

Flash Note

Friday, 13 August 2021

Cements

Maple Leaf Cement Factory Limited (MLCF)

Earnings of PKR 0.89/share reported in 4QFY21; improved retentions and considerably curtailed costs structure boost margins

- Maple Leaf Cement Factory Limited (MLCF) announced its financial result for 4QFY21 wherein it reported a net profit of PKR 980mn (EPS: PKR 0.89), as against net loss of PKR 832mn (LPS: PKR 0.76) in 4QFY20. Sequentially, earnings down by 20%q/q. This takes FY21 earnings to PKR 3,828mn (EPS: PKR 3.49) as against net loss of PKR 3,559mn (LPS: PKR 3.24). In conjunction with the result the company did not announce any cash dividend.
- Maple leaf's top-line inched up by 58%y/y in 4QFY21 supported by increased cement retention. However, on sequential basis it only increased by meager 1%q/q. Potential increase in top-line on sequential basis however, was marred by 5%q/q reduction in volumetric off-takes. In FY21 top-line growth of the company arrived at 22%y/y as higher retention neutralize lower offtakes.
- Gross margins of the company jacked up to 25% y/y in 4QFY21 as against -2% registered in last year. This was largely driven by better absorption of fixed cost amid higher volumetric sales and higher retentions.
- Finance charges dipped by 48%y/y and 8%q/q to PKR 280mn led by lower interest and lower debt balance amidst improving cash balance..
- In order to support its parent company and to maintain its working capital requirement, the Company approved an investment of PKR 500mn.

Exhibit: MLCF Financial Highlights

PKRmn	4QFY21	4QFY20	YoY	3QFY21	QoQ	FY21	FY20	YoY
Net Sales	9,542	6,021	58%	9,477	1%	35,640	29,118	22%
Gross Profit	2,378	-95	n.m.	2,539	-6%	8,601	585	14.69x
S/M/D	681	437	56%	579	18%	2,095	1,608	30%
Other expenses	150	38	3.99x	119	27%	431	161	2.68x
Other Income	51	27	86%	58	-12%	223	146	53%
EBIT	1,597	(542)	n.m.	1,899	-16%	6,297	(1,038)	n.m.
Finance Cost	280	538	-48%	304	-8%	1327.2	2,897	-54%
PBT	1,317	-1,080	n.m.	1,595	-17%	4,970	-3,934	n.m.
PAT	980	(832)	n.m.	1,223	-20%	3,828	(3,559)	n.m.
EPS (PKR)	0.89	(0.76)		1.11		3.49	(3.24)	
DPS (PKR)	-	-		-		-	-	

Source: IGI Research and Company Financials No of Shares: 1098mn

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