WAVES WAVESAPP & WAVES CY25 Analyst Briefing takeaways

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Waves Home Appliances Ltd. (WAVESAPP) and WAVES Corporation Ltd. (WAVES) held an analyst briefing today to discuss CY25 results and their future outlook. Following are the key highlights:

- To recall, WAVESAPP posted net revenue of PkR3.7bn in CY25 compared to PkR3.2bn in SPLY, up 15%YoY, primarily driven by demand recovery.
- WAVESAPP reported earnings of PkR189mn (EPS: PkR0.71) during CY25, compared to PkR153mn (EPS: PkR0.57) in SPLY, up 23%YoY. This increase was primarily driven by other income.
- Pakistan's appliance market, worth ~PkR750bn, is primarily driven by refrigerators (PkR230bn) and air conditioners (PkR190bn). Waves leads the deep freezer segment, serving both retail and corporate clients. Its refrigerator line spans five-sizes, covering most market needs, while the washing machine, and microwave ranges are being reintroduced under CKD model.
- WAVESAPP management aims to expand sales from PkR3.7bn to PkR14.3bn over the next 2–3 years, supported by reintroducing CKD-based product lines. Additionally, production is projected to increase from 51,206 units in CY25 to 58,500 units in CY26E, 110,000 units in CY27E and 175,000 units in CY28E, driven by the gradual ramp-up of additional product categories.
- WAVESAPP maintains a strong presence in the corporate segment, with long-standing relationships with major national and multinational clients, including Coca-Cola, Pepsi and leading frozen-food companies.
- Additionally, company is constructing a new manufacturing facility in Mustafaabad, Lahore, spread over 278 canals versus 62 canals for the existing facility. The new facility is around 70% complete and is approximately four times larger than the current factory.
- WAVESAPP board approved a 56% right issue of 150.02mn shares at PkR10/sh, raising ~PkR1.5bn, with proceed mainly allocated to working capital and partial repayment of the holding company loan. The issue is expected to strengthen the balance sheet and support expansion in ACs, deep freezers and refrigerators.
- Management plans to expand its product portfolio through continued R&D in refrigerators and deep freezers, develop the corporate/institutional segment and expand the WAVES distribution footprint across key markets.
- According to WAVESAPP management, the company's solid balance sheet makes it well-positioned for foreign partnerships or acquisitions, attracting interest from multiple MNCs.
- Going forward, WAVESAPP plans to expand retail reach by growing installment-based sales through its fully owned Waves Marketplace, serving 400k customers, while exploring a consumer financing or bank partnership.
- WAVES posted earnings of PkR530mn (EPS: PkR1.89) during CY25, compared to PkR1.1bn (EPS: PkR3.9) in SPLY, down 51%YoY, mainly due to fair value gains recognized in SPLY.
- To highlight WAVES own three subsidiaries, i) WAVESAPP (Stake: 50%), ii) Waves Market Place Ltd. (wholly owned) and iii) Waves Builders & Developers Pvt. Ltd. (wholly owned)
- Waves Home Appliances Ltd. (WAVESAPP), manages the company's appliances segment, which includes flagship products like Deep freezers along with Refrigerators, Air Conditioner, Washing Machines, Microwave Ovens, Water Dispensers, Gas Cookers, and Water Heaters.
- Waves Market Place, operate about 100 retail stores, selling WAVES and other appliances brands primarily on installments.
- Management highlights plans to develop and subdivided the land into plots to realize better value through Waves Builders & Developers Pvt. Ltd; however, if a outright sale fetches an attractive price, management would favors that option.
- The scrip is not under our formal coverage.

WAVESAPP

9.2	267.9
Price (PkR/sh)	Shares (mn)
2,469.9	8.9
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
5.106	46.4
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

WAVES

10.1	281.4
Price (PkR/sh)	Shares (mn)
2,847.8	10.3
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
3.517	38.1
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

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