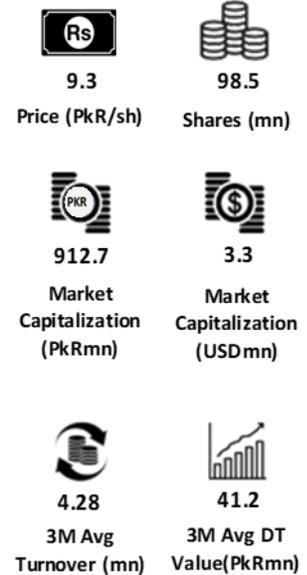


## QUICE — FY25 Analyst Briefing takeaways

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

- To recall, company posted revenue of PkR1.1bn in FY25 compared to PkR0.9bn in SPLY, an increase of 21%YoY. This growth was driven by a substantial rise in local sales, which increased by 74%YoY, supported by the induction of new plants and strong performance of key brands.
- Gross margins improved to 17% in FY25 from 14% in SPLY, primarily due to rebound in domestic revenue and effective direct cost control measure.
- Company reported a loss PkR11.7mn (LPS: PkR0.12) in FY25, compared to a loss of PkR27.13mn (LPS: PkR0.28) in SPLY, reflecting a remarkable 57%YoY decline, primarily driven by cost management initiative across the value chain.
- In 1QFY26, company reported revenue of PkR425mn, up 53% YoY, driven by a rebound in exports volume. Earnings stood at PkR3.5mn (EPS: PkR0.04), compared to PkR1.2mn (EPS: PkR0.01) in SPLY, primarily attributable to improved pricing and effective cost management.
- Management stated that major revenue contribution comes from Syrup (~40%), followed by water, TetraPak, and other products.
- Moreover, cost-to-sales ratio improved from 86.05% to 82.92%YoY in FY25, driven by higher sales and effective cost management initiative.
- Management informed that export sales were made to the USA, UK, Middle East, South Africa, and Mauritius.
- Additionally, management highlighted that in FY25, company installed a new mineral water plant to boost capacity and quality, added a Prisma Tetra Machine to enhance packaging efficiency, and expanded Carbonated Soft Drinks (CSD) operation with two new plants to meet rising demand.
- Going forward, management expects FY26 revenue to exceed last year's level, with improved gross margins driven by the induction of new plants and stronger export revenue growth.
- This scrip is not under our formal coverage.

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### 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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