

MLCF holds a majority holding in PIOC

Monday, 23 February 2026

MLCF is a major cement producer in Pakistan, and also does major exports to regional markets viz—middle eastern and African countries. The MLCF plant is situated in Mianwali, in the Northern Zone, with an annual capacity of 7.8 mn tons. In the first 7MFY26, the company sold 2.45 million tons. In our view, this reflects some 50% - 53% capacity utilization, i.e., 4.2mn tons of annual sales.

The PIOC purchase deal 88.28% holding! As per today's letter at PSX

MLCF recently showed an intention to acquire PIOC. Based on this Purchase Agreement Intention (PAI), the company recently completed the transaction by purchasing shares from the public.

The 26.62mn shares, which represents 11.72% holding is bought at the rate of PKR478.43/sh.

- MLCF acquired 131,820,554 ordinary shares (constituting 58.03% of the shareholding interest) on February 20, 2026.
- MLCF already holds 42,082,047 (18.53%) along with its group associates, and together with the aforementioned acquisition.
- MLCF and its associates' collective stake now stands at 88.28% in the ordinary shares and control of PIOC, thereby rendering PIOC a subsidiary of MLCF.

What this means:

Given 88.28% ownership, albeit an overwhelming control, PIOC is now officially a subsidiary of MLCF (Maple Leaf Cement Factory Limited).

This move is expected to strengthen MLCF's position in the cement industry as the company continues to increase its market share to 15%. After the acquisition of the company, MLCF is now the third largest company with an annual capacity after LUCK & BWCL.

Cement producers EV/ton tabulations

Companies	EV/ton USD	EV PKR mn	Annual Capacity*
DCL	9.78	8,193	2,940,000
FECTC	23.42	6,675	1,000,000
GWLC	38.59	22,108	2,010,000
POWER	39.72	38,159	3,370,500
ACPL	41.95	51,431	4,302,150
PIOC	48.20	71,354	5,194,500
CHCC	48.88	63,184	4,536,000
MLCF	52.94	117,685	7,800,000
DGKC	55.54	106,361	6,720,000
FCCL	60.68	160,198	9,263,625
KOHC	70.29	96,451	4,814,800
BWCL	82.93	344,911	14,593,751
FLYNG	108.49	37,011	1,197,000
THCCL	137.32	27,121	693,000
LUCK	149.83	653,346	15,300,000

Source: SCS Research

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- (Target Price, if any/Current Price - 1) > 10% Positive
- (Target Price, if any/Current Price - 1) < 10% Hold
- (Target Price, if any/Current Price - 1) < -10% Negative

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