Day Break

Wednesday, August 19, 2026

IGI Securities
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Exhibit: DGKC	
No of Share (mn)	438.1
Price (18-Aug-26)	210.7
Target Price	311
Mkt Cap (PKRbn)	92.3
Mkt Cap (US$mn)	329.7
High (52 Week)	275.8
Low (52 Week)	145.1
Free Float	50.0%

Source: PSX, IGI Research

Cement

DGKC: 4QFY26 Result Preview

- We expect DG Khan Cement (DGKC) to register quarterly earnings of PKR 2.7bn (EPS: PKR 6.27/share) during 4QFY26, down by 13% y/y (up by 10% q/q) compared to PKR 3.2bn (EPS: PKR 7.2/share) in the same period last year.
- On a FY26 basis, the Company is expected to report earnings of PKR 11.1bn (EPS PKR 25.34/share) up by 28%y/y compared to similar period last year.
- DGKC is not expected to announce any dividend.

DGKC: Earnings to decrease by 13%y/y to PKR 6.27/share during 4QFY26

We expect DG Khan Cement Company Limited (DGKC) to register quarterly earnings of PKR 2.7bn (EPS: PKR 6.27/share) during 4QFY26, down by 14% y/y (up by 10% q/q) compared to PKR 3.2bn (EPS: PKR 7.2/share) in the same period last year. The decrease in earnings are primarily attributable to higher admin costs and higher tax charge. On a FY26 basis, the Company is expected to report earnings of PKR 11.1bn (EPS PKR 25.34/share) up by 28%y/y compared to similar period last year. DGKC is not expected to announce any dividend.

Net sales are expected to increase by +21%y/y to PKR 20.2bn likely owing to 7%y/y increase in local dispatches and higher retention prices. However, gross margins are likely to drop on a y/y basis during 4QFY26 likely owing to one of reversal of electricity duty expense booked during 4QFY25.

Exhibit: D.G. Khan Cement Company Limited (DGKC) Financial highlights

For period ending: 4q/26

PKRbn	4q/26	4q/25	y/y	3q/26	q/q	FY26	FY25	y/y
Net Sales	20.2	16.8	21%	20.0	1%	80.8	71.9	12%
Gross Profits	5.5	5.3	3%	5.3	4%	21.7	18.5	17%
Admin	0.4	0.3	18%	0.4	-3%	1.6	1.3	24%
EBIT	4.8	4.8	0%	4.5	8%	19.1	16.9	13%
Finance cost	0.3	0.6	-42%	0.2	35%	1.3	3.9	-66%
Profit before tax	4.5	3.7	23%	4.2	7%	17.8	12.4	43%
Taxation	1.8	0.5	244%	1.7	2%	6.7	3.8	78%
Profit after Tax	2.7	3.2	-13%	2.5	10%	11.1	8.7	28%
EPS*	**6.27**	**7.20**		**5.71**		**25.34**	**19.80**	
DPS	**0.00**	**2.00**		**0.00**		**0.00**	**2.00**	
Gross Margins	27%	32%		27%		27%	26%	
EBIT Margins	24%	29%		22%		24%	23%	
Effective tax	39%	14%		41%		38%	30%	
Net Margins	14%	19%		13%		14%	12%	

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

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Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)
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- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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Basic Definitions and Terminologies used: Target Price: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

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