

21 April 2026

## MLCF: 3QFY26 EPS expected to clock in at PKR 2.5, down 7% YoY

### Maple Leaf Cement Factory Limited

PSX: MLCF | Bloomberg: MLCF PA | Reuters: MPLF.PSX

- MLCF is expected to announce its 3QFY26 results, wherein we expect the company to report a consolidated EPS of PKR 2.5, down 7% YoY. This will take 9MFY26 EPS to PKR 8.06, up 7% YoY. We do not expect MLCF to announce any dividend for the quarter.
- The company completed its acquisition of PIOC on 19 February 2026, increasing its ownership to 77%. 3QFY26 represents the first quarter in which MLCF will likely consolidate PIOC's results. We have pro-rated PIOC's expected results for the quarter in our estimates for MLCF's consolidated results.
- Net sales for 3QFY26 are expected to clock in at PKR 20.6bn, up 24% YoY primarily reflecting the effects of consolidation. We expect consolidated gross margins to clock in at ~33% in 3QFY26, down 2 ppts YoY, reflecting the impact of PIOC's higher cost base.
- Finance costs are expected to surge 102% YoY to PKR 937mn, primarily reflecting the PKR 75bn Sukuk transaction undertaken to finance the acquisition of PIOC. The finance cost of this debt has also been pro-rated from the date of the completion of acquisition.
- On a sequential basis, consolidated earnings are expected to be down 17% QoQ. Net sales are expected to post a growth of 9% meanwhile gross margins are projected to compress 1ppt QoQ. Finance costs are projected to rise 146% QoQ, reflecting the effects of increased debt levels post-acquisition.
- Excluding PIOC consolidation effects, net sales for MLCF are expected to decline 3% YoY to clock in at PKR 16.1bn, while gross margins are projected to remain flattish at 35%. On a sequential basis, MLCF is projected to record 15% QoQ decline in net sales primarily due to a likely 15% QoQ decline in local dispatches along with a plunge in exports to Afghanistan, more than offsetting a 3% QoQ rise in prices.

#### Key Data

PSX Ticker	MLCF
Target Price (PKR)	140
Current Price (PKR)	92
Upside/(Downside) (%)	52%
Dividend Yield (%)	0%
Total Return (%)	52%
12-month High (PKR)	133
12-month Low (PKR)	60
Outstanding Shares (mn)	1,047
Market Cap (PKR mn)	96,418

Source: PSX, Akseer Research

Financial Estimates (PKR mn)	3QFY25	3QFY26E	YoY	9MFY25	9MFY26E	YoY
Sales	16,631	20,640	24.1%	51,379	56,059	9%
Cost of Sales	10,728	13,770	28.3%	32,936	37,031	12%
<b>Gross Profit</b>	<b>5,903</b>	<b>6,871</b>	16.4%	<b>18,443</b>	<b>19,028</b>	<b>3%</b>
General and Admin	770	745	-3.3%	3,160	2,340	-26%
Selling and Distribution	540	844	56.4%	1,800	2,242	25%
Other Operating Expenses	424	370	-12.7%	1,215	837	-31%
Other Income	127	289	127.6%	1,340	1,315	-2%
Finance Cost	464	937	101.9%	2,555	1,716	-33%
<b>Profit Before Tax</b>	<b>3,833</b>	<b>4,264</b>	11.3%	<b>11,053</b>	<b>13,208</b>	<b>19%</b>
Taxation	940	1,663	77.0%	3,082	4,760	54%
<b>Net Income</b>	<b>2,893</b>	<b>2,601</b>	-10.1%	<b>7,971</b>	<b>8,448</b>	<b>6%</b>
<b>EPS (PKR)</b>	<b>2.67</b>	<b>2.48</b>	-6.9%	<b>7.51</b>	<b>8.06</b>	<b>7%</b>
DPS (PKR)	0.00	0.00		0.00	0.00	

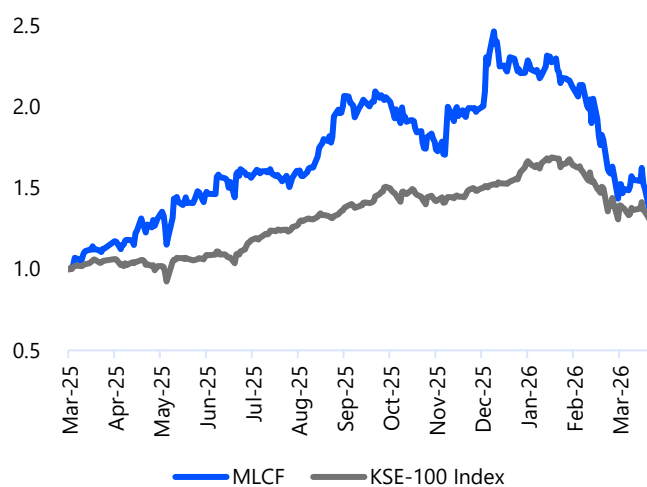
Source: Company Accounts, Akseer Research

Key Financial Ratios*	FY24A	FY25A	FY26E	FY27F	FY28F	FY29F	FY30F	FY31F
EPS (PKR)	6.5	11.0	9.0	12.3	16.8	22.0	27.7	33.9
EPS Growth	21.0%	68.7%	-18.2%	37.3%	36.2%	31.2%	25.8%	22.3%
DPS (PKR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BVPS (PKR)	54.4	67.7	79.3	86.3	96.5	110.5	128.4	150.9
PER	14.1	8.4	10.9	13.1	9.0	6.6	5.1	4.1
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P/B	1.7	1.4	1.2	1.1	1.0	0.8	0.7	0.6
ROE	13.1%	17.9%	11.5%	8.5%	11.1%	13.5%	15.1%	16.1%

Source: Company Accounts, Akseer Research

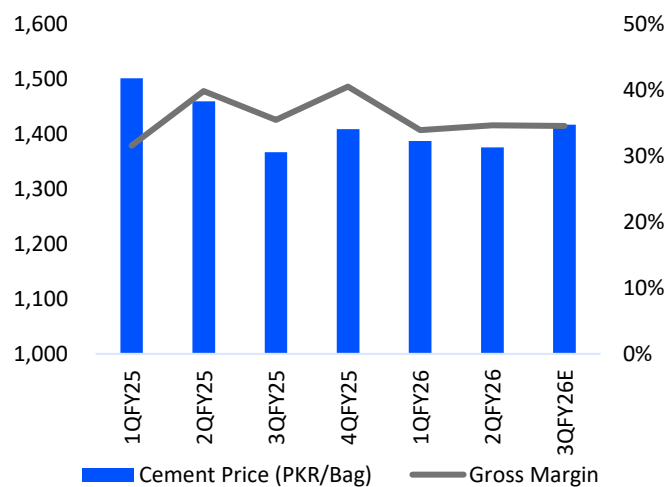
\*Effects of PIOC consolidation have been incorporated in Income Statement Items but not in Balance Sheet and Cashflow Statement Items

### Relative Price Performance of MLCF



Source: PSX, Akseer Research

### Gross Margins Stabilizing Following Price Correction



Source: PBS, Company Accounts, Akseer Research

### Valuation Basis

Our PT for Maple Leaf Cement Factory Limited (MLCF) has been computed using Sum of The Parts (SOTP) method where company's core operations have been valued by discounting Free Cash Flow to Firm (FCFF). We have used a risk-free rate of 10.5%, a beta of 1.2, a market risk premium of 6%, and cost of debt of 10.5% to arrive at WACC of 16.7%.

### Investment Thesis

We have a 'Buy' recommendation on the stock based on our Dec-26 PT of PKR 140/share. Our investment case is based on (1) efficient energy mix driving sustainable margins, (2) diversified portfolio supporting stable income streams and (3) acquisition of PIOC to further increase consolidated capacity-based market share in the Northern region from 12.3% to ~20%, currently making it the second largest player in the Northern region only after BWCL.

### Risks

Key downside risks to our investment thesis include (1) continued closure of Afghan border to disrupt local coal prices and put pressure on exports, (2) increase in global coal prices to cause margins to come under pressure, and (3) increase in interest rate to affect earnings due to higher finance cost.

## Company Description

Maple Leaf Cement Factory Limited (MLCF) is Pakistan's one of the largest cement manufacturer, producing ordinary Portland and various other types of cement. The plant is located in Daudkhel, Mianwali, Punjab. It has an annual cement production capacity of 8.2mn tons along with a dedicated line for white cement, having annual production capacity of 150,000 tons. With the recent acquisition of PIOC, MLCF's consolidated annual capacity has increased to 13.4mn tons, making it second largest player in the Northern region after BWCL.

## Financial Highlights – MLCF

Income Statement* (PKR Mn)	FY24A	FY25A	FY26E	FY27F	FY28F	FY29F	FY30F	FY31F
Net Sales	66,452	68,654	82,813	126,524	146,247	169,042	192,218	216,286
Cost of Sales	44,022	43,212	55,180	86,961	99,491	114,014	128,708	143,972
<b>Gross Profit</b>	<b>22,430</b>	<b>25,442</b>	<b>27,633</b>	<b>39,563</b>	<b>46,756</b>	<b>55,029</b>	<b>63,510</b>	<b>72,314</b>
Other Expenses	8,516	8,412	7,807	9,509	10,753	12,168	13,608	15,110
<b>Operating Profit (EBIT)</b>	<b>13,914</b>	<b>17,030</b>	<b>19,826</b>	<b>30,054</b>	<b>36,003</b>	<b>42,861</b>	<b>49,902</b>	<b>57,204</b>
Other Income	427	3,111	1,850	2,679	3,856	5,752	8,333	11,702
Finance Cost	3,535	3,012	4,072	8,893	7,693	6,699	5,763	4,961
<b>Profit before tax (PBT)</b>	<b>10,806</b>	<b>17,891</b>	<b>17,603</b>	<b>23,840</b>	<b>32,166</b>	<b>41,914</b>	<b>52,472</b>	<b>63,945</b>
Taxation/Levies	3,886	4,865	6,500	9,298	12,545	16,346	20,464	24,939
<b>Profit after tax (PAT)</b>	<b>6,920</b>	<b>13,025</b>	<b>11,103</b>	<b>14,542</b>	<b>19,621</b>	<b>25,567</b>	<b>32,008</b>	<b>39,007</b>
<b>EPS (PKR)</b>	<b>6.51</b>	<b>10.98</b>	<b>8.99</b>	<b>12.33</b>	<b>16.80</b>	<b>22.04</b>	<b>27.71</b>	<b>33.89</b>
DPS (PKR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company Accounts, Akseer Research

\*Effects of PIOC consolidation have been incorporated in Income Statement Items but not in Balance Sheet and Cashflow Statement Items

Balance Sheet* (PKR Mn)	FY24A	FY25A	FY26E	FY27F	FY28F	FY29F	FY30F	FY31F
PPE	72,786	72,403	147,936	144,221	140,450	136,622	132,735	128,790
Other LT assets	183	9,673	15,697	15,705	15,697	15,690	15,683	15,675
Non-current assets	72,969	82,077	163,632	159,926	156,148	152,312	148,418	144,465
Current assets	27,375	36,655	39,902	44,709	53,346	67,019	85,371	109,345
<b>Total assets</b>	<b>100,344</b>	<b>118,731</b>	<b>203,534</b>	<b>204,634</b>	<b>209,493</b>	<b>219,330</b>	<b>233,789</b>	<b>253,810</b>
Non-current liabilities	23,672	24,353	98,463	89,596	81,324	73,701	66,371	60,054
Current liabilities	19,028	23,419	21,996	24,590	27,043	29,914	32,867	35,706
<b>Total liabilities</b>	<b>42,700</b>	<b>47,772</b>	<b>120,459</b>	<b>114,186</b>	<b>108,367</b>	<b>103,615</b>	<b>99,238</b>	<b>95,760</b>
Equity	57,644	70,959	83,075	90,448	101,127	115,715	134,551	158,050
<b>Total equity &amp; liabilities</b>	<b>100,344</b>	<b>118,731</b>	<b>203,534</b>	<b>204,634</b>	<b>209,493</b>	<b>219,330</b>	<b>233,789</b>	<b>253,810</b>

Source: Company Accounts, Akseer Research

\*Effects of PIOC consolidation have been incorporated in Income Statement Items but not in Balance Sheet and Cashflow Statement Items

Cash Flow Statement* (PKR Mn)	FY24A	FY25A	FY26E	FY27F	FY28F	FY29F	FY30F	FY31F
Net Income	6,920	11,503	8,862	7,373	10,678	14,589	18,836	23,498
Non-Cash Charges	4,848	4,816	4,630	5,545	5,629	5,715	5,801	5,890
Operating Cash Flows	12,239	19,866	8,971	12,326	15,695	19,597	23,934	28,657
<b>FCFF</b>	<b>3,827</b>	<b>(1,028)</b>	<b>(68,811)</b>	<b>17,179</b>	<b>19,027</b>	<b>21,006</b>	<b>22,973</b>	<b>24,837</b>
Net Borrowings	(2,994)	(302)	71,491	(9,832)	(8,868)	(8,272)	(7,807)	(7,030)
<b>FCFE</b>	<b>(2,275)</b>	<b>(1,230)</b>	<b>323</b>	<b>655</b>	<b>4,976</b>	<b>9,446</b>	<b>14,219</b>	<b>19,690</b>
<b>Closing Cash</b>	<b>1,279</b>	<b>1,862</b>	<b>3,292</b>	<b>12,196</b>	<b>17,173</b>	<b>26,619</b>	<b>40,838</b>	<b>60,528</b>

Source: Company Accounts, Akseer Research

\*Effects of PIOC consolidation have been incorporated in Income Statement Items but not in Balance Sheet and Cashflow Statement Items

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To arrive at our 12-months Price Target, the JV uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology.

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Rating	Expected Total Return
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Hold	Between -5% and +15%
Sell	Less than or equal to -5%

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## Contact Details



Akseer Research (Pvt) Limited  
 1st Floor, Shaheen Chambers, KCHS block 7 & 8,  
 off. Shahrah-e-Faisal  
 T: +92-21-34320359 -60  
 E: [info@akseerresearch.com](mailto:info@akseerresearch.com)



Alpha Capital (Pvt) Limited  
 3rd Floor, Shaheen Chambers, A-4 Central Commercial Area,  
 KCH Society, Block 7 & 8, Near Virtual University, Karachi  
 T: +92-21-38694242  
 E: [info@alphacapital.com.pk](mailto:info@alphacapital.com.pk)



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