November 17, 2026
REP 019

IPAK— FY26 and 1QFY27 Analyst Briefing Takeaways

AKD Securities Limited

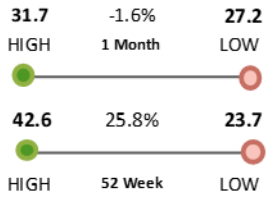
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International Packaging Films Ltd. (IPAK) held its analyst briefing today to discuss FY26 and 1QFY27 financial results and the outlook. Following are the key takeaways:

- To recall, company reported consolidated profitability of PkR5.0bn (EPS: PkR6.7) in FY26 vs. PkR1.2bn (EPS: PkR1.6), up 4x YoY, primarily due to gross margin expansion and a lower effective tax rate.
- Company reported net sales of PkR42.2bn in FY26, compared to PkR34.4bn in SPLY, led by exports, which rose to PkR10.4bn (~25% of sales), supported by its customer base across 40 countries.
- Gross margin expanded to 22.3% in FY26, compared to 14.5% in SPLY, mainly due to better product mix and favorable 4QFY26 pricing during the regional conflict. Management said the price gains were the result of market-wide supply shortage.
- In 1QFY27, profit stood at PkR705mn vs. PkR704mn in SPLY, up marginally, as revenue rose 9%YoY to PkR11.1bn, which offset the fall in gross margin to 14.5% from 17.2%. Management said margins normalized as supply conditions settled after the 4QFY26 price gains.
- On energy, the mix is 92% RLNG, 6% solar and 2% grid, with a weighted average cost of PkR32.5/kWh. Solar capacity was raised to 9MW, and further investment in energy management equipment is planned to lower production costs.
- As per management, new metallizer is expected to arrive by Dec'26 and would be operational by 3QFY27, adding specialized film capacity. Management sees exports as its main source of future growth.
- Management highlighted that IPAK Europe (Portugal) was incorporated through IPAK Connect (Dubai) to build distribution and customer engagement in Europe. TÜV OK Recycled, ISCC, RecyClass and CEFLEX certifications are expected to open access to regulated markets and support higher margins.
- Domestic capacity for Biaxially Oriented Polypropylene (BOPP) and Polyethylene terephthalate (BOPET) films is about twice the domestic demand. As of CY26, Polypropylene (BOPP) capacity was 171k tons against demand of 85k tons, and BOPET capacity stood at 155k tons against demand of 70k tons. By 2031, demand is forecasted to rise to 119k tons for BOPP and 99k tons for BOPET.
- Management cited supply chain disruptions from the Middle East crisis, imported raw material costs, FX exposure, working capital and macroeconomic conditions as key risks.
- Management is focused on supply chain improvement, export expansion in specialized and sustainable films, circular economy initiatives, digital transformation, and reduction in energy cost.
- The scrip is not under our formal coverage.

31.2	735.2
Price (PkR/sh)	Shares (mn)
22,945.9	83.0
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
0.938	33.9
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance



Source: PSX & AKD Research

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NEUTRAL > 0% to < 15% expected total return

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