Flash Note

Tuesday, October 27, 2026

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Cement

Maple Leaf Cement Factory Limited (MLCF)

Earnings: Maple Leaf Cement Factory Limited (MLCF) announced it 1QFY27 result. The Company reported unconsolidated earnings for 1QFY27 of PKR 2.1bn (PKR 2.04/share), down by -18%y/y due to higher finance costs attributable to high long term borrowings along with significant increase in the fuel prices indicating higher production costs, compared to earnings of PKR 2.6bn (PKR 2.49/share) in the same period last year.

Dividend/Payout: The Company did not announce any cash dividend.

Operating Performance: During 1QFY27, company's net sales increased by +22%y/y to PKR 20.1bn due to +8%y/y growth in local dispatches and due to higher retention prices, offset by no export volumes due to Afghan border closure. Gross Margins improved to +38%y/y from 30% in the corresponding period last year due to low coal cost inventories and increased utilization of alternative fuels. The Company reported finance cost of PKR 2.5bn which increased by +652%y/y due to higher long term borrowings in relation to the PIOC acquisition. The Company had a loss on one of their associates of PKR683mn which was likely attributable to Agritech, however further clarification is required. The effective tax rate during 1QFY27 stood at 38% compared to 34% during the same period last year. Net Margins during 1QFY27 stood at 11% in comparison to 28% during the corresponding period last year.

Recommendation: We have a "BUY' stance on MLCF with our Dec-26 Target Price of PKR 165/share offering 86% upside from last close. The Company is currently trading at FY27 P/E of 7.2x.

Exhibit: Maple Leaf Cement Factory Limited (MLCF) Financial highlights

For period ending: 1q/27

PKRbn	1q/27	1q/26	y/y	4q/26	q/q
Net Sales	20.1	16.5	22%	18.4	9%
Gross Profits	7.7	5.0	54%	7.9	-3%
Admin	0.8	0.5	53%	0.7	14%
EBIT	6.1	4.3	43%	6.8	-10%
Finance cost	2.5	0.3	652%	1.9	30%
Profit before tax	3.5	3.9	-12%	5.0	-31%
Taxation	1.3	1.3	-1%	2.6	-49%
Profit after Tax	2.1	2.6	-18%	2.4	-10%
EPS*	**2.04**	**2.49**		**2.26**	
DPS	**0.00**	**0.00**		**0.00**	
Gross Margins	38%	30%		43%	
EBIT Margins	31%	26%		37%	
Effective tax	38%	34%		53%	
Net Margins	11%	16%		13%	

Source: Company Accounts, IGI Research, *Number of Shares (mn): 1,047.6

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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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