

Wednesday, 20th April - 2016

DGKC : Result Preview for 9MFY16

DG Khan Cement's board meeting is to be held on April 22nd, 2016 where the company will disclose its financial results for 9MFY16. As per our projections we expect that the company would declare earnings of PKR 15.29/ share for 9MFY16 which in comparison to the same period of the previous year depicts an increase by 25%YoY.

- The net turnover of the firm is also expected to grow by a significant 13%YoY in 9MFY16 to PKR 21,425mn while a positive change of 5%QoQ is projected in 3QFY16 on the back of strong export dispatches which went up 25%QoQ
- The gross profit of DGKC is anticipated to climb up 38%YoY in 9MFY16 whereas in 3QFY16 GP is expected to surge by 8%QoQ to PKR 3,349mn.
- It's estimated that the company will also be able to improve its gross margins negligibly in 3QFY16 which is likely to reach at 43% climbing up from 42% of 2QFY16 as no significant cost cut downs are expected.

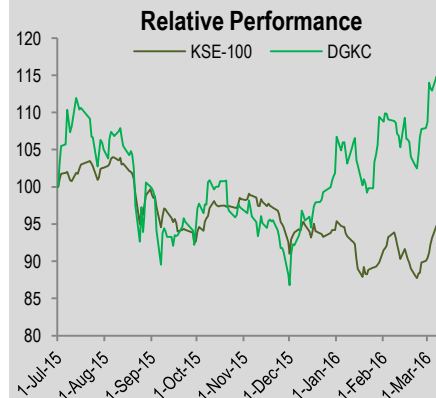
| PKR MN | 9MFY16E | 9MFY15 | YoY | 3QFY16E | YoY | QoQ |
|--------------|--------------|--------------|------------|-------------|------------|------------|
| Sales | 21,425 | 18,945 | 13% | 7,789 | 24% | 5% |
| Gross Profit | 8,836 | 6,417 | 38% | 3,349 | 47% | 8% |
| EBIT | 9,035 | 6,731 | 34% | 3,394 | 37% | 2% |
| PBT | 8,940 | 6,480 | 38% | 3,306 | 41% | 2% |
| PAT | 6,701 | 5,375 | 25% | 2,621 | 32% | 11% |
| EPS | 15.29 | 12.27 | 25% | 5.98 | 32% | 11% |

Source: Company's Account, Darson Research

CURRENT MARKET DATA

| | |
|---------------------|-----------|
| Current Price | 178.24 |
| Market Cap (PKR mn) | 78,090.35 |
| Market Cap (USD mn) | 745.36 |
| Index Weightage (%) | 2.37 |
| P/E | 8.07 |
| Free Float (%) | 55 |

Source: PSX, Bloomberg



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For More Details, Please Logon to: www.darsononline.com

808, 8th Floor
Business & Finance Centre
I.I. Chundrigar Road, Karachi
Tel : 92 21 32468919, 32469675
Fax : 92 21 2471088

111 900 400