

Cements

Exhibit: MLCF Profitability trend

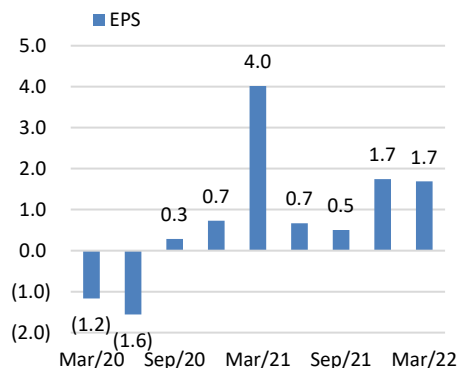
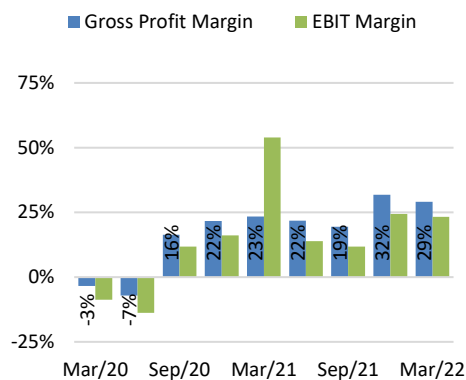


Exhibit: MLCF margins trend



Earnings Preview

MLCF: 3qFY22 EPS Expected To Arrive At PKR 1.7/Share; Slightly Down By 3% on a Qtrly Basis

- MLCF board meeting is scheduled on 19th Apr-22 to announce financial result for 3QFY22, where we expect the company to post earnings of PKR 1.85bn (EPS PKR 1.7), down by -58%y, compared to PKR 4.4bn (EPS PKR 4.0) in the same period last year. We estimate decline in earnings on the back of rising input cost and slowdown in construction activities.

MLCF earnings expected to drop by -3% to PKR 1.7/share

Maple Leaf Cement Factory Limited (MLCF) board meeting is scheduled on 19th Apr-22 to announce financial result for 3QFY22, where we expect the company to post earnings of PKR 1.85bn (EPS PKR 1.7), down by -58%y, compared to PKR 4.4bn (EPS PKR 4.0) in the same period last year. On quarterly basis, earnings are expected to drop by -3%q.

We estimate decline in earnings on the back of rising input cost and slowdown in construction activities, reflected by lower volumes ([link](#)). During the period, net sales are expected to rise by +32%y whereas, on quarterly basis the company is expected to show increase of +3%q mainly due to higher retention prices. Highlighting the fact that MLCF achieved one of highest margins during the last quarter on the back of strong cost and inventory management. The company is currently using mix of afghan and pet coke, which in our view will continue to keep its cost structures on the lower side. However, despite we expect overall company's gross margins to shrink to 29% versus 32% achieved last quarter.

Exhibit: Financial Highlights of Maple Leaf Cement Company Limited (MLCF)									
Latest result for: 3q'22E									PKRmn
Period (jun)	3q'22E	2q'22	1q'22	2021	4q'21	3q'21	2q'21	1q'21	2020
Net Sales	12,533	12,226	9,896	35,640	9,542	9,477	9,100	7,521	29,118
Gross Profit	3,640	3,889	1,929	8,601	2,084	2,224	1,969	1,229	614
Admin	245	231	216	979	281	261	235	195	791
S/m/d	350	380	400	1,116	399	316	238	162	845
EBIT	2,920	2,985	1,161	6,297	1,321	5,117	1,463	882	(1,038)
Finance cost	310	365	330	1,327	306	348	370	469	2,897
Taxation	757	701	273	1,142	282	357	293	104	(375)
Profit after tax	1,853	1,919	558	3,828	733	4,412	800	309	(3,559)
EPS	1.7	1.7	0.5	3.5	0.7	4.0	0.7	0.3	(3.2)
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, IGI Research, PSX No. of shares: (mn) 1098.3

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