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MFFL: FY26 Analyst Briefing Takeaways

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Mitchells Fruit Farms Limited (MFFL) held its analyst briefing to discuss FY26 results and its future outlook. Following are the key highlights:

- Company posted profit of PkR3.3mn (EPS: PkR0.14) in FY26, up ~2x from PkR1.7mn (EPS: PkR0.07) in SPLY . Notably, profitability was supported by a non-recurring gain on disposal of land (PkR223mn).
- Net sales increased by 11%YoY to PkR3.0bn in FY26, compared to PkR2.7bn in SPLY (highest in the seven years).
- Domestic sales grew by 11%YoY to PkR2.2bn, while international sales rose by 13% YoY to PkR0.7bn.
- Management stated that FY26 was disrupted by the Middle East conflict in 2HFY26, which pushed up costs and weighed on consumer demand. To secure supply, the company widened its sourcing base to 4-5 suppliers from 2-3 previously.
- Selling and distribution expenses rose by 46%YoY to PkR0.6bn, while administrative expenses increased by 37%YoY to PkR0.3bn, in order to expand its market presence.
- The company raised PkR0.5bn through a rights issue during FY26 (2.8mn shares at PkR180/sh), taking shares in issue to 25.7mn. As at Sep'26, PkR0.3bn was utilized for working capital, with the remaining PkR0.2bn earmarked for civil works (PkR95mn) and machinery/process improvements (PkR140mn).
- CCL Holding acquired a controlling stake in MFFL on Oct'25 (63% as at Jun'26). Management stated that it sees no operating synergies with CCL's pharmaceutical business, with MFFL run as a separate set-up and the Board providing guidance.
- Management stated that the route-to-market revamp and service warehousing model increased geographical reach by 2.5x and market coverage by 85%, with the South (currently weaker than the North) a key focus area, where distributor count has been increased to around 5.
- International business contributed ~25% of net sales (PkR739mn). Middle East sales grew by 43% to PkR0.2Bn despite port closures and higher freight, while Europe/Asia Pacific rose by 18%/15%YoY to PkR0.2bn/PkR52mn and North America declined by 8%YoY to PkR0.3bn.
- The company completed a brand reset in FY26, with a new logo and packaging across its six ranges and a re-established marketing function.
- Looking ahead, management stated that ramping up top line is the FY27 priority, alongside rebuilding gross margin through pricing, procurement and plant efficiencies, and capex for plant efficiency. The company is in the reset and rebuild phase, with the benefits of its investments expected to take time to materialize.
- The scrip is not under our formal coverage.

147.1	22.9
Price (PkR/sh)	Shares (mn)
3,363.8	12.2
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
0.015	2.5
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance

165.1	-9.2%	147.1
HIGH	1 Month	LOW
205.2	-24.7%	144.2
HIGH	52 Week	LOW

Source: PSX & AKD Research

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