
NISHAT
DG CEMENT
D.G. KHAN CEMENT COMPANY LIMITED
Dawn of Renaissance
DG KHAN CEMENT COMPANY LIMITED
CORPORATE BRIEFING SESSION
FY 2026

DISCLAIMER

- Prepared for the Corporate Briefing Session held under Clause 5.7A of the PSX Regulations, for information purposes only.
- Based on the Annual Report for the year ended June 30, 2026, including the audited financial statements. All figures are on a standalone basis unless stated otherwise.
- Not a prospectus, or an offer, solicitation or recommendation to buy or subscribe for any securities. No investment decision should be made on the basis of it.
- No representation or warranty is given as to the accuracy or completeness of the information. Neither the Company nor its directors, officers or employees accepts liability for any loss arising from its use.
- Contains forward-looking statements on future prospects, expansion projects and market conditions, based on management's current expectations and assumptions. Actual results may differ materially from any forecast or estimate presented.
- Key assumptions relate to cement demand and pricing, fuel and energy costs, interest and exchange rates, regulatory change and global trade conditions.
- Industry data is taken from external sources and has not been independently verified.
- Past performance is not a guide to future results.
- The Company undertakes no obligation to update any forward-looking statement.

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COMPANY PROFILE

- Incorporated in Pakistan in 1978 as a 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.
- Clinker capacity of 22,400 tons per day (6.72 million tons/annum), with a further 11,000 tons per day line under construction at the DG Khan site.
- Approx. 1,810 average regular employees.
- Operating locally through more than 2,300 dealers.
- As at June 30, 2026; total market capitalization was about PKR 97.8 billion.
- Total market share of the company (local and export) is about 11%.

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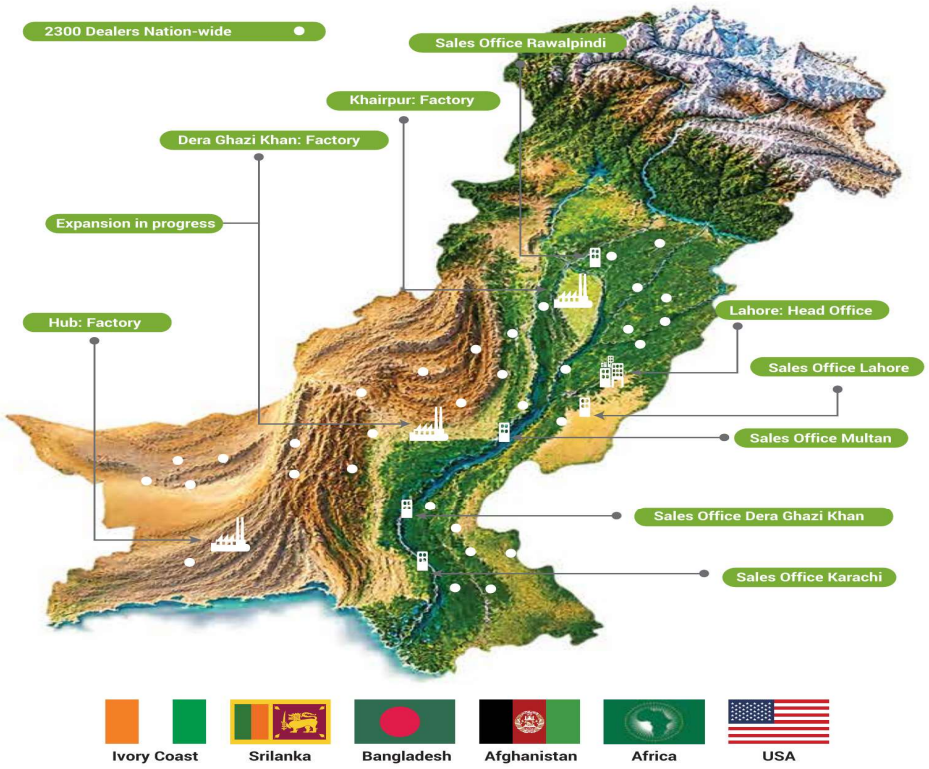
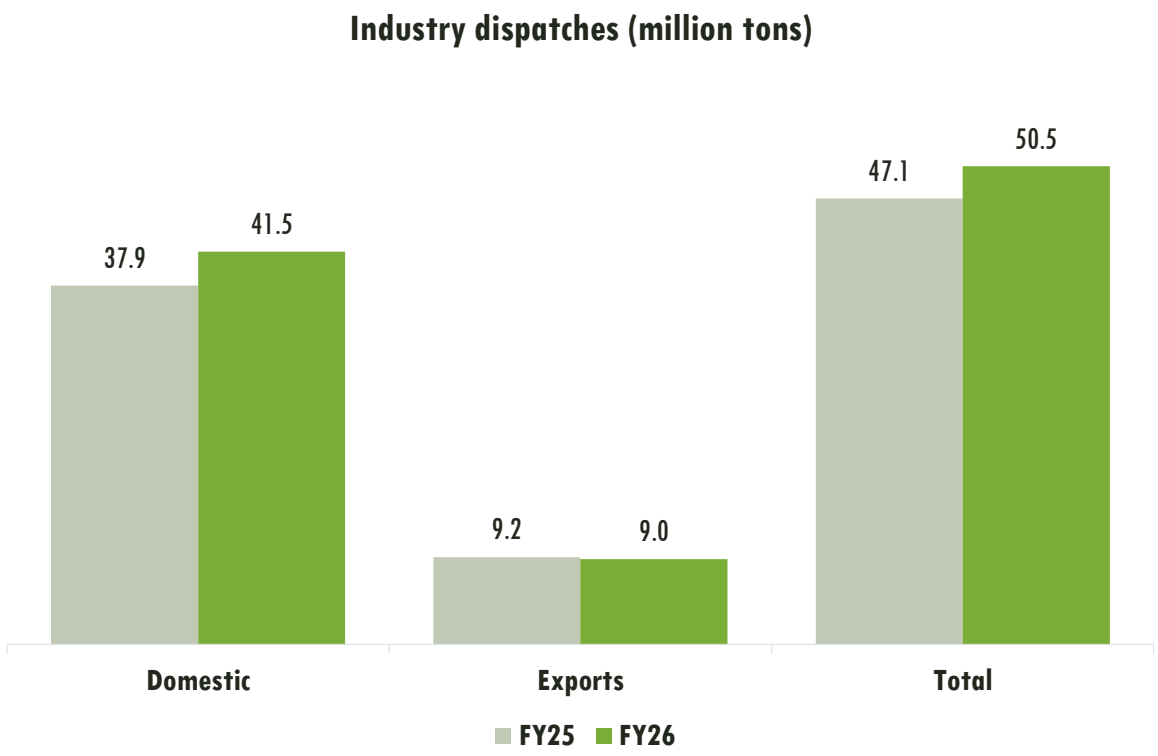
LOCAL AND INTERNATIONAL MARKETS

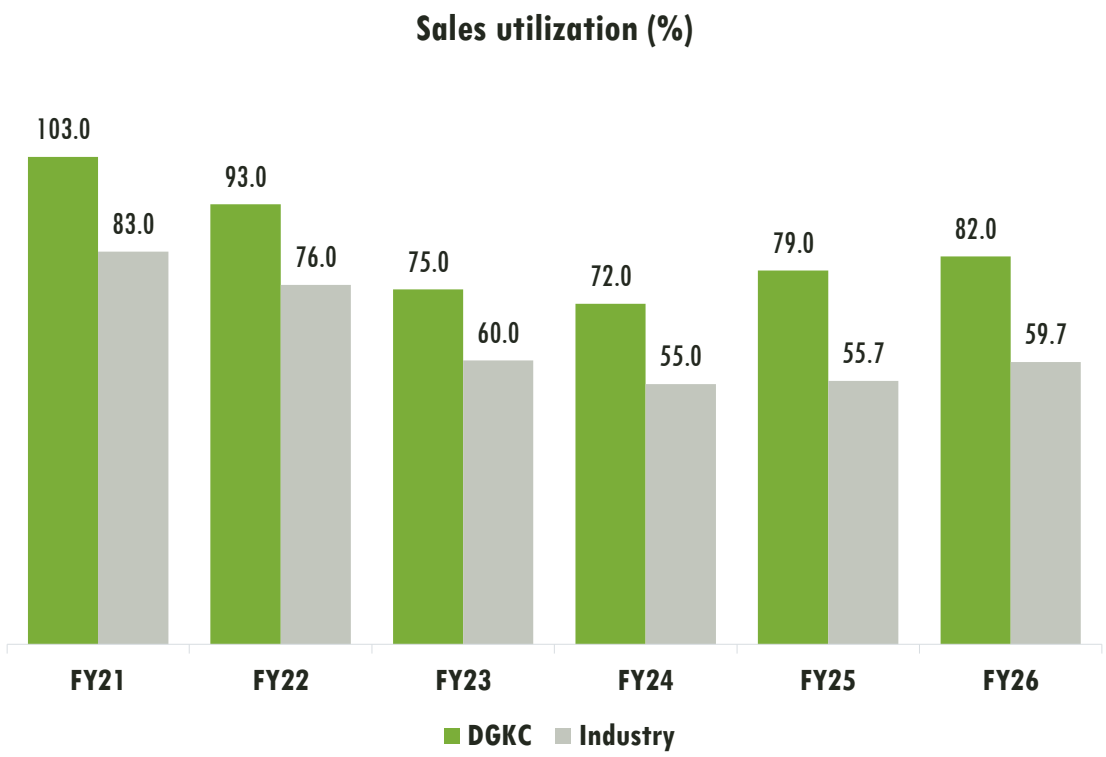


INDUSTRY OVERVIEW – FY2026



- Domestic dispatches up 9.5%, reversing the 2.1% contraction of FY25 — North up 10.9%, South up 3.0%.
- Exports down 2.2%. North fell 53.9% to 0.78 million tons, ceasing almost entirely from November 2025 on the Afghanistan border closure; South rose 9.4%.
- Industry capacity utilization 59.7% (FY25: 55.7%) — domestic 49.1%, exports 10.7%.

SALES UTILIZATION: DGKC v/s INDUSTRY



- DGKC sales utilization 82% (FY25: 79%) against industry 59.7% (FY25: 55.7%).
- Kiln operational days up 1.5% to 771 (FY25: 760).
- Clinker production at 78% of capacity (FY25: 75%), with the HUB site above 100% for most of the year.
- DGKC dispatches of 5.52 million tons represent about 11% of industry volumes.

PRODUCTION CAPACITY AND COST OF POWER

	DGK	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 (MW)	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**

Blended coal cost PKR 36,932 per ton

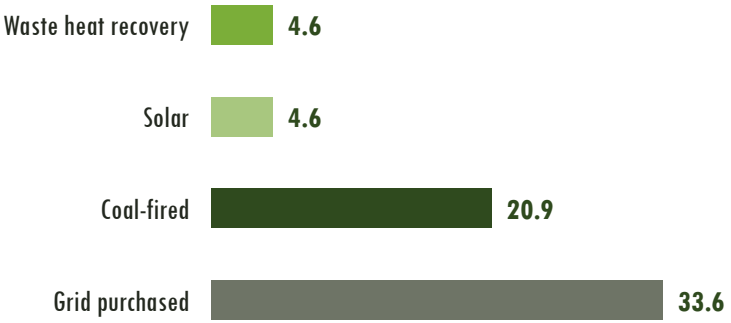
FY2026 ELECTRICITY GENERATION MIX



72% of electricity self-generated

- Coal-fired 45%
- Waste heat recovery 24%
- Solar 3%
- Grid purchased 28%

AVERAGE COST OF ELECTRICITY — PKR/kWh



KEY PERFORMANCE INDICATORS

NET REVENUE (PKR bn)

79.56

FY25 71.89 +10.7%

PROFIT AFTER TAX (PKR bn)

11.43

FY25 8.68 +31.7%

EARNINGS PER SHARE (PKR)

26.08

FY25 19.80 +31.7%

SHAREHOLDERS' EQUITY (PKR)

120.64

FY25 94.67 +27.4%

GROSS MARGIN

26.1%

FY25 25.7%

+0.4 pp

PROFIT BEFORE TAX & LEVY (PKR bn)

17.32

FY25 13.00

+33.2%

TOTAL ASSETS (PKR bn)

199.33

FY25 145.92

+36.6%

BREAKUP VALUE / SHARE (PKR)

275.37

FY25 216.08

+27.4%

MARKET VALUE / SHARE (PKR)

223.27

FY25 165.56

+34.9%

DIVIDEND PER SHARE (PKR)

1.00

FY25 2.00

−50.0%

CAPACITY UTILISATION

78%

FY25 75%

+3 pp

CLINKER PRODUCTION

5.23 MT

FY25 5.06 MT

+3.4%

EMPLOYEES (AVERAGE)

1,813

FY25 1,829

−0.9%

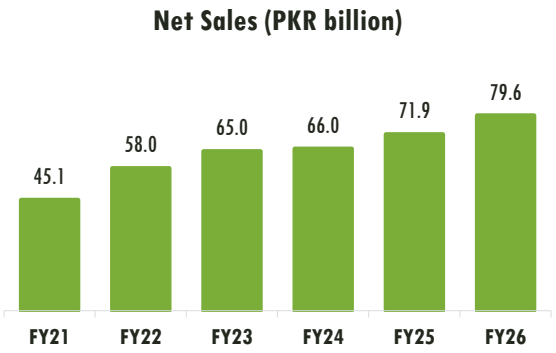
REVENUE PER EMPLOYEE (PKR mn)

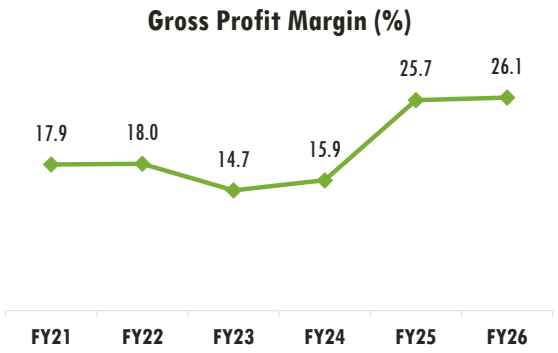
43.9 mn

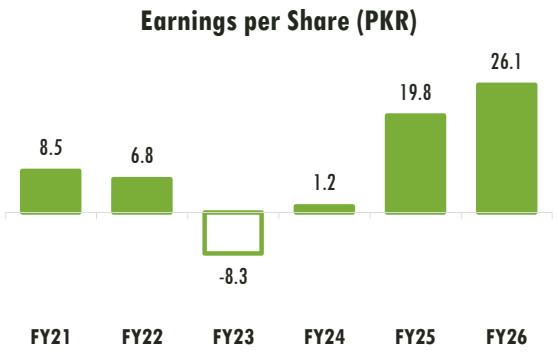
FY25 39.3 mn

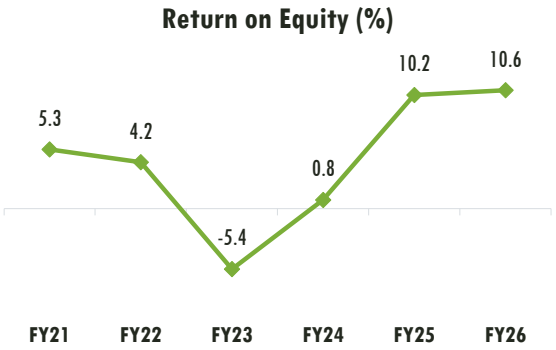
+11.6%

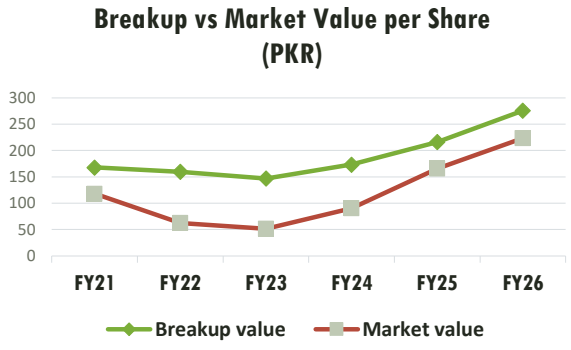
KEY FINANCIAL METRICS – SIX YEAR TREND

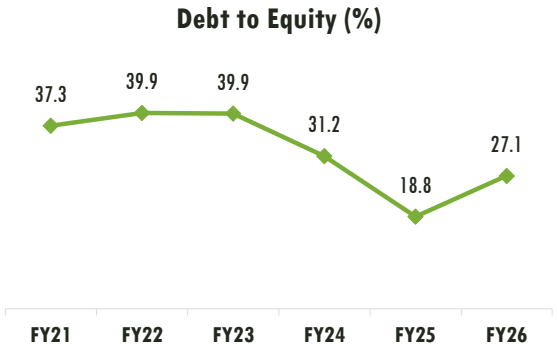




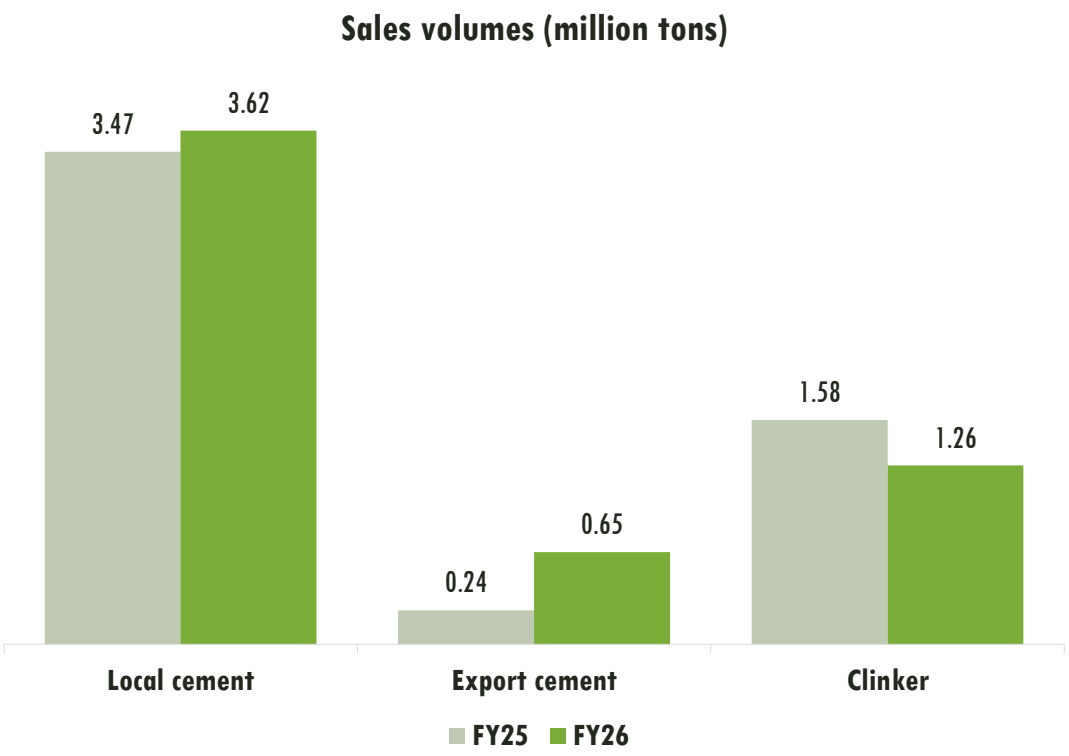






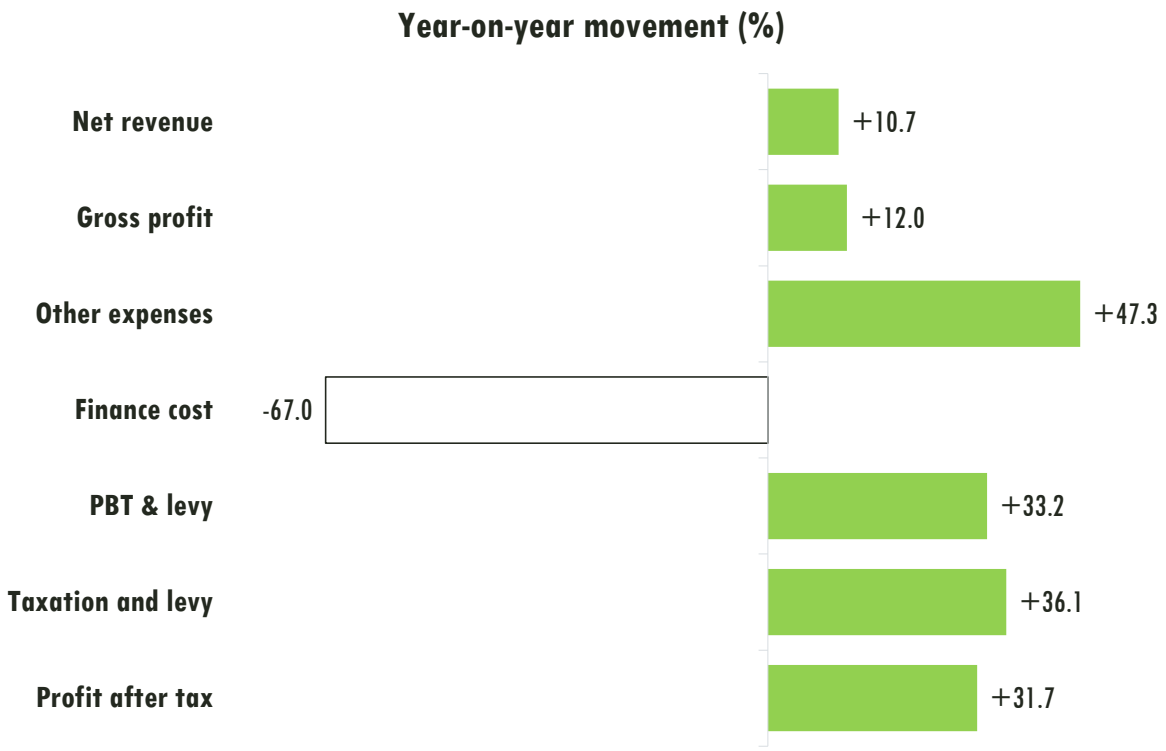


KEY REVENUE DRIVERS



- Net sales up 10.7% to PKR 79.56 billion.
- Average domestic selling prices up 2%, led by the South Zone.
- Clinker export prices up over 15%, realised principally through the South.

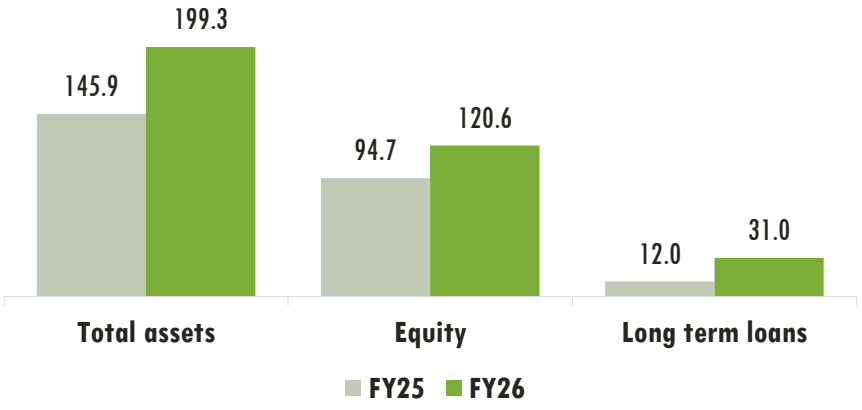
MATERIAL VARIATIONS – INCOME STATEMENT



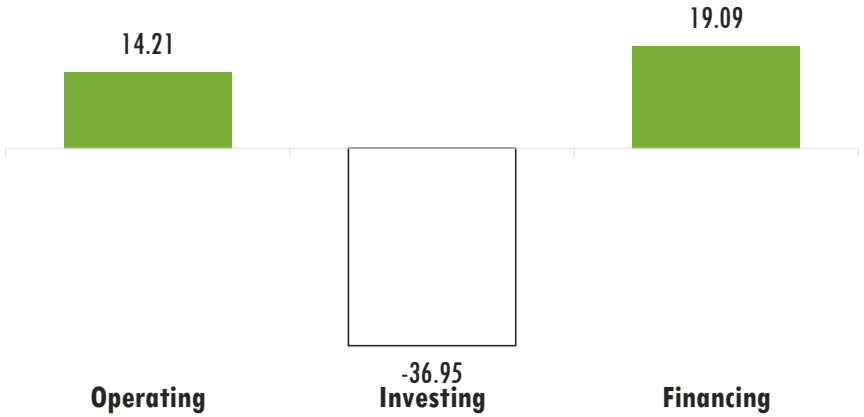
- Gross margin 26.06% (FY25: 25.74%) on better utilisation, cost optimisation and energy efficiency.
- Finance cost fell on sustained debt repayment, a lower rate environment and the Export Refinance rate cut.
- Other expenses reflect largely profit-linked levies.
- Profit after tax PKR 11.43 billion; net margin 14.36% (FY25: 12.07%).

MATERIAL VARIATIONS – BALANCE SHEET

Balance sheet (PKR billion)



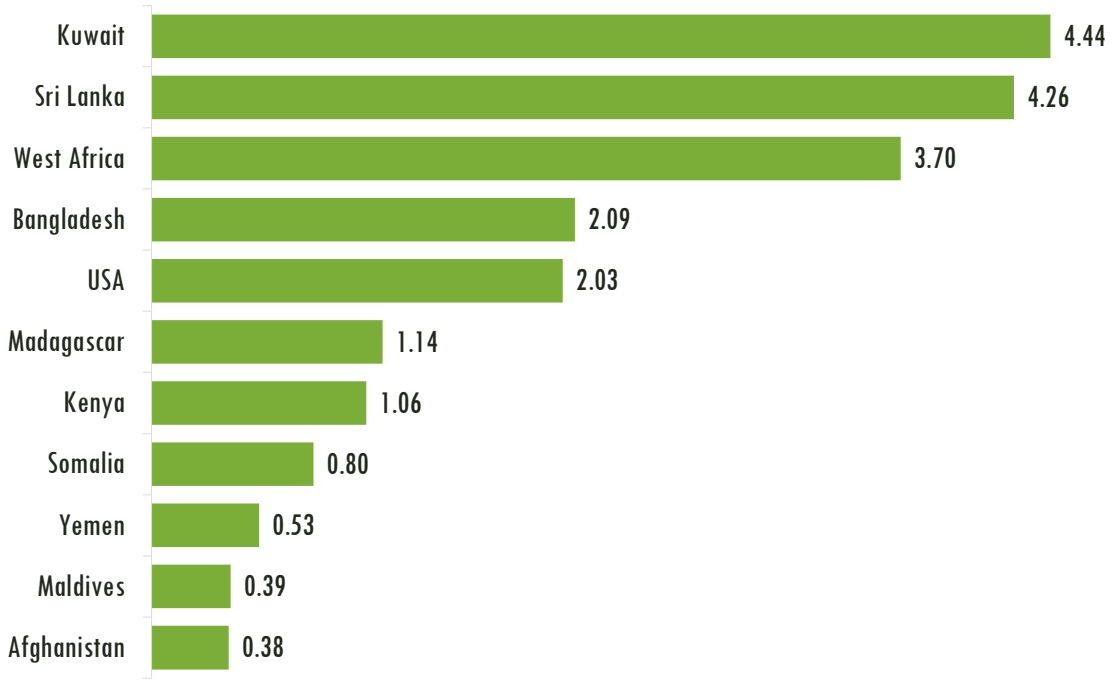
Cash flows FY26 (PKR billion)



- Long term investments include PKR 28.40 billion in Rafhan Maize Products Company Limited; long term loans reflect a USD 101 million facility drawn in the final week of the year.
- Current ratio 1.79 (FY25: 1.85); debt to equity 27.13% (FY25: 18.79%).
- Cash and cash equivalents closed at negative PKR 3.56 billion (FY25: positive PKR 93 million).

OPERATING SEGMENT – PRODUCTS, GEOGRAPHIES AND CUSTOMERS

Export revenue by market (PKR billion, gross)



- Cement segment — manufacture and sale of cement and clinker: OPC, SRC and clinker, sold through more than 2,300 dealers.
- Gross revenue: local PKR 90.20 billion, export PKR 20.88 billion.
- No single customer accounts for 10% or more of revenue.
- Group revenue: Cement PKR 79.56bn, Dairy PKR 6.71bn, Packaging PKR 4.54 bn (External PKR 1.34 bn) – consolidated revenue PKR 87.61bn.
- Investments: Nishat Packaging 55%, Nishat Dairy 55.1%, DG Khan Cement USA LLC 100%, Rafhan Maize Products 31.07% (associate).

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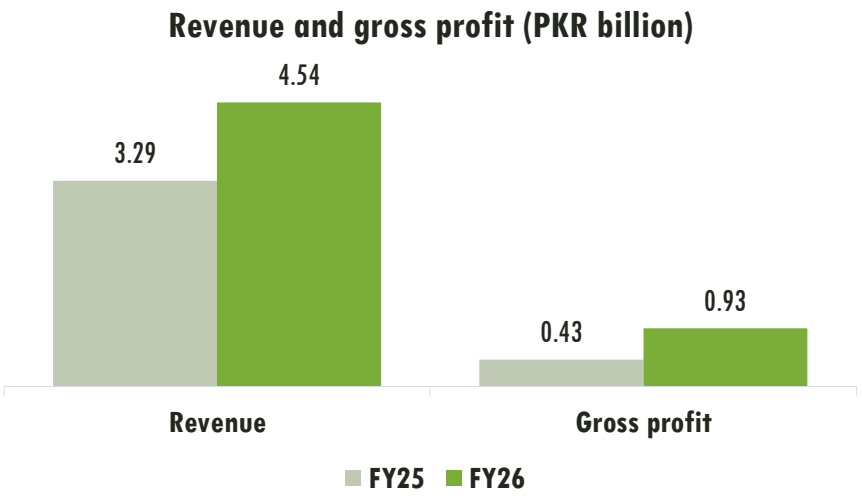
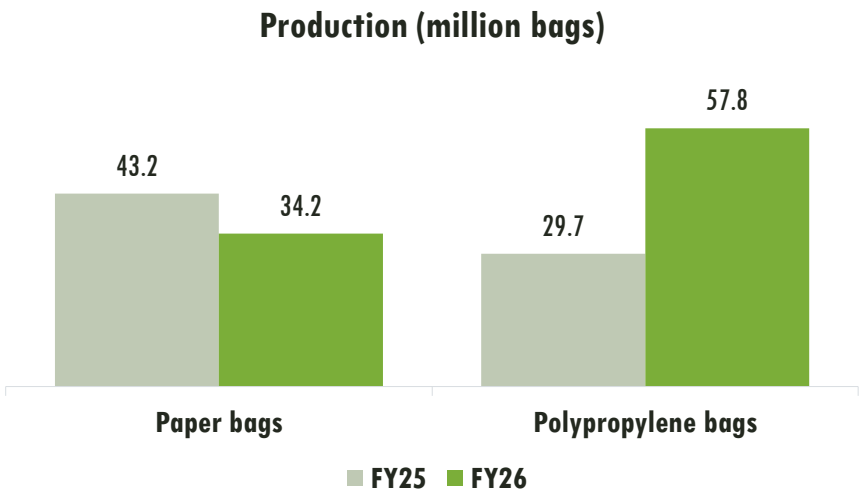
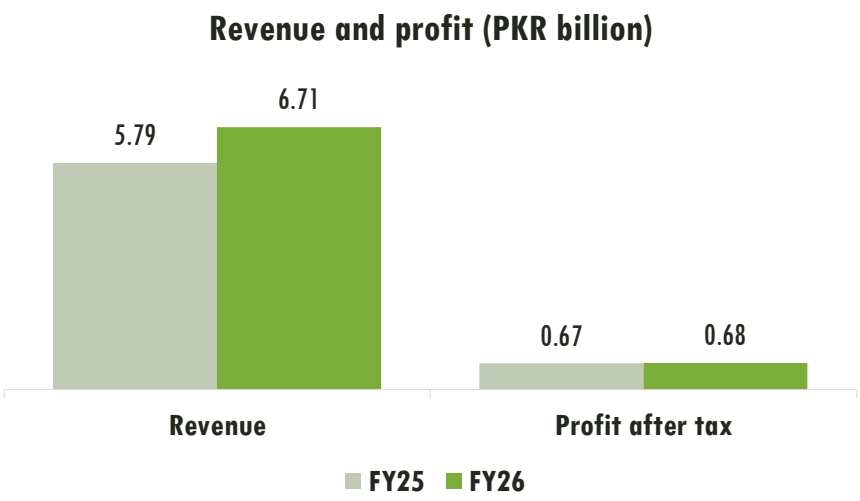
NISHAT PACKAGING LIMITED

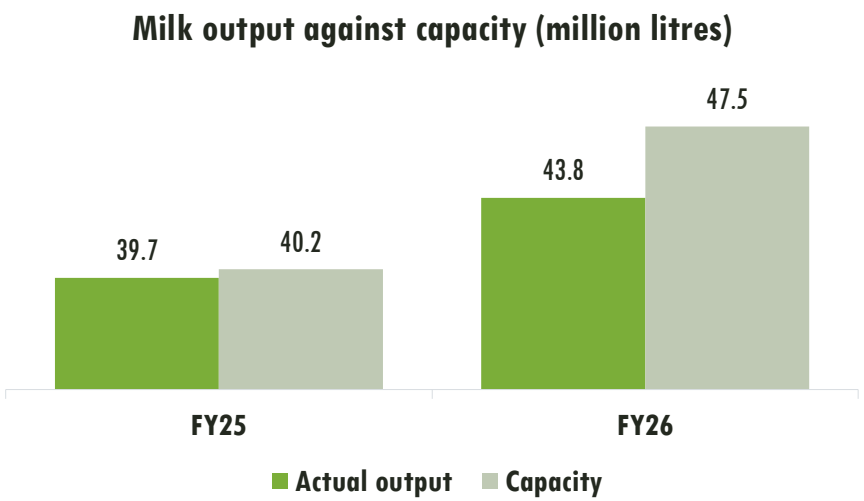




- 55% owned; incorporated 23 July 2004; manufactures packaging products, primarily for the cement industry.
- Capacity 250 million bags — two paper bag lines (160 million) at Khairpur and one polypropylene line (90 million) at Sheikhupura.
- PBT&L PKR 399.0 million and profit after tax PKR 138.3 million, against FY25 of PKR 645.5 million and PKR 510.2 million, which carried a one-time gain on the paper bag line sale.

NISHAT DAIRY (PRIVATE) LIMITED





– 55.1% owned; incorporated 28 October 2011; produces and sells raw milk.

– 3,914 mature milking animals at 30 June 2026 (FY25: 3,634); daily capacity raised from 110,000 to 130,000 litres.

– Supplies FrieslandCampina, Nestlé and Sutas.

KEY BUSINESS RISKS

- Tight price market and intense competition.
- Capacity utilization, against persistent industry overcapacity.
- Interest rate movements on borrowings.
- Foreign currency fluctuations on the USD 101 million facility financing the RMPL investment, and on letters of credit for imported coal and expansion capital expenditure
- Shrinking cement export markets.
- Middle East conflict and possible disruption to shipping through the Strait of Hormuz.
- Continued closure of the Afghanistan border, constraining northern export visibility.
- Coal and fuel price escalation feeding through to input costs and margins.

FUTURE OUTLOOK

- Operating environment held broadly steady, underpinned by firmer domestic demand and the durability of the core cement business.
- Continued recovery in local dispatches, supported by improving construction activity and a relatively lower interest rate environment.
- The 11,000 tons per day brownfield clinker line at DG Khan remains on schedule, expected to lift operating efficiency from FY28.
- A 25 MW solar plant with 10 MWh battery storage at DG Khan is expected to begin generation in March 2027.
- The RMPL associate stake broadens the earnings base beyond cement, with a recurring dividend stream expected to partly offset financing cost.
- Priority remains tight cost control, operational efficiency and disciplined financial management.

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QUESTIONS RECEIVED IN ADVANCE

– None were received.

Thank you

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