

# AHL Alert: Cement

## D.G Khan Cement Company Limited Result Review: 1HFY25 EPS @ PKR 8.04

### 2QFY25: Earnings arrived at PKR 6.21/share

D.G. Khan Cement Company Limited (DGKC) announced its financial results for 1HFY25 today, reporting earnings of PKR 3,523mn (EPS: PKR 8.04), reflecting a 234% YoY increase compared to PKR 1,054mn (EPS: PKR 2.41) in 1HFY24. In 2QFY25, earnings reached PKR 2,719mn (EPS: PKR 6.21), marking a 591% YoY increase compared to PKR 394mn (EPS: PKR 0.90) in 2QFY24.

### Result Highlights

- During 1HFY25, sales reached PKR 37.0bn, reflecting a 6% YoY growth from PKR 34.8bn in the same period last year, driven by an 8% YoY increase in dispatches. In 2QFY25, the topline rose to PKR 21.7bn, marking a 19% YoY increase from PKR 18.3bn in the same period last year, due to a 15% YoY rise in dispatches.
- Gross margins for 1HFY25 stood at 22.8%, up from 15.9% in the same period last year, primarily due to higher capacity utilization. In 2QFY25, gross margins also increased by 1238bps YoY to 25.1%, driven by the same factors.
- Selling and distribution expenses rose by 63% YoY to PKR 1,956mn in 1HFY25, mainly attributed to higher sales volume. In 2QFY25, these expenses also surged by 64% YoY and 39% QoQ.
- Other income up by 3% YoY to PKR 2,227mn in 1HFY25, driven by higher dividend income. In 2QFY25, other income decreased by 11% YoY but rose by 15% QoQ.
- Finance costs fell by 36% YoY to PKR 2,640mn in 1HFY25, benefiting from lower interest rates. In 2QFY25, finance costs also declined by 48% YoY and 34% QoQ, due to the same factor.
- The company recorded an effective tax rate of 30.0% in 2QFY25, compared to 40.3% in the same period last year.

### Exhibit: Financial Highlights

(PKR mn)	1HFY25	1HFY24	YoY	2QFY25	2QFY24	YoY	QoQ
<b>Income statement</b>							
Net Revenue	36,991	34,784	6%	21,690	18,267	19%	42%
Gross Profit	8,445	5,543	52%	5,451	2,330	134%	82%
Admin Exp.	631	580	9%	327	295	11%	8%
Distribution Exp.	1,956	1,202	63%	1,139	693	64%	39%
Other Income	2,227	2,163	3%	1,189	1,337	-11%	15%
Finance Cost	2,640	4,116	-36%	1,050	2,028	-48%	-34%
PBT	5,203	1,743	199%	3,885	660	489%	195%
Taxation	1,680	688	144%	1,166	266	338%	127%
PAT	3,523	1,054	234%	2,719	394	591%	238%
EPS (PKR)	8.04	2.41		6.21	0.90		
<b>Ratio Analysis</b>							
BVPS (PKR)	195.3	164.3		195.3	164.3		
Gross Margins	22.8%	15.9%		25.1%	12.8%		
Net Margins	9.5%	3.0%		12.5%	2.2%		
Effective Tax Rate	32.3%	39.5%		30.0%	40.3%		
Source (s): Company Financials, AHL Research							

### Rao Aamir Ali

D: +92 21 32461106

UAN: +92 21 111 245 111, Ext: 242

amir.rao@arifhabibltd.com

## D.G Khan Cement Company Limited

### Result Review: 1HFY25 EPS @ PKR 8.04

**Disclaimer:** This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.