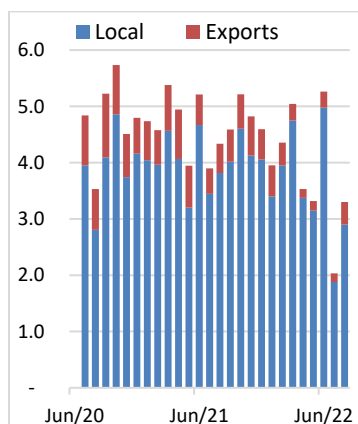
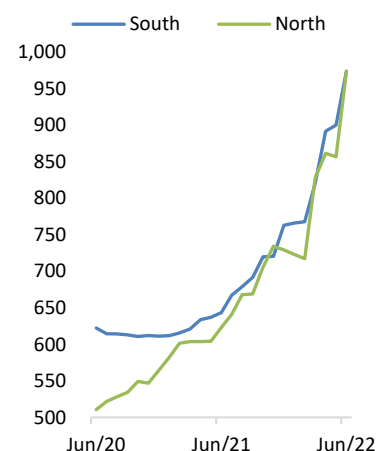


## Sector

### Cement Monthly Sales



### Cement Monthly Prices



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## Cement

### DGKC Result Preview for 4QFY22, Earnings to clock in at PKR 1.8/share

- The board of directors meeting of D.G. Khan Cement Company limited is scheduled to take place on 13<sup>th</sup> September 2022 to consider and approve financial results for the period FY22.
- We expect the company to report earnings of PKR 803mn (PKR 1.83/share) in quarter under review as compared to PKR 1,442mn (PKR 3.29/share) in 3QFY22. For FY22 earnings are expected to clock in at 4,422mn (PKR 10.1/share).
- We attribute this major drop in earnings during the quarter to: a) imposition of additional taxation in budget 2023 b) decline in cement dispatches due to dull demand, offsetting the impact of higher retention prices during the quarter.

We preview D.G. Khan Cement Company Limited (DGKC) full year 2022, financial results scheduled to take place on 13<sup>th</sup> of September 2022.

#### DGKC result preview 4QFY22, Earnings to clock in at PKR 1.8/share

For 4qFy22 we estimate company to report earnings of PKR 803mn (PKR 1.83/share) compared to PKR 1,442mn (PKR 3.29/share) in 3qFy22 depicting a decline of 83%.

This brings Fy22 total earnings to PKR 4,422mn (PKR 10.1/share) compared to PKR 3,721mn (PKR 8.5/share) in FY21 up by 19%.

We estimate gross margins to stay flat on the back of higher retention prices amid low dispatches.

The earning drop during the 4QFy22 is attributed:

- Imposition of additional taxation in budget 2023,
- Decline in cement dispatches due to dull demand, offsetting the impact of higher retention prices during the quarter.

Exhibit: DGKC Financial highlights  
For period ending 4qFY22/FY22

PKRmn=Jun(end)	FY22	4QFY22e	3q/22a	2q/21a	1q/21a	FY21
Net Sales	54,253	10,956	15,862	16,282	11,153	45,108
Gross Profits	9,977	2,170	2,949	2,759	2,099	8,072
EBIT	9,550	2,278	2,873	2,485	1,913	7,692
Finance cost	3,271	818	916	802	736	2,921
Profit before tax	6,278	1,460	1,958	1,683	1,178	4,771
Taxation	1,856	657	516	414	270	1,050
Profit after Tax	4,422	803	1,442	1,269	908	3,721
<b>EPS</b>	<b>10.1</b>	<b>1.83</b>	<b>3.3</b>	<b>2.9</b>	<b>2.1</b>	<b>8.5</b>
<b>DPS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
Gross Margins	18%	20%	19%	17%	19%	18%
Effective tax	30%	45%	26%	25%	23%	22%
Net Margins	8%	7%	9%	8%	8%	8%

Source: Company Accounts, IGI Research

No. of shares:438.1mn

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