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EXIDE PAKISTAN LIMITED EXIDE - MY26 Analyst Briefing Takeaways

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Exide Pakistan Ltd. held its analyst briefing today to discuss MY26 results and future outlook of the company. Following are the key highlights:

- To recall, earnings declined by 30%YoY to PkR432mn (EPS:PkR55.6) in MY26, compared to PkR614mn (EPS:PkR79.1) in SPLY.
- Revenue declined by 18%YoY to PkR20bn in MY26 vs. PkR24bn in SPLY, due to subdued volumes amid weak consumer purchasing power.
- Gross margin compressed to 13.9% from 16.2% in SPLY, due to aforementioned reason and higher input costs amid ME tensions.
- On raw material sourcing, management stated that lead is imported through Dubai at a 2% duty, with the company seeking to source minimally from the local market.
- Management noted that the company will be starting its own production of lithium ion battery within the next few months.
- Management guided that margins would remain under pressure, driven by elevated lead prices amid the prevailing geopolitical situation and lower consumer purchasing power on the back of inflation.
- On future prospects, management expects the domestic battery industry to face increased competition due to excess production capacity and reduced consumer purchasing power, which may continue to weigh on industry profitability.
- Key challenges cited: stiff competition, low purchasing power, increase in prices of raw material, energy and labour costs, and an uncertain geopolitical situation.
- The scrip is not under our formal coverage.

488.2 Price (PkR/sh)	7.8 Shares (mn)
3,792.6 Market Capitalization (PkRmn)	13.6 Market Capitalization (USDmn)
0.008 3M Avg Turnover (mn)	4.5 3M Avg DT Value(PkRmn)

Price Performance

HIGH	Period	Change	LOW
537.7	1 Month	-9.1%	488.2
858.5	52 Week	-43.1%	392.2

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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.)

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BUY > 15% expected total return

NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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