



PCAL - FY25 Analyst Briefing Takeaways

Pakistan Cables Ltd. (PCAL) held its analyst briefing today to discuss FY25 results and future outlook of the company. Following are the key points:

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- To recall, company posted a topline of PkR29.1bn in FY25 vs. PkR26.2bn in SPLY, up 11.1%YoY.
- Company reported loss of PkR281mn (LPS: PkR5.15) during FY25 vs. profit of PkR209mn (EPS: PkR3.84) in SPLY, mainly due to gross margins attrition and increase in finance cost. Furthermore, gross profit margin shrunk to 10.4% in FY25 from 12.9% in SPLY, due to demand compression.
- Trade debts increased as the company extended more credit to boost sales volume due to competitive market. However, the company is now continuing to secure advance payments from customers against orders.
- Management stated that the sale of SITE area factory is expected to generate proceeds of ~PkR3.3bn. Of this, PkR1.9bn has already materialized from the sale of 4.5 acres, while the remaining 6.8 acres are under discussion with a buyer and are expected to generate ~PkR1.4bn.
- Management guided that the gross margins are expected to improve to historical average from 2QFY26 onwards, driven by reduced overheads and improved demand conditions. To note, company's wire and electrical components demand remained muted in 1QFY26.
- Going forward, management expects volumetric growth to remain in a range of 25%-30%YoY in FY26.
- Additionally, the company's key focus is to reduce finance costs through improved working capital management.
- Management stated that they are exploring wind power at the Nooriabad site, which is located in a wind corridor, as part of efforts to further reduce cost.
- Management expects economic recovery to continue as witnessed in cement sales, auto, textile and packaging, and remain hopeful this trend continue.
- This script is not under our coverage.



221.9

Price (PkR/sh)



54.5

Shares (mn)



12,084.6

Market Capitalization (PkRmn)



42.9

Market Capitalization (USDmn)



0.04

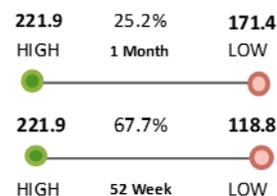
3M Avg Turnover (mn)



8.0

3M Avg DT Value(PkRmn)

Price Performance



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- Equity & Asset return based methodologies (EVA, Residual Income etc.)

New Rating Definitions

Buy > 15% expected total return

Neutral > 0% to < 15% expected total return

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