

Sapphire Textile Mills Limited (SAPT) held its analyst briefing session today to discuss FY25 financial results and provide insight on the future outlook. Key takeaways from the call are as follows:

- To recall, company recorded revenue of Pkr93.3bn in FY25, compared to Pkr82.4bn, up 13%YoY, primarily driven by higher volumetric sales of value added products.
- SAPT's NPAT for FY25 stands at Pkr4.0bn (EPS: Pkr182.2) in FY25 compared to Pkr5.2bn (EPS: Pkr238.5) in FY24, mainly due to a decrease in dividend income and higher taxation, despite lower finance cost.
- Company's sales mix comprise of Yarn, Fabric and Home Textile, which contribute 40%/30%/30% share in revenues, respectively.
- The power mix in FY25 consisted of National Grid (25%), Furnace Oil (4%), Natural Gas (61%) and Solar (10%).
- Company successfully installed 5.38MW of new solar capacity in FY25, bringing the total installed capacity to 16.5MW. Management stated that company is also investing in batteries in FY26 for daytime solar power storage to further increase the share of solar energy in the overall power mix.
- Management highlighted that company is expanding its retail operations internationally, with two new stores opening in UK and one in UAE, further strengthening global presence and supporting long-term growth.
- Going forward, management expects revenue to decline in FY26 due to the closure of 15-20% of outdated spinning spindles, which are being replaced with modern technology. Gross margins are also expected to be under pressure because of higher cost.
- The scrip is not under formal coverage.

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 1,397.4 Price (Pkr/sh)	 21.7 Shares (mn)
 30,309.7 Market Capitalization (Pkrmn)	 108.0 Market Capitalization (USDmn)
 0.00 3M Avg Turnover (mn)	 0.4 3M Avg DT Value(Pkrmn)

Price Performance



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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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