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REP 019

PREMA — FY26 Analyst Briefing takeaways

AKD Securities Limited

At-Tahur Ltd. (PREMA) held its corporate briefing session today to discuss FY26 financial results and shed light on future outlook. Following are the key takeaways:

- To recall, company's profitability increased by 55.5%YoY to PkR821mn (EPS: PkR3.8) in FY26, compared to PkR528mn (EPS: PkR2.4) in SPLY.
- Revenue stood at PkR6.9bn in FY26, up 22.0%YoY from PkR5.7bn in SPLY. Furthermore, gross margins stood at 40.6% in FY26 compared to 44.5% in SPLY.
- In 1QFY27, company's profitability declined 25.8%YoY to PkR31.8mn (EPS: PkR0.1) compared to PkR42.9mn (EPS: PkR0.2) in SPLY.
- As per management, PREMA holds 65% market share in fresh pasteurized milk.
- Segment-wise, processed milk contributed PkR4.3bn (53% of gross sales) in FY26, followed by yogurt at PkR1.5bn (18%), raw milk at PkR1.4bn (17%) and Others at PkR1.0bn (12%).
- Management highlighted that recently launched eggs now contribute 8–9% of total revenue and are growing.
- Pasteurized milk production increased to 11.9mn liters in FY26 (utilization: 56.2%) from 11.0mn liters (51.9%) in SPLY, while yogurt production rose to 2.2mn liters (utilization: 61.3%) from 2.0mn liters (53.4%).
- Company added natural spring water and gelato to its range in FY26. Spring water production stood at 0.14mn liters in its first year against installed capacity of 5.3mn liters.
- Company's herd stood at 3.5k mature and 2.9k immature cattle at end-FY26, compared to 3.3k and 2.8k, respectively, in SPLY. Company produced 28.8mn gross liters of milk from these biological assets in FY26 vs 25.8mn liters in SPLY.
- Management stated that procurement cost per animal is US$3.5k.
- With road improvements and easing transportation, management does not plan to install another plant in Sindh.
- Company installed a 200kW solar plant with battery storage and a 1MW biogas power plant, achieving 75% savings vs gensets (Diesel generator) and 40% vs WAPDA.
- Delivery coverage expanded to 67 cities and towns in FY26 through new distribution locations and additional delivery vehicles.
- Management stated that Sindh/Karachi operations are minuscule compared to Punjab, and company is looking to partner with someone to increase its presence there, with negotiations in the final stages.
- Management guided that focus will remain on widening the FMCG range, entering untapped regions, optimizing the value and supply chain (including feed procurement), and managing finance cost and working capital to move toward regular shareholder payouts.
- The scrip is not under our formal coverage.

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31.4	218.6
Price (PkR/sh)	Shares (mn)
6,871.8	24.8
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
2.666	95.6
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance

32.2	-2.4%	29.1
HIGH	1 Month	LOW
42.4	-19.6%	23.5
HIGH	52 Week	LOW

Source: PSX & AKD Research

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BUY > 15% expected total return

Neutral > 0% to < 15% expected total return

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