

# Cement: Maple Leaf Cement Factory Limited

## Result Review: Earnings for 1QFY26 registered a 103% YoY growth

REP-300

### 1QFY26: Earnings arrived at PKR 2.60/share

Maple Leaf Cement Factory Limited (MLCF) announced its financial results for 1QFY26 today, reporting consolidated earnings of PKR 2.7bn (EPS: PKR 2.60), showcasing a jump of 103% YoY. Higher earnings are due to higher Net Revenue, improved margins, lower distribution and finance costs.

### Result Highlights

- During 1QFY26, revenue increased by 5% YoY to PKR 16.5bn compared to PKR 15.7bn in 1QFY25. The improvement was driven primarily by higher domestic dispatches which increased by 22% YoY to 0.95mn tons. However, sales fell 5% QoQ amid a drop in local retention prices.
- Gross margins improved to 33.9% in 1QFY26 (up from 31.6% last year), aided by a better fuel and power mix and improved domestic dispatches. However, gross margins were lower compared to 40.5% recorded in 4QFY25. Lower margins are due to company's newer and more efficient production lines facing turnaround and higher production taking place at older lines.
- Selling and distribution expenses decreased by 43% YoY in 1QFY26, settling at PKR 774mn. Meanwhile, expenses are down by 20% on a QoQ basis. Decline in distribution costs is due to company switching from prior direct distribution model.
- Finance costs declined sharply, down 50% YoY in 1QFY26. This is attributed to lower interest rates and the company not having any short term borrowings on its balance sheet compared to PKR 4.7bn in 1QFY25.
- Other income increased by 9x to PKR 498mn in 1QFY26. Increase is due to higher cash and short term investments of PKR 14.6bn compared to PKR 6.8bn in 1QFY25.
- The company book effective taxation at 32.9% in 1QFY26 vis-à-vis 36.1% in 1QFY25.

### Exhibit: Financial Highlights

(PKR mn)	1QFY26	1QFY25	YoY	4QFY25	QoQ
<b>Income statement</b>					
Net Revenue	16,483	15,720	5%	17,275	-5%
Gross Profit	5,592	4,963	13%	6,999	-20%
Admin Exp.	587	586	0%	545	8%
Distribution Exp.	774	1,347	-43%	973	-20%
Other Exp.	322	311	4%	718	-55%
Other Income	498	55	9x	796	-37%
Finance Cost	335	675	-50%	(519)	nm
PBT	4,068	2,099	94%	5,416	-25%
Taxation	1,339	757	77%	1,783	-25%
PAT	2,728	1,342	103%	3,632	-25%
EPS (PKR)	2.60	1.28		3.47	

### Ratio Analysis

Gross Margins	33.9%	31.6%		40.5%	
Net Margins	16.6%	8.5%		21.0%	
Return on Equity	19.1%	12.2%		17.9%	
Return on Assets	11.1%	6.6%		10.5%	
Effective Tax Rate	32.9%	36.1%		32.9%	

Source (s): Company Financials, AHL Research

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