



## MLCF set to acquire 69.75% stake in PIOC at PkR478.43/sh

Maple Leaf Cement Factory Ltd. announced the acquisition of 69.75% stake in Pioneer Cement Ltd., comprising 58.03% through an agreement and 11.72% via a public offer. Notably, company already holds 7.63% stake (17,321,046 shares) at a cost of PkR1.24bn. This acquisition will position MLCF as the third-largest player, with a combined market share of 15.5%.

Earlier announced today, public offer will be made on February 8th, 2026 at PkR478.43/sh, (EV/ton of US\$76.5). Total amount of consideration to be paid for the shares to be tendered through the Public Offer (assuming full acceptances) is PkR12.7bn.

In terms of the Share Purchase Agreement dated December 17th, 2025 executed, 131,820,554 shares constituting 58.03% of the ordinary shares of the Target Company are proposed to be acquired by the Acquirer from the selling shareholders, at a price equivalent to PkR478.43.

The proposed acquisition at PkR478.43/sh is at a premium to our DCF-based valuation for PIOC. Nevertheless, we expect any potential impact on MLCF's target price to be partially offset by the price appreciation on the 7.63% stake already held.

**The scrip is currently under review.** We have liking for MLCF due to i) company's strong domestic market share (10.3% in FY25), ii) efficient energy and fuel mix, iii) strategic efficiencies to be achieved post acquisition and iv) higher retention prices due to inclusion of white cement & putty.

### AKD Cement Universe EV/ton (US\$)

	LUCK	MLCF	FCCL	DGKC	CHCC	KOHC	PIOC Current	PIOC SPA
EV/ton (US\$)	68.2	52.8	54.3	46.4	47.3	38.7	63.6	76.5

Source: PSX & AKD Research



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123.9  
Price  
(PkR/sh)



1,047.6  
Shares (mn)



129,824.4  
Market  
Capitalization  
(PkRmn)



463.2  
Market  
Capitalization  
(USDmn)



7.6  
3M Avg  
Turnover (mn)



826.0  
3M Avg DT Value  
(PkRmn)

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## Valuation Methodology

To arrive at our period end target prices, AKDS uses different valuation techniques including:

- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

## New Rating Definitions

BUY > 15% expected total return

NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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