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BIFO: FY26 Analyst Briefing Takeaways

AKD Securities Limited

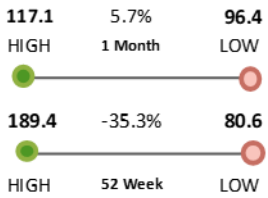
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BIFO held its analyst briefing earlier today to discuss their FY26 financial performance and future outlook. Following are the key highlights of the briefing:

- To recall, company's profitability remained flat YoY, with earnings of PkR389mn (EPS: PkR8.4) in FY26.
- Net revenue reported at PkR3.2bn in FY26 compared to PkR2.9bn in SPLY, up 10%, mainly led by growth in mining, cement and export sales.
- Notably, company's exports have more than doubled YoY to PkR1.7bn in FY26 owing to supplies made to mining endeavors in Baluchistan, i.e. Saindak, Duddar, and Reko Diq. These are classified as exports since the mining locations have been declared export processing zones.
- Gross margins improved marginally to 36.3% from 35.7% in SPLY, despite higher raw material and freight costs.
- Management stated that ~70-80% of the company's raw material is imported, while the remaining is sourced locally.
- As per management, the company launched blasting technical services at Reko Diq during the year. Moreover, the company is well-positioned to capitalize as the project transitions to the production stage, along with other upcoming mining projects in the country.
- Furthermore, company is eyeing opportunities from infrastructure projects and hydroelectric developments. Management anticipates profitability to improve once the economy stabilizes and infrastructure projects resume.
- Company is also expanding sales of explosive and accessories into South Asia, Africa, and the Gulf.
- Management is focusing on cost reduction, along with R&D on new products, alternative raw materials and environment-friendly formulation.
- Management apprised that key risks to monitor include security conditions in Khyber Pakhtunkhwa and Balochistan, imported raw material prices and regional supply-chain disruptions.
- The scrip is not under our formal coverage.

112.1	46.4
Price (PkR/sh)	Shares (mn)
5,200.4	18.8
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
0.089	10.6
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance



Source: PSX & AKD Research

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- Relative Valuation (P/E, P/B, P/S etc.)
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NEUTRAL > 0% to < 15% expected total return

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