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MLCF: 3QFY26 Consolidated EPS clocks in at PKR 1.69, down 37% YoY

Maple Leaf Cement Factory Limited

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

- MLCF announced its 3QFY26 results, wherein the company reported a consolidated EPS of PKR 1.69*, down 37% YoY. This takes cumulative earnings of 9MFY26 to PKR 7.27/share*, down 3% YoY. The company did not announce any dividend for the quarter, bringing the cumulative dividend per share for 9MFY26 to zero.
- To recall, 3QFY26 marks the first quarter in which MLCF consolidated PIOC's results following the completion of its acquisition on 19 February 2026, with only 1.4 months of PIOC's performance incorporated on a pro rata basis, which we already highlighted in our result preview.
- Net sales for 3QFY26 clocked in at PKR 21.5bn, up 30% YoY primarily reflecting the effects of consolidation. Consolidated gross margins clocked in at 33% in 3QFY26, down 2 ppts YoY, reflecting the impact of MLCF's higher energy cost as well as PIOC's higher cost base.
- Finance costs surged 3.4x YoY to PKR 1.6bn, meanwhile debt/equity ratio spiked to 1.1x in 3QFY26 from 0.2x SPLY, reflecting the PKR 75bn Sukuk transaction undertaken to finance the acquisition of PIOC.
- The consolidated earnings also came under pressure due to a 141% YoY surge in administrative expenses, clocking in at PKR 1.3bn.
- On a sequential basis, consolidated earnings declined 43% QoQ. Net sales increased 14% QoQ reflecting consolidation. The increase, however, was more than offset by a 4.2x QoQ surge in finance cost along with PKR 343mn share of loss from an associated company (compared to a PKR 223mn share of profit in 2QFY26). Meanwhile, gross margins compressed 2ppts QoQ.
- On an unconsolidated basis, net sales increased 2% YoY to PKR 16.9bn as local dispatches broadly remain flat and the plunge in exports to Afghanistan was offset by 4% YoY increase in cement prices. Earnings declined 88% YoY to PKR 0.92/share primarily due to absence of a dividend from Maple Leaf Power Limited (which was PKR 5.6bn SPLY) along with a 134% YoY surge in admin expenses to PKR 1.1bn. Gross margins compressed 2ppts YoY to clock in at 29%, likely reflecting higher energy costs due to coal disruptions.
- On a sequential basis, net sales declined 11% QoQ, reflecting a likely 15% QoQ decline in dispatches, more than offsetting a 3% QoQ increase in prices. Earnings dipped 62% QoQ, primarily reflecting a 63% QoQ increase in admin expenses along with 4.0x surge in finance costs.
- Interestingly on an unconsolidated basis, administration expenses as a percentage of sales have surged to 6.7% in 3QFY26 as compared to 2.9% in 2QFY26 and 3.7% in SPLY. We await further clarity from detailed accounts regarding the surge which can likely include one-off items.

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	3QFY26	YoY	9MFY25	9MFY26E	YoY
Sales	16,631	21,545	29.5%	51,379	56,964	11%
Cost of Sales	10,728	14,415	34.4%	32,936	37,677	14%
Gross Profit	5,903	7,130	20.8%	18,443	19,287	5%
General and Admin	770	723	-6.1%	3,160	2,319	-27%
Selling and Distribution	540	1,302	141.2%	1,800	2,700	50%
Other Operating Expenses	424	640	51.1%	1,215	1,107	-9%
Other Income	127	271	113.5%	1,340	1,297	-3%
Finance Cost	464	1,591	242.5%	2,555	2,369	-7%
Profit Before Tax	3,833	3,146	-17.9%	11,053	12,089	9%
Taxation	940	1,197	27.4%	3,082	4,295	39%
Net Income	2,893	1,948	-32.6%	7,971	7,795	-2%
EPS (PKR)*	2.67	1.69	-36.6%	7.51	7.27	-3%
DPS (PKR)	0.00	0.00		0.00	0.00	

Source: Company Accounts, Akseer Research

*EPS for profit attributable to the equity holders of the holding company

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