



TOMCL — FY25 Analyst Briefing Takeaways

The Organic Meat Company Ltd. (TOMCL) conducted its analyst briefing earlier yesterday to discuss FY25 financial results and its future outlook. Following are the key highlights:

Osama Naeem
osama.naeem@akdsl.com
+92-21-111253111 EXT:642

- Company posted revenue of PkR14.0bn in FY25, compared to PkR11.8bn in SPLY, up 19%YoY. The said growth in topline can be attributed to the increase in capacity and introduction of new products in the sales mix.
- Earnings for the year clocked in at PkR430mn (EPS: PkR2.76), compared to PkR497mn (EPS: PkR3.35) in FY24. The said decline in earnings was primarily attributable to gross margin attrition during FY25.
- Notably, gross margins declined to 9.1%, primarily due to higher throughput and increasing energy costs.
- TOMCL is currently running pilot projects in breeding and goat farming and has acquired an additional 2.5 acres to expand fattening operations. Company is also significantly expanding its existing meat, chilling, and freezing capacities.
- Company product portfolio comprises fresh chilled and frozen meat, vacuum-packed meat, Modified Packed (MAP) chilled meat, heat-treated/cooked meat, private label products, fresh and frozen salted white and red offal, as well as dehydrated baked natural pet chew.
- Company's market coverage extends across the Middle East, South Asia, the Far East, Commonwealth of Independent States, North America, and the European Union (for beef casing), with Tajikistan recently added to the list.
- In FY25, revenue by product line comprised of beef (88%), offal (10%), and mutton (2%). The company identifies itself primarily as a beef and offal exporter.
- Additionally, in FY25, exports volumes comprised vacuum-packed meat (53%), frozen meat (7%), frozen offal (15%), cooked meat (13%), and chilled meat (12%).
- As per management, average utilization is estimated at 65-70%, fluctuating with shipping line schedules-operating at full capacity for about three days a week and around 50% for the rest. The main capacity limitation lies in chilled and frozen storage rather than slaughtering capability.
- Company has reduced its debt by more than 60% since last year, bringing it down to around PkR500mn in FY25. Moreover, management expects the company to be debt-free by FY27-28.
- Company has secured a US\$7.5mn export order from China for FY26, which is currently being executed. Earlier, it had negotiated an export contract worth US\$8.1mn with Gold Crest Trading UAE.
- Going forward, management expects revenue to grow by 10%YoY in FY26, with gross margin expected to remain at similar levels.
- Management noted that the gaddap plant currently receives only two hours of grid electricity. To address this, the company is implementing solarization with a battery backup, planning 1.5-1.8MW solar generation to achieve 15-30% saving. The plant currently runs on 98% diesel generators.
- However, the korangi plant's power mix is 70% solar, 20% grid, and 10% diesel.
- New project include dung palletization (for fuel efficiency), beef tallow manufacturing, a beef white offal cooking/heat treatment unit for china, and an enhanced red offal beef processing line for the UAE.
- The shift from a Final Tax Regime (FTR) to a Minimum Tax Regime (MTR), coupled with super tax, will significantly affect the company's bottom line.



55.7

Price (PkR/sh)



196.3

Shares (mn)



10,940.1

Market Capitalization (PkRmn)



39.0

Market Capitalization (USDmn)



8.11

3M Avg Turnover (mn)



445.7

3M Avg DT Value(PkRmn)

Price Performance



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