

# Flash Note

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Securities

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## Cement

### Maple Leaf Cement Factory Limited (MLCF)

**Earnings:** Maple Leaf Cement Factory Limited (MLCF) announced its 4Q'23 result. For the period, the Company reported consolidated loss of PKR 0.4bn (LPS PKR 0.38) compared to earnings of PKR 0.2bn (EPS PKR 0.22) in the same period last year. This brings FY23 total earnings to PKR 5.8bn (PKR 5.38/share), up by +27%/y.

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

**Operating Performance:** During 4Q'23, company's net sales increased by +4%/y likely owing to higher cement prices despite lower dispatches. Moreover, gross profit margin dropped to 25% compared to 27% in the same period last year. Administrative, selling and distribution cost jumped by +15% y/y. Finance cost augmented by +75%/y likely owing to higher borrowing and interest rates. Tax charge clocked in at PKR 2.4bn or 121% (4QFY22: 90%), bringing total effective tax rate for FY23 to 46% compared to 44% last year.

Exhibit: Maple Leaf Cement Factory Limited (MLCF) Financial highlights											
For period ending: 4q/23											
PKRbn=Jun(end)	2023	4q/23	3q/23	2q/23	1q/23	2022	4q/22	3q/22	2q/22	1q/22	2021
Net Sales	62.1	15.0	17.0	17.2	12.8	48.5	14.4	12.0	12.2	9.9	35.5
Gross Profits	17.6	3.7	4.6	5.6	3.7	13.2	3.9	3.3	3.9	2.2	8.5
Admin	1.4	0.3	0.4	0.3	0.4	1.0	0.3	0.2	0.2	0.2	0.8
EBIT	13.1	2.9	3.1	4.6	2.5	9.8	2.9	2.5	3.0	1.4	6.3
Finance cost	2.4	0.9	0.4	0.5	0.6	1.7	0.5	0.5	0.4	0.3	1.4
Profit before tax	10.7	2.0	2.7	4.1	2.0	8.1	2.3	2.1	2.6	1.1	4.9
Taxation	4.9	2.4	0.8	1.2	0.6	3.6	2.1	0.5	0.7	0.3	1.1
Profit after Tax	5.8	(0.4)	1.9	2.9	1.4	4.5	0.2	1.6	1.9	0.8	3.8
<b>EPS</b>	<b>5.38</b>	<b>(0.38)</b>	<b>1.75</b>	<b>2.73</b>	<b>1.28</b>	<b>4.24</b>	<b>0.22</b>	<b>1.46</b>	<b>1.78</b>	<b>0.78</b>	<b>3.57</b>
<b>DPS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Gross Margins	28%	25%	27%	33%	29%	27%	27%	27%	32%	22%	24%
EBIT Margins	21%	19%	18%	27%	20%	20%	20%	21%	24%	14%	18%
Effective tax	46%	121%	30%	28%	30%	44%	90%	24%	27%	25%	22%
Net Margins	9%	-3%	11%	17%	11%	9%	2%	13%	16%	8%	11%

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

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