Flash Note

Friday, July 31, 2026

Cement

Maple Leaf Cement Factory Limited (MLCF)

Earnings: Maple Leaf Cement Factory Limited (MLCF) announced it 4QFY26 result. The Company reported unconsolidated earnings for 4QFY26 of PKR 2.4bn (PKR 2.26/share), down by -52%y/y due to higher finance cost which was primarily attributed to higher borrowing for the acquisition of Pioneer Cement Limited (PIOC), compared to earnings of PKR 4.9bn (PKR 4.69/share) in the same period last year. On FY26 basis, the Company reported earnings of PKR 8.4bn (EPS PKR 8.06/share) down by -50%y/y compared to PKR 17.0bn (EPS PKR 16.26/share) in the same period last year.

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

Operating Performance: During 4QFY26, company's net sales increased by +5%y/y to PKR 18.4bn due to higher average price in comparison to the same period last year. Administrative cost increased by +31% y/y to PKR 0.69bn compared to PKR 0.53bn in the same period last year. The Company reported net finance cost of PKR 1.9bn during 4QFY26 compared to net finance income to PKR 0.6bn in the same period last year owing to higher borrowings related to PIOC acquisition. The effective tax rate during 4QFY26 stood at 52.7% compared to 26.4% during the same period last year. Net Margins during 4QFY26 stood at 13% in comparison to 28% during the corresponding period last year.

Recommendation: We have a "BUY' stance on MLCF with our Dec-26 Target Price of PKR 160/share offering 67% upside from last close. The Company is currently trading at FY27 P/E of 7.0x.

Exhibit: Maple Leaf Cement Factory Limited (MLCF) Financial highlights

For period ending: 4q/26

PKRbn	4q/26	4q/25	y/y	3q/26	q/q	FY26	FY25	y/y
Net Sales	18.4	17.6	5%	16.9	9%	70.7	68.9	3%
Gross Profits	7.9	6.7	18%	5.0	59%	23.9	23.7	1%
Admin	0.7	0.5	31%	1.1	-39%	3.1	2.2	40%
EBIT	6.8	6.6	3%	3.0	124%	18.0	17.4	3%
Finance cost	1.9	(0.6)	n/m	1.4	38%	4.0	2.5	63%
Profit before tax	5.0	6.7	-25%	1.6	204%	14.9	21.7	-31%
Taxation	2.6	1.8	49%	0.7	286%	6.4	4.6	39%
Profit after Tax	2.4	4.9	-52%	1.0	146%	8.4	17.0	-50%
EPS*	**2.26**	**4.69**		**0.92**		**8.06**	**16.26**	
DPS	**0.00**	**0.00**		**0.00**		**0.00**	**0.00**	
Gross Margins	43%	38%		29%		34%	34%	
EBIT Margins	37%	38%		18%		25%	25%	
Effective tax	53%	26%		42%		43%	21%	
Net Margins	13%	28%		6%		12%	25%	

Source: Company Accounts, IGI Research, *Number of Shares (mn): 1,047.6

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Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)
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Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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Basic Definitions and Terminologies used: Target Price: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

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