Sector

Cement

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Symbol: **MLCF**
Current Price: **PKR 90.87**
Market Cap (PKR bn): **95.12**
Total Shares (mn): **1,047.56**
Free Float (mn): **471.40**
52 Week High: **PKR 132.99**
52 Week Low: **PKR 71.00**

Maple Leaf Cement Factory Limited (MLCF)

Maple Leaf Cement Factory Limited (MLCF) reported standalone earnings per share of PKR 8.06 for FY26 (FY25: PKR 16.26). On a consolidated basis, the EPS stood at PKR 11.34 in FY26 (FY25: PKR 10.98).

Management noted that following four years of negative growth, the cement industry experienced a recovery in FY2026 (~10% growth; currently pacing at 7% to 7.5%). Domestic capacity utilization across Pakistan remains muted at 51% (North at 54%, South at 41%).

Geopolitical conflicts and international market volatility have pushed fuel and freight costs up across the board by approximately 40%.

Darra coal currently trades at PKR 62,000 to 63,000 per ton, with heating values between 6,200 and 6,500 kcal/kg. The management holds adequate inventory of pet coke & coal, sufficient for 3-4 months.

Retention prices have remained relatively flat; recent price hikes represent a direct pass-through of rising fuel and transportation expenses to preserve contribution margins.

Average power cost stands at 6.7 cents/kWh (PKR 18.85/unit). MLCF is aggressively transitioning Pioneer away from its inefficient coal plant toward national grid power (leveraging incremental tariff packages), solar additions (31 MW at Pioneer), and alternative fuels.

A captive solar power setup of 31MW at Pioneer is under execution and slated for commissioning by December 2026 / January 2027. AF/biomass firing capabilities at Pioneer will commence in January 2027.

Replicating MLCF's logistics framework at Pioneer is projected to yield an additional ~PKR 70/ton savings within the next two months. Management has already successfully implemented 50% to 60% of MLCF's operational practices at Pioneer.

Management is keeping Maple and Pioneer as two separate brands and independent sales networks to foster internal competition. This management push enabled Pioneer's sales team to optimize pricing and realize its full location advantage bringing its retention to PKR 250/ton above MLCF.

MLCF holds a strategic equity position of Faysal bank just under 5%, with State Bank of Pakistan (SBP) "fit and proper" clearance to acquire up to 10%, subject to cash flow and market supply conditions.

MLCF possesses dedicated railway sidings connecting plants to the port for direct coal movement. However, current Pakistan Railways wagon diversions to national priority energy projects have forced a temporary mix of rail and road transportation.

Going forward, management forecasts baseline industry growth of 7.0% to 7.5% over the near term. If government housing initiatives (such as the Apna Ghar Scheme) gain substantial traction, growth could reach 10%.

Novacare's civil construction completion is targeted between March and June 2026 (delayed 3–6 months) due to equipment shipping delays via the Straits of Hormuz.

PKR million (consolidated)	FY25	FY26	YoY	4QFY25	4QFY26	YoY
Net sales	68,654	85,146	24%	17,275	28,182	63%
Cost of sales	(43,212)	(53,539)	24%	(10,276)	(15,862)	54%
Gross profit	25,442	31,607	24%	6,999	12,320	76%
Gross margin	**37%**	**37%**		**41%**	**44%**	
Selling/distribution expenses	(4,134)	(2,983)	-28%	(973)	(664)	-32%
Administrative expenses	(2,345)	(4,031)	72%	(545)	(1,331)	144%
Operating profit	18,963	24,594	30%	5,481	10,325	88%
Financial charges	(1,918)	(3,969)	107%	(343)	(1,982)	478%
Other income	2,018	1,385	-31%	1,657	469	-72%
Other charges	(1,933)	(1,394)	-28%	(718)	(410)	-43%
Share of associates' profit/(loss)	(761)	(517)	-32%	(662)	(394)	-40%
Profit before tax	16,369	20,099	23%	5,416	8,009	48%
Taxation	(4,865)	(7,534)	55%	(1,783)	(3,240)	82%
Profit after tax	11,503	12,565	9%	3,632	4,769	31%
Net margin	**17%**	**15%**		**21%**	**17%**	
Profit after tax a/t non-controlling interest	0	681	N/A	0	503	N/A
Profit after tax a/t company owners	11,503	11,884	3%	3,632	4,267	17%
EPS (PKR)	10.98	11.34	3%	3.47	4.07	17%
DPS (PKR)	-	-	-	-	-	-

Source: Company financials, PSX

Important Disclosures

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