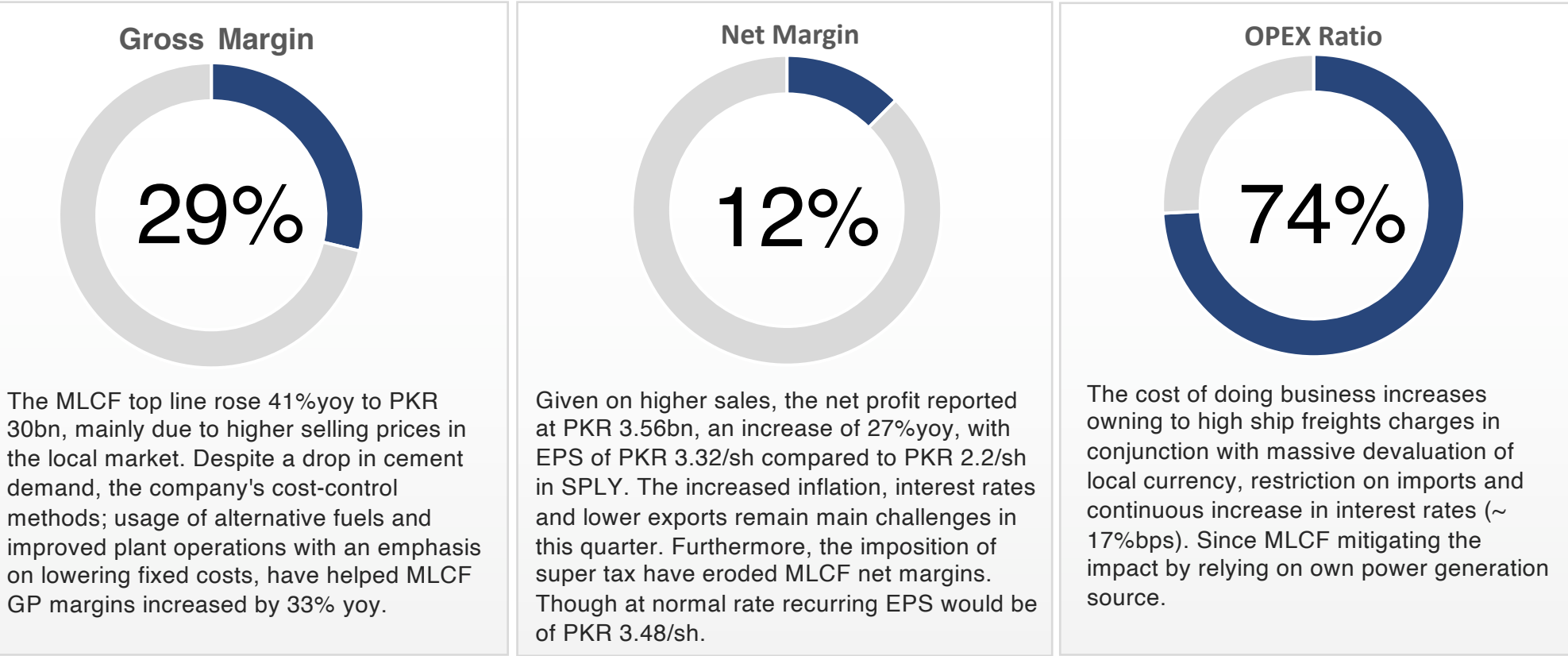


# Maple Leaf “MLCF” 1HFY23 Result Review

Cost control measures improved margins ..

Maple announced its 1HFY23 earnings where company has reported EPS of PKR 3.32/sh



#### MLCF Power generation

- 40 Mega watt, wholly owned Coal fired power plant (CFPP) (MLPL).
- Installed 2 solar plants of 5MW and 7.5MW at plant site.
- Expanded Waste Heat Recovery Plant capacity to 25 MW

#### Investors are making big bet..

- MLCF is yielding leading PE of 2.9x.
- MLCF is also EV/sh of PKR 49.72/sh amid EV/Ton of \$35/ton.

#### Expansions

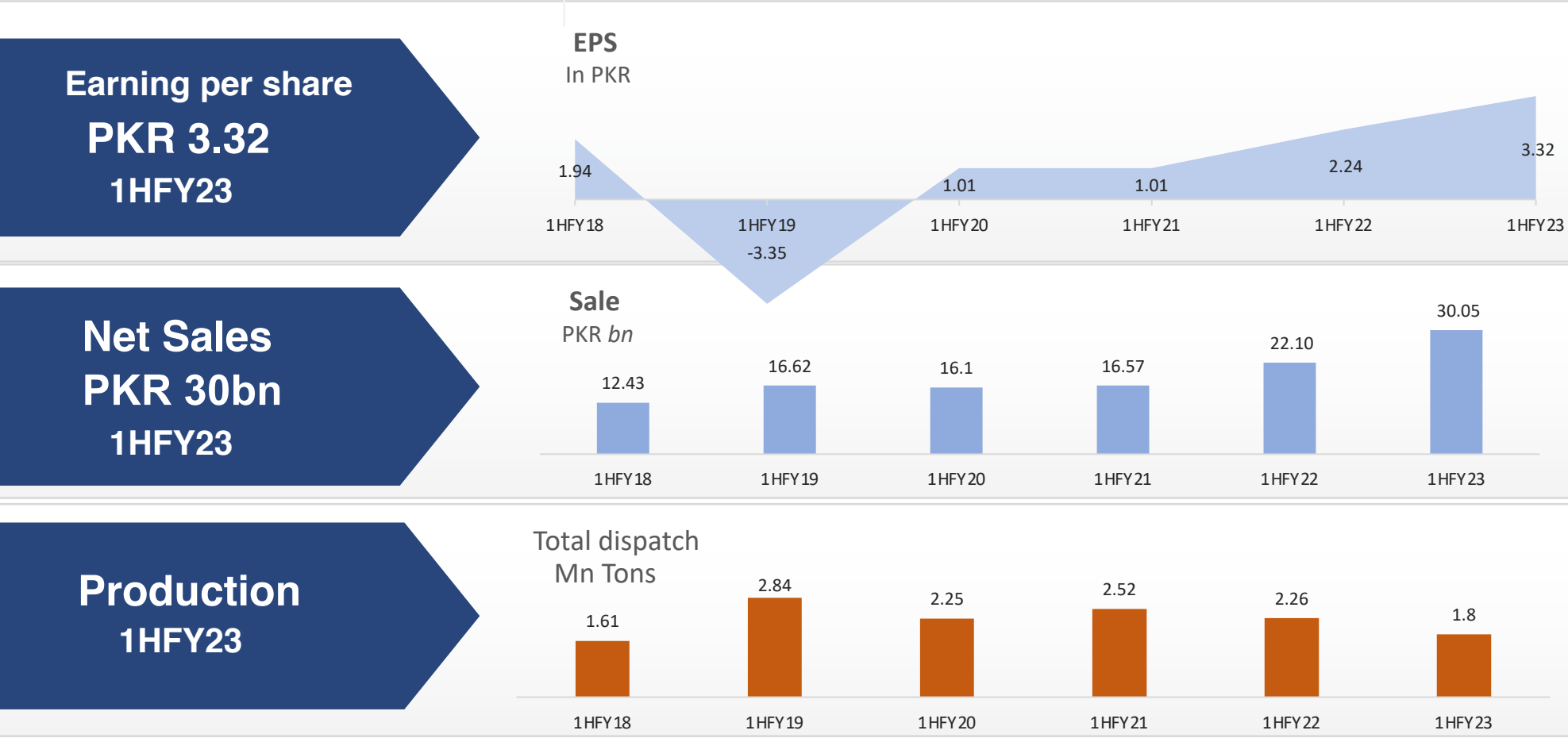
- Installation of Line IV of Waste Heat Recovery Plant to take its capacity to 37MW.
- Installation of more solar power plants
- Dry process clinker production line-4 of 7000 MT per day is under construction. Targeted COD in 2Q of FY 2023.

#### Blow the coals

Since, Richard Bay Coal is yielding above \$140/tons while Afghan coal is cheaper.

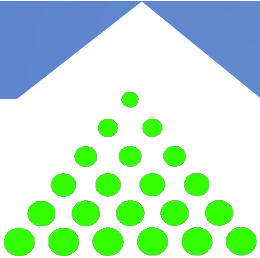
MLCF is also benefited by use of pet coke which is cost effective due to higher energy content and inventory of imported coal and pet coke at affordable rates.

But as the prices of international coal melting, and if revert back to its normal levels i.e. \$100-102/tons, could boost margins of MLCF which plays volume game.



Maple Leaf “MLCF” 1HFY23 Result Review

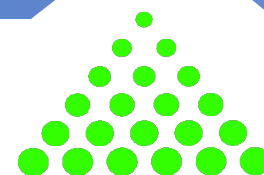
Cost control measures improves margins ..



Maple announced its 1HFY23 earnings where, company has reported EPS of 3.32/sh.

PKR bn	2QFY23	2QFY22	Δ%	1HY23	1HY22	Δ%
Net Revenue	17.22	12.23	41%	30.05	22.10	41%
Cost of Sales	(12.15)	(8.42)	44%	(21.41)	(16.39)	44%
Gross Profit	5.07	3.81	33%	8.64	5.71	33%
Distribution Cost	(0.47)	(0.38)	23%	(0.88)	(0.71)	23%
Administrative Expense	(0.31)	(0.23)	34%	(0.68)	(0.45)	34%
Other expenses	(0.26)	(0.30)	-15%	(0.63)	(0.51)	-15%
Other Income	0.05	0.03	79%	0.06	0.04	79%
Operating Profit	4.09	2.92	40%	6.51	4.08	40%
Finance Cost	(0.61)	(0.38)	59%	(1.25)	(0.71)	59%
Profit before taxation	3.48	2.54	37%	5.26	3.37	37%
Income tax expense	(1.13)	(0.69)	64%	(1.70)	(0.96)	64%
Profit after Taxation	2.35	1.85	27%	3.56	2.41	27%
EPS						
Basic	2.19	1.73	27%	3.32	2.24	48%

Source: Company Financial, Scs Research



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- $(\text{Target Price, if any} / \text{Current Price} - 1) > 10\%$  Positive
- $(\text{Target Price, if any} / \text{Current Price} - 1) < -10\%$  Negative
- less than 10%  $(\text{Target Price, if any} / \text{Current Price} - 1)$  Hold.
- The time duration is the financial reporting period of Subject Company.

## Valuation method

Following research techniques adopted to calculate target price/recommendation

Price to earnings & Price to Book, EV-EBITDA multiple

Discounted Cash flows or Dividend Discount Model or Enterprise Value