

Flash Note

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Cement

Maple Leaf Cement Factory Limited (MLCF)

Earnings: Maple Leaf Cement Factory Limited (MLCF) announced its 1HFY24 result. The Company reported unconsolidated earnings for 2QFY24 of PKR 1.8bn (PKR 1.71/share), down by -20% y/y, compared to earnings of PKR 2.3bn (PKR 2.19/share) in the same period last year. This brings total earnings for 1HFY24 to PKR 3.2bn (PKR 2.95/share), down by -11%y/y, compared to PKR 3.6bn (PKR 3.31/share) in the corresponding period last year.

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

Operating Performance: During 2QFY24, the company's net sales increased by +5%y/y likely owing to higher cement prices despite lower dispatches. Moreover, gross profit margin increased to 33% compared to 32% in the same period last year owing to lower imported coal prices. Administrative, selling and distribution cost jumped by +83% y/y likely due to the axle load implementation. Finance cost augmented by +70%y/y likely owing to higher borrowing and interest rates. The effective tax rate during 1HFY24 stood at 31% compared to 32% during the same period last year.

Exhibit: Maple Leaf Cement Factory Limited (MLCF) Financial highlights						
For period ending: 2q/24						
PKRbn=Dec(end)	1HFY24	2q/24	1q/24	1HFY23	2q/23	1q/23
Net Sales	34.7	18.1	16.7	30.1	17.2	12.8
Gross Profits	11.0	6.0	5.0	9.1	5.5	3.6
Admin	1.0	0.6	0.4	0.7	0.3	0.4
EBIT	6.7	3.5	3.2	6.5	4.1	2.4
Finance cost	2.1	1.0	1.1	1.2	0.6	0.6
Profit before tax	4.6	2.5	2.1	5.3	3.5	1.8
Taxation	1.4	0.6	0.8	1.7	1.1	0.6
Profit after Tax	3.2	1.8	1.3	3.6	2.3	1.2
EPS*	2.95	1.71	1.24	3.31	2.19	1.13
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margins	32%	33%	30%	30%	32%	28%
EBIT Margins	19%	19%	19%	22%	24%	19%
Effective tax	31%	26%	37%	32%	33%	32%
Net Margins	9%	10%	8%	12%	14%	9%

Source: Company Accounts, IGI Research, *Number of Shares (mn): 1,073.3

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