



BFAGRO — FY25 Analyst Briefing takeaways

Barkat Frisian Angro Limited (BFAGRO) held its analyst briefing today wherein the company discussed its FY25 results and future outlook. Following are the key takeaways:

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- To recall, company reported PAT of PkR741.7mn (EPS: PkR2.39) during FY25, an increase of 95%YoY from PkR379.8mn (EPS: PkR1.23) during FY24. The improvement was driven by better margins, exchange gains, higher other income, and lower finance cost.
- BFAGRO is country's sole producer of pasteurized egg products and operates as a joint venture between Dutch Frisian Egg Group and Buksh Group.
- The product portfolio includes whole eggs, yolks, and whites in frozen, liquid, and dried forms, primarily serving the B2B segment as industrial ingredients.
- The current sales mix comprises 80% domestic and 20% export sales. Management aims to increase exports mix to 25–30% and further educate local customers on shifting to value-added egg products instead of shell eggs.
- Key export markets include GCC countries, Egypt, and Sri Lanka. Despite competition from India, BFAGRO retains an advantage due to more competitive pricing.
- In the domestic market, the company targets HoReCa (hotel/restaurant/ catering), sauces and dressings, baking, and confectionery industry. With ~15kMT of sales, BFAGRO holds roughly 10% share of the total egg-based industrial market.
- Company has an annual processing capacity of 17,000MT and currently operates at around 90% utilization.
- Management highlighted the SEZ-based tax benefits are available until 2035. However, the Bin Qasim plant's tax exemption expires in 2029, after which BFAGRO will move to the normal tax regime. Management intends to pass on the cost to customers as the business matures.
- Company currently outsources most of its storage facilities with a maximum inventory holding period of 15 days.
- Company has raised significant capital through the IPO, enabling multiple ongoing and planned expansion projects.
- One major project includes a new plant in Faisalabad with an annual capacity of 12,000MT of pasteurized egg products, expected to be commissioned by Mar'26.
- The Faisalabad plant, located in FIEDMC (tax-free zone), will also reduce freight costs for serving central and northern Pakistan, which are experiencing strong demand growth.
- Management also plans backward integration by establishing in-house farming and feed operations, increasing internal sourcing from 0% currently to a targeted 50% over the next few years, reducing exposure to price volatility.
- The project will cost ~PkR700mn, of which PkR200mn will be financed with debt. The project is currently underway, with management expecting the initiative to add PkR3/egg to profit once operational.
- BFAGRO also plans to set up a 1200TPA egg powder processing facility at its Karachi plant. Egg powder offers better shelf life and higher margins and is expected to generate an additional ~US\$8-9mn in annual revenue.
- This project requires PkR500mn in financing with PkR250mn debt already secured and the rest to be funded internally. Construction is expected to start in Jan'26 with operations commencing by end-CY26.
- Company also owns a wholly owned subsidiary in UAE to strengthen service to GCC customers, and deepen market penetration.
- The scrip is not under our formal coverage.



Price Performance



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