NISHAT

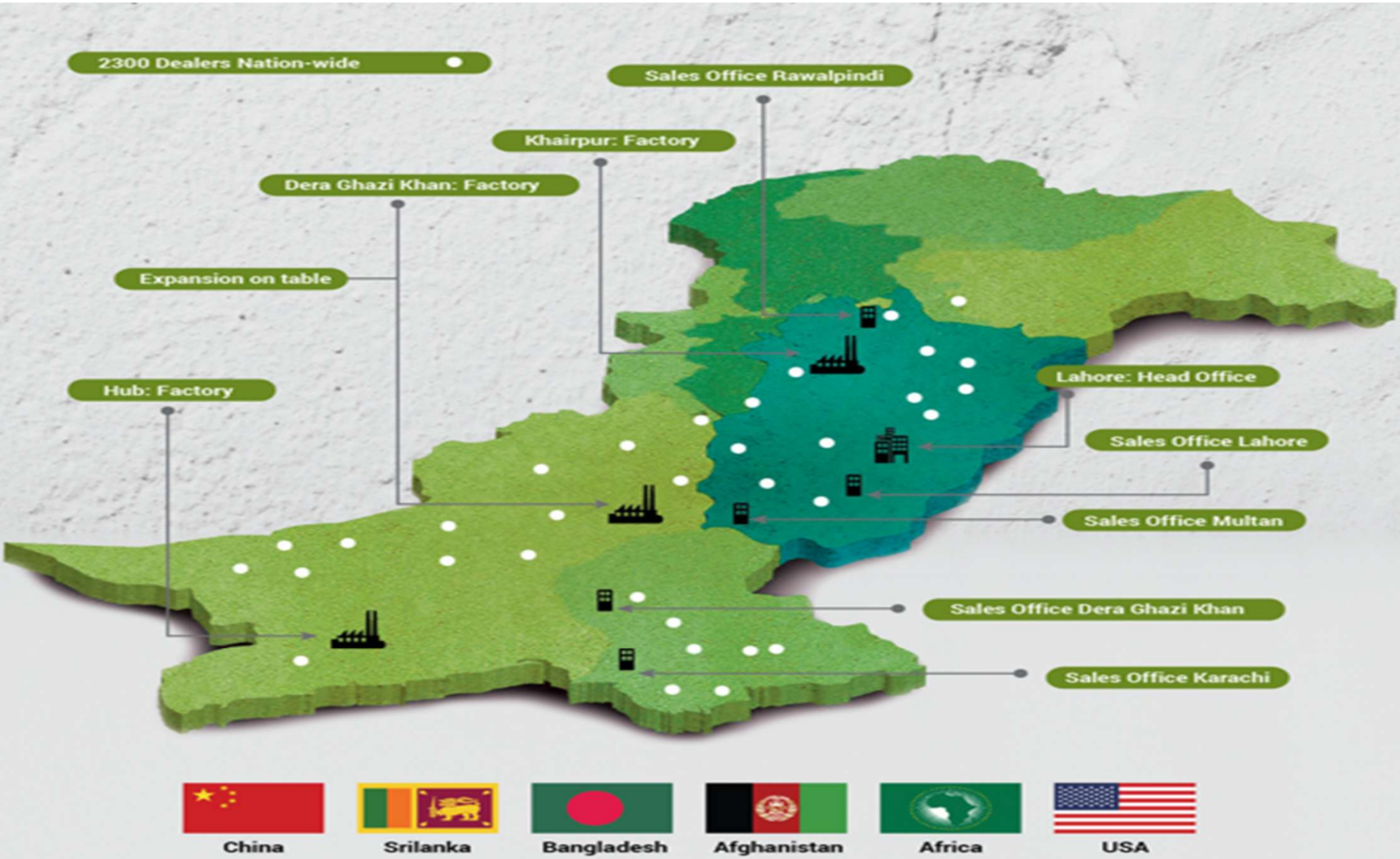
D.G. KHAN CEMENT COMPANY LIMITED

A Fresh Perspective

Annual Report 2025

COMPANY PROFILE

- Incorporated in Pakistan in 1978 as limited liability company.
- Acquired by Nishat Group in 1992 under privatization initiated by the government.
- Primarily engaged in production and sale of Clinker and Cement.
- Production capacity of 22,400 tons per day (6.72 million tons/annum)
- Approx. 1,800 regular employees.
- Operating locally through more than 2,300 dealers.
- As at June 30, 2025; total market capitalization was about PKR 72.5 billion
- Total market share of the company (local and export) is about 12%.



2300 Dealers Nation-wide
Sales Office Rawalpindi
Khairpur: Factory
Dera Ghazi Khan: Factory
Expansion on table
Hub: Factory
Lahore: Head Office
Sales Office Lahore
Sales Office Multan
Sales Office Dera Ghazi Khan
Sales Office Karachi
China
Srilanka
Bangladesh
Afghanistan
Africa
USA

ANALYSIS OF PAKISTAN CEMENT INDUSTRY

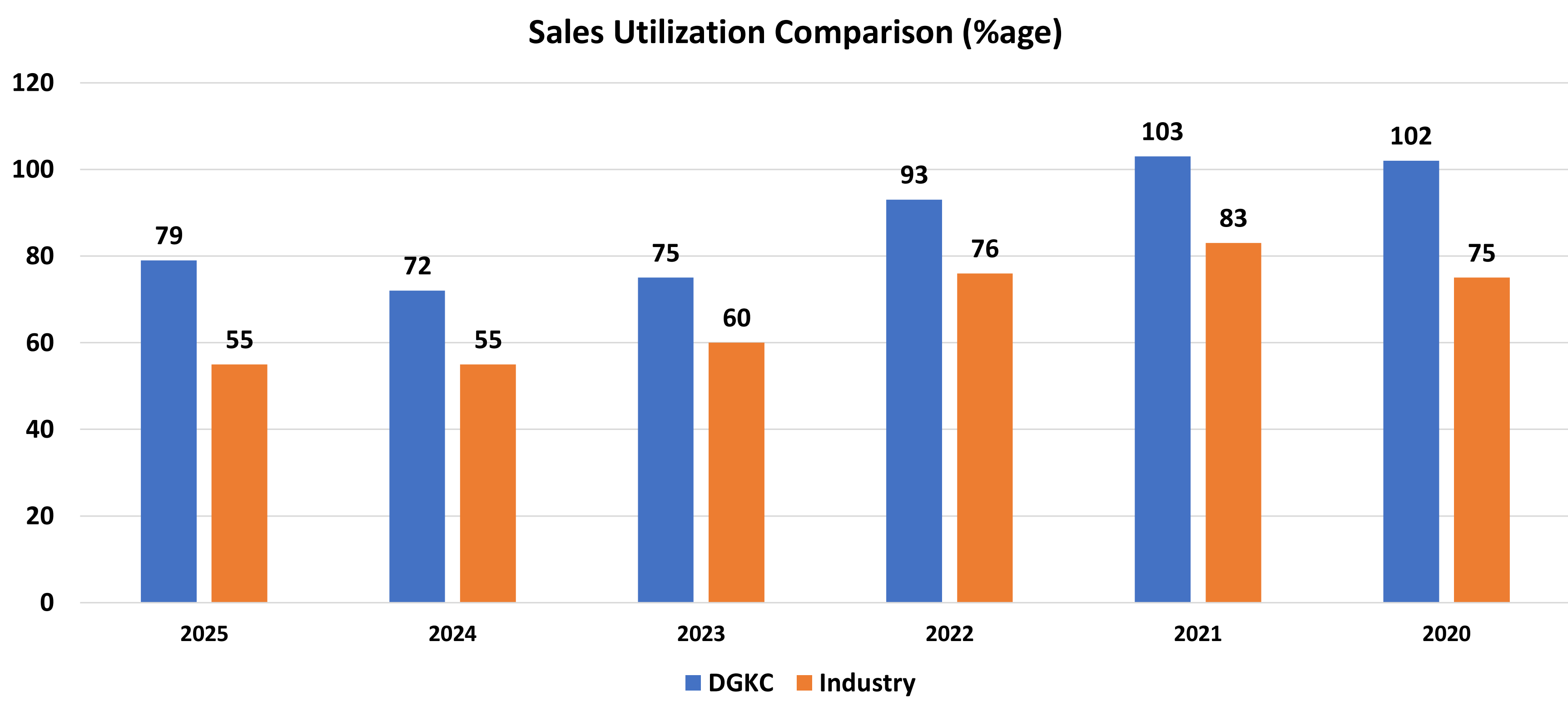
- Total cement sales volumes rose by 2.1% to 46.2 million tons in FY25.

- Sales utilization of industry remained steady at 55% with domestic sales contributing 44% (FY24: 46% whereas exports accounted for 11% (FY24: 9%).

- Local dispatches declined by 1.16 million tons, led by a 2.6% (0.8 million tons) drop in the North Zone and a 5.2% (0.3 million ton) fall in the South Zone.

- Exports surged 30% to 9.2 million tons, offsetting weaker local demand.

DGKC vs Industry: Sales Utilization Comparison



PRODUCTION AND POWER GENERATION CAPACITY

	DGP	KHP	HUB	Total
Clinker Production Capacity (Tons/day)	6,700	6,700	9,000	**22,400**
Furnace Oil Power plant (MW)			23.84	**23.84**
Gas Power Plant (MW)	24.60			**24.60**
Dual Fuel Power Plant (MW)		33.00		**33.00**
Solar Power Plant (MW)		9.90	1.02	**10.92**
WHR Power Plant (MW)	10.40	12.00	10.00	**32.40**
Coal Fired power plant	30.00		30.00	**60.00**
Total Power Generation capacity (MW)	**65.00**	**54.90**	**64.86**	**184.76**
Total Electricity Requirement (MW)	42	31	40	**113**

KEY PERFORMANCE INDICATORS

Net Revenue (000)	
2025	71,892,837
2024	66,038,689
Percentage	9%

Gross Margin %	
2025	25.7%
2024	15.9%
Percentage	61%

Total Assets (000)	
2025	145,924,235
2024	138,385,754
Percentage	5%

Profit Before Tax & Levy (PBT&L) (000)	
2025	13,004,612
2024	2,838,910
Percentage	4.6 times

Equity (000)	
2025	94,667,478
2024	75,847,538
Percentage	25%

Profit / Loss After Tax (PAT) (000)	
2025	8,675,059
2024	542,396
Percentage	16 times

Earnings per Share (EPS)	
2025	19.80
2024	1.24
Percentage	16 times

Breakup Value/ Share	
2025	216.08
2024	173.12
Percentage	25%

Market Value per share	
2025	165.6
2024	90.3
Percentage	83%

Dividend per Share	
2025	2
2024	Nil
Percentage	100%

No. of Employees (Average)	
2025	1,829
2024	1,870
Percentage	-2%

Revenue per Employee (000)	
2025	39,307
2024	35,315
Percentage	11%

Capacity Utilization	
2025	75%
2024	65%

Production (MT)	
2025	5,057,323
2024	4,341,467
Percentage	16%

DGKCCL Operational and Financial Performance Highlights – FY25

- Kiln operational days rose 10% (691 → 760), while clinker production improved to 75% (FY24: 65%) on sustained >100% utilization at the Hub site.
- Sales utilization increased to 79% (FY24: 72%), outperforming overall industry trends.
- Sales value up 8.9%, supported by export growth and stable pricing despite a 4% drop in domestic volumes..
- Export volumes surged 49%, offsetting weaker local demand and supporting fixed cost absorption
- Financial expenses declined sharply due to reduced discount rates, improved fund management, and ongoing loan repayments.
- Profitability received an additional boost from the PKR 817 million electricity duty reversal.

SUBSIDIARIES

Nishat Packaging Limited (formerly Nishat Paper Products Company Limited)

- Incorporated in Pakistan on July 23, 2004; DGKCCL holds a 55% equity stake in NPL
- Principally engaged in the manufacture and sale of packaging products, primarily in meeting cement industry requirement.
- Three production lines with a combined annual capacity of 250 million bags - comprising two paper bag lines (160 million bags) located at Khairpur on the parent company's premises, and one polypropylene (PP) line (90 million bags) at Quaid-e-Azam Business Park, Sheikhupura, commissioned in the third quarter of FY25.
- In FY 2025, NPL produced 43.2 million (FY24: 43.3 million) paper bags and 29.7 million PP bags.
- Profitability improved mainly due to the one-time gain from the paper bag line sale, with revenue rising to PKR 3.29 billion (FY24: PKR 2.50 billion) and PBT&L reaching PKR 645.5 million, supported by higher volumes and operational efficiencies.
- Strategically, the segment has returned to profitability with a leaner cost base and modernized PP operations, though the fast-growing polypropylene market remains highly competitive.

SUBSIDIARIES

Nishat Dairy (Private) Limited (NDPL)

- Incorporated In Pakistan on October 28, 2011.
- Engaged in the business of production and sale of raw milk.
- As at June 30, 2025 the Company has 3,634 mature milking animals.
- Its daily milk production capacity stands at 110K litres (40.15 million litres annually) with actual output for FY2025 reaching 39.7 million litres (FY24: 37.7 million litres)
- DGKC owns 55.1% holding in NDPL.
- Nishat Group has entered into a joint venture agreement with Turkish brand, Sutas and launched the product ‘Milkfield’; NDPL is a major supplier of the said venture.
- Revenue and Profits for the FY 2025 are PKR 5,792 million (FY24: PKR 5,622 million) and PKR 675 million (FY24: PKR 759 million) respectively.

FUTURE OUTLOOK

- Future performance tied closely to government action on housing, infrastructure, and taxes;
- Targeted incentives essential to avoid underutilization of capacity;
- Continued emphasis on cost control, efficiency, and exports;
- Post-flood rebuilding expected to lift medium-term cement consumption;
- Sustainable growth anchored in coordinated industry–policy alignment

THANK YOU