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The Searle Company Ltd. (SEARL) held its corporate briefing today to discuss its FY25 and 1QFY26 financial results and future outlook. Following are the key highlights:

- Company posted topline of PkR24.8bn in FY25 compared to PkR25.8bn in FY24, down 4%YoY, mainly due to supply chain disruptions that led to a volumetric decline.
- Exports contributed 11% of total sales in FY25. The company is currently exporting to 12 countries and plans to expand into new markets, including UAE.
- Company's earnings for the year clocked in at PkR434mn (EPS: PkR0.74) in FY25, compared to a loss of PkR3.3bn (LPS: PkR5.66) in FY24. The turnaround in profitability was driven by lower finance cost and a one-off impairment loss reversal related to the divestment of one of its subsidiaries.
- In 1QFY26, earnings increased 2.8x YoY to PkR854mn due to improved margins and higher volumetric sales. Management expects volumetric growth of 23%YoY and value growth of 40%YoY for FY26.
- Gross margins improved to 50.8% in FY25 from 48.6% in FY24, reaching 56% in 1QFY26. Management expects these levels to sustain throughout FY26.
- Company currently operates in six segments: Pharmaceuticals, Biopharmaceuticals, Nutraceuticals, Nutrition, Consumer and Medical devices & disposables.
- Sales mix between acute and chronic drugs remains evenly split.
- The utilization rates for different forms of medicine during FY25 were: 71% for liquids, 73% for tablets, 47% for capsules, 83% for powder, and 84% for injectables.
- Top products include Extor, Nuberol, Hydryllin and Peditral, generating approximately PkR4.5bn, PkR4.0bn, PkR3.0bn and PkR1.0bn in revenue, respectively.
- Company is focusing on strengthening its biological and diabetes portfolio by launching new products, including semaglutide, which is expected soon. Management highlighted that it carries better margins with pricing aligned to competitors.
- Regarding the Afghan market situation, management indicated a potential PkR2bn revenue loss in FY26 if the situation does not improve.
- Company also faced challenges due to API imports from India; however, alternative sources have now been identified to mitigate this risk.
- The scrip is not under our formal coverage.



103.6

Price (PkR/sh)



588.2

Shares (mn)



60,945.3

Market
Capitalization
(PkRmn)

217.2

Market
Capitalization
(USDmn)

7.41

3M Avg
Turnover (mn)

778.0

3M Avg DT
Value(PkRmn)

Price Performance



*price as of 27-Nov-2025

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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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