

## Result announcement 1QFY23

### Cements

## Maple Leaf Cement Factory Limited (MLCF)

**Earnings:** On a consolidated basis, Maple Leaf Cement Factory Limited (MLCF) announced its financial result for the first quarter FY23, whereby company reported earnings of PKR 1,378mn or PKR 1.25/share compared to last year PKR 839mn or PKR 0.76/share, up nearly 64%y/y. On quarterly basis, company's profitability is up by nearly 5x, mainly due to higher tax charge in previous quarter.

**Payout:** The Company did not announce any payout along with the result.

**Operating performance:** For the 1QFY23, Company's sales recorded a +30%y/y growth to PKR 12.8bn backed by better retention prices despite industry wide slowdown in volumes. On sequential basis, sales are down by 11%q/q. Amid better retention prices, company's gross margins rose to 29% compared to 22% last year same period and 27% during the 4QFY22, overcoming the effect of rise in coal prices, energy price tariff and currency devaluation impact. Interest costs during the quarter settled at PKR 561mn slightly higher on sequential basis, up by +81%q/q amid higher interest rates and increased financing. Effective tax rate for the period came at 30% (additional tax measures announced in budget 2023) compared to 90% in 4QFY23, and 25% during last year same period.

Exhibit: Maple Leaf Cement Factory Limited (MLCF) Financial highlights							
For period ending: 1q/22a							
PKRmn=Jun(end)	1q/23a	FY22a	4q/22a	3q/22a	2q/22a	1q/22a	FY21
Net Sales	12,827	48,520	14,408	11,990	12,226	9,896	35,538
Gross Profits	3,695	13,239	3,857	3,286	3,889	2,207	8,499
EBIT	2,527	9,798	2,858	2,532	2,985	1,423	6,297
Finance cost	561	1,658	508	474	365	311	1,327
Profit before tax	1,966	8,139	2,350	2,058	2,620	1,112	4,970
Taxation	588	3,586	2,117	494	701	273	1,142
Profit after Tax	1,378	4,553	232	1,563	1,919	839	3,828
<b>EPS</b>	<b>1.25</b>	<b>4.15</b>	<b>0.21</b>	<b>1.42</b>	<b>1.75</b>	<b>0.76</b>	<b>3.49</b>
<b>DPS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Sales Gr. y/y	30%	37%	-59%	27%	35%	32%	22%
Gross Margins	29%	27%	27%	27%	32%	22%	24%
EBIT Margins	20%	20%	20%	21%	24%	14%	18%
Effective tax	30%	44%	90%	24%	27%	25%	23%
Net Margins	11%	9%	2%	13%	16%	8%	11%

Source: Company Accounts, IGI Research

Number of Shares (mn): 1098.3

### Analyst

Abdullah Farhan

[Abdullah.Farhan@igi.com.pk](mailto:Abdullah.Farhan@igi.com.pk)

Tel: +92 21 111 234 234 Ext: 912

Aariz Raza

[Aariz.raza@igi.com.pk](mailto:Aariz.raza@igi.com.pk)

Tel: +92 21 111 234 234 Ext: 816

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Research Analyst(s)  
Research Identity Number: BRP009  
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## Contact Details

### Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

### Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	huzaifa.yaseen@igi.com.pk

### IGI Finex Securities Limited

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Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

#### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
 Fax: (+92-21) 35309169, 35301780

#### Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,  
 Stock Exchange Road, Karachi.  
 Tel: (+92-21) 32429613-4, 32462651-2  
 Fax: (+92-21) 32429607

#### Lahore Office

Shop # G-009, Ground Floor,  
 Packages Mall  
 Tel: (+92-42) 38303560-69  
 Fax: (+92-42) 38303559

#### Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
 Block- B, Jinnah Avenue, Blue Area  
 Tel: (+92-51) 2604861-2, 2604864, 2273439  
 Fax: (+92-51) 2273861

#### Faisalabad Office

Room #: 515-516, 5th Floor, State Life  
 Building, 2- Liaqat Road  
 Tel: (+92-41) 2540843-45  
 Fax: (+92-41) 2540815

#### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
 Model Town, Town Hall Road  
 Tel: (+92-68) 5871652-3  
 Fax: (+92-68) 5871651

#### Multan Office

Mezzanine Floor, Abdali Tower,  
 Abdali Road  
 Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Mezzanine Floor, Office 5, 6 & 7, Kashmir  
 Plaza,  
 Block- B, Jinnah Avenue, Blue Area  
 Tel: (+92-51) 2604861-2, 2604864, 2273439  
 Fax: (+92-51) 2273861

#### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
 Regency International 949, The Mall  
 Faisalabad  
 Tel: (+92-41) 2540843-45

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Plot # 12, Basement of Khalid Market,  
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