

Flash Note

Thursday, 25 April 2019

Cements

Maple Leaf Cement Factory Limited (MLCF)

Lower offtakes and elevated production costs push 3QFY19 earnings down by 50%YoY to PKR 0.94/share

- Maple Leaf Cement Factory Limited (MLCF) announced its financial results for 3QFY19 with consolidated earnings clocking in at PKR 558mn (EPS: PKR 0.94), down by 50%YoY, as compared to PKR 1.12bn (Fully diluted EPS: PKR 1.89) reported in the same period last year. This brings 9MFY19 consolidated earnings to PKR 1.89bn (EPS: PKR 3.19), down by 67%YoY, as against PKR 3.37bn (Fully diluted EPS: 5.68) recorded in the similar period of the preceding year.
- Net Sales of the Company during the quarter declined by 14%YoY largely owing to lower dispatches made as a consequence of slowdown in development projects during the quarter under review and stiff competition faced in the domestic arena.
- Gross profits during the period dropped by a substantial 40%YoY largely due to rise in input costs stemming from elevated coal prices globally and impact of PKR devaluation.
- Effective tax rate of the group for the quarter stood at 20% as against 24% reported in the comparative period. We await quarterly report of the Company for further details.

Exhibit:

MLCF Result Highlights - Consolidated

Period end (JUN) - PKRmn	3QFY19	3QFY18	YoY	9MFY19	9MFY18	QoQ
Net Sales	6,027	7,024	-14%	18,276	19,225	-63%
Gross Profit	1,380	2,312	-40%	4,755	6,436	-64%
Sell. / Dist. & Admin	379	423	-11%	1,126	1,068	-60%
Non-Operating Income	10	7	47%	30	55	-87%
EBIT	987	1,736	-43%	3,456	4,995	-65%
Financial Charges	289	263	10%	1,010	593	-56%
Pre-tax Profits	698	1,474	-53%	2,446	4,402	-67%
Taxation	140	352	-60%	554	1,032	-66%
Post-tax Profits	558	1,122	-50%	1,893	3,370	-67%
EPS	0.94	1.89		3.19	5.68	
DPS	-	-		-	1.50	
Key Ratios						
Gross Margin (%)	22.9	32.9		26.0	33.5	
Net Margin (%)	9.3	16.0		10.4	17.5	
Effective Tax Rate (%)	20.1	23.9		22.6	23.4	

Source: Company Accounts, IGI Research

No. of Shares: 594mn

Analyst

Muhammad Saad, ACCA

muhammad.saad@igi.com.pk

Tel: (+92-21) 111-234-234 Ext.: 816