

Pakistan Equity | Maple Leaf Cement (MLCF) | Result Review (Oct 24, 2024)

MLCF Consolidated: Financial Highlights

Rsmn	1QFY25	1QFY24	YoY	4QFY24	QoQ
Net Sales	15,720	16,676	-6%	15,723	0%
Cost of Sales	10,757	11,448	-6%	9,689	11%
Gross Profit	4,963	5,228	-5%	6,034	-18%
Distribution Exp	1,347	1,151	17%	1,361	-1%
Admin Exp	586	407	44%	545	8%
Other Income	55	75	-27%	111	-50%
Other Exp.	311	336	-7%	274	14%
Op. Profit	2,774	3,409	-19%	3,965	-30%
Finance Cost	675	946	-29%	848	-20%
PBT	2,099	2,463	-15%	3,120	-33%
Taxation	757	836	-9%	1,575	-52%
PAT	1,342	1,627	-18%	1,517	-12%
EPS (Rs)	1.28	1.55		1.45	

Source: Company Accounts, Topline Research

1QFY25 EPS at Rs1.28, down by 18% YoY (Earnings below expectations)

- MLCF announced its 1QFY25 result today, where the company recorded consolidated earnings of ~Rs1.34bn (EPS of Rs1.28), down by 18% QoQ.
- The result came lower than expectations in 1QFY25 due to lower than expected gross margins.
- Alongside the result, the company did not announce any cash dividend which is as per expectations.
- Company recorded gross margins of 32% in 1QFY25 compared to 38% in 4QFY24 and 31% in 1QFY24.
- Gross margins are lower on a QoQ basis due to higher production costs related to higher royalties for Punjab based plants, according to channel checks. To recall, in 4QFY24 company utilized a higher proportion of alternative fuels in power mix.
- Net Revenue decreased by 6% YoY and remained flat on a QoQ basis to Rs15.7bn in 1QFY25. Decrease in revenue on a YoY basis is due to lower domestic dispatches.
- To recall, 1QFY25 domestic dispatches for MLCF decreased by 20% YoY and by 9% QoQ to 0.78mn tons and export dispatches increased by 49% YoY and by 37% QoQ to 0.07mn tons.
- Distribution expenses in 1QFY25 increased by 17% YoY to Rs1.35bn due to inflationary impact and implementation of axle load.
- Admin expenses increased by 44% YoY to Rs586mn due to inflationary impact.
- Effective tax rate in 1QFY25 stood at 36% compared to 50% in 4QFY24 and 34% in 1QFY24.
- MLCF is currently trading at FY25E PE of 4.9x and Dividend yield of 5%.

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