SE Fruits & Vegetable Limited (SFVL)

Shariah-Compliant Fruits & Vegetable Exporter — SUBSCRIBE

Wednesday, September 16, 2026

SE Fruits & Vegetable Limited, formerly Shaheen Enterprises, is one of Pakistan's longest-operating exporters of Kinnow (mandarin oranges) and mangoes, and is developing a third segment in potatoes. Founded as a family partnership in Sargodha, Punjab in 1998, the business corporatized in August 2025 and converted to a Public Limited Company in January 2026 ahead of its listing on the Pakistan Stock Exchange (PSX). Through this transition, SE carries forward almost three decades of export track record and becomes, on its own account, the first purely export-oriented, Shariah-compliant horticulture company to seek a PSX listing.

The Company is offering 30,000,000 ordinary shares (32.01% of post-IPO paid-up capital) via Book Building at a Floor Price of PKR 40, with a Price Band of up to 60% (cap of PKR 64). Based on the Consultant to the Issue's **DCF valuation of PKR 84.95 per share**, the Floor Price implies **112% upside**, and at the Floor the stock trades at **5.5x FY27E** earnings, a **71% discount** to the weighted-average PE of **18.75x** for listed food/FMCG peers. Blended, valuation comes at **PKR 123.27 per share**. We view the issue as attractively priced against both its intrinsic value and its peer set.

Stock Highlights	
Floor Price	PKR 40.00
Cap Price	PKR 64.00
Share Offered	30.00Mn
Company Highlights	
Revenue (FY26)	PKR 2.1Bn
Revenue CAGR (FY22-26)	28.0%
PAT (FY26)	PKR 303.8Mn
PAT CAGR (FY22-26)	31.3%

Source: Prospectus, BMA Research

Valuation	
DCF Valuation	
Equity Value Per Share	PKR 84.95
PE Multiple Valuation	
EPS (FY28F)	PKR 10.17
Exit Multiple (Sector PE)	18.75x
Target Price	PKR 190.69
Equity Value Per Share	PKR 161.60
Blended Value Per Share	**PKR 123.27**

Source: Prospectus, BMA Research

Why we recommend subscribing to the issue:

Steep discount to intrinsic and relative value: The DCF-derived fair value of **PKR 84.95/share** implies **~112%** upside to the PKR 40 Floor Price, while even at the top of the Price Band (PKR 64) upside to fair value remains **~33%**. On a relative basis, **SFVL's 5.5x FY27** TTM PE compares with a **18.75x** sector-weighted average for listed food and FMCG names.

Nearly three-decade operating history: Although the corporate entity was only incorporated in August 2025, SE's listing eligibility rests on the profitable track record of its predecessor partnership dating to 1998, giving investors a long run of audited-adjacent operating history rather than a true start-up risk profile.

Multi-crop diversification reduces single-season concentration: Kinnow (45% of FY26 revenue) and mango (55%) run on offsetting harvest calendars (Nov-Mar and May-Aug respectively), and the Company is now building out a potato segment with two harvest cycles a year, which should smooth revenue and cash generation across the calendar year as it scales.

Demand visibility and working capital upside: SE Fruits has a meaningful demand pipeline relative to its current operating scale. FY27 LOIs total approximately 68,608 tons, while the base financial model assumes export volumes of about 30,327 tons, implying fulfillment of only around 44% of indicated demand. The IPO is therefore primarily a working-capital-led growth transaction. At the floor price, the Company plans to raise PKR 1.2bn, of which approximately PKR 940m, or 78%, is allocated to working capital for procurement, processing and export operations. At the maximum 60% price-band cap, gross proceeds could increase to PKR 1.92bn, providing up to PKR 720m of incremental funding above the floor-price case.

BMA Research
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To the extent these additional proceeds are deployed into working capital, procurement, packaging, logistics and export capacity, SE should be able to fulfil a greater proportion of already identified customer demand. This creates potential upside to both revenue and profitability beyond the base FY27 model through higher throughput, improved fixed-cost absorption and greater utilization of existing processing infrastructure. However, LOIs should be treated as indications of demand rather than firm contracted orders, so any upside remains dependent on order conversion, crop availability, logistics and execution.

Debt-free balance sheet with high growth visibility: SE has operated debt-free since FY24 (nil short-term borrowings, down from a 21% debt-to-equity ratio in FY22), and management's own projections imply a FY26-FY31 revenue CAGR of 38.8% and PAT CAGR of 37.9%, aided by capacity and market expansion funded by the Issue.

Use of IPO Proceeds & Business Model

Use of IPO proceeds: SE intends to raise PKR 1,200mn at the Floor Price (PKR 1,920mn at the Cap Price) entirely through a fresh issue of equity — the Company has been debt-free since FY24 and intends to remain so. Unlike many industrial IPOs, the bulk of the raise is earmarked for working capital rather than fixed capex, reflecting SE's asset-light, procurement-led business model.

Purpose of Funds	Amount (PKR mn)	% Utilized
Working Capital Requirement	940.17	78%
Cold Chain & Processing Infrastructure Expansion	153.83	13%
International Offices (UAE / Uzbekistan) & Reefer Trucks	50.00	4%
ERP & Asset Tracking	30.00	3%
Solar Energy & Grid	26.00	2%
Total	**1,200.00**	**100%**

Source: Prospectus, BMA Research

Working capital is the binding constraint on growth: Roughly 81% of the working-capital tranche (PKR ~970mn on a continuous-utilization basis) is intended for the procurement of fresh produce, ahead of export realization, on both a contracted-advance and cash-spot basis across Sargodha (kinnow), Sindh/Southern Punjab (mango) and Okara (potato). Management states the Company has historically been unable to fulfil the entirety of demand received, including customer letters of intent, due to working-capital shortfalls — the IPO is designed to remove that constraint, alongside management's discretion to reallocate proceeds toward higher-margin mango volumes or, subject to sanctions relief, Iran transit trade via the Taftan border route.

Asset-light, procurement-led model: SE sources produce through a hybrid model of company-owned orchards (~14 acres of kinnow farmland) plus a network of inspected third-party growers, giving it scalability during peak harvest without owning the underlying land at scale. Cold storage and processing for kinnow are run at the Company's Sargodha headquarters, while mango and potato processing/cold-storage needs are met through seasonal leasing of third-party, Company-supervised facilities along logistics corridors to Karachi (Hyderabad, Rahim Yar Khan, Multan) and in Okara. This flexible infrastructure model keeps fixed costs low relative to revenue.

Segment overview

Segment	Key Varieties	Sourcing Region	Core Export Markets	Revenue Share (FY26)
Kinnow	Standard & premium mandarin	Sargodha (owned + contracted orchards)	GCC, Central Asia, Far East, Russia; new: Bangladesh, Poland	45%
Mango	Sindhri, Chaunsa, Fajri, Anwar Ratol	Sindh & Southern Punjab	GCC, UK, Australia	55%
Potato (developing)	Santa, Mozika	Okara district	UAE, wider Middle East	~0%*

Source: Prospectus, BMA Research

Post-IPO capacity expansion

Project	Scope	Investment (PKR mn)	Target Completion
Civil Works / Gray Structure	14,400 sq.ft factory hall, blast-chiller structure, 2 cold-storage structures	68.05	Q2-Q3 FY28
Cold Storage Refrigeration System	1 blast chiller + 2 cold stores (Koldkraft equipment)	52.27	Q3 FY28
Kinnow Processing Plant	52-finger automated line (SEW/Samyang components)	18.50	Q3 FY28
Contingencies	-	15.00	-
Cold Chain & Processing Subtotal		153.83	
UAE & Uzbekistan Offices + Reefer Fleet	Dubai logistics hub; Tashkent distribution office	50.00	Q2-Q3 FY27
ERP & Asset Tracking	MS Dynamics 365 Business Central + GPS/temperature sensors	30.00	Q2-Q3 FY27
Solar Energy & Grid	200kW solar system + backup generation	26.00	Q2-Q3 FY27

Source: Prospectus, BMA Research

Growth Drivers

National kinnow export upside remains large: Pakistan targeted 300,000 tonnes of kinnow exports worth ~US$110mn in the 2025-26 season (from 250,000 tonnes / US$95mn a year earlier), following a bumper 2.7mn-tonne crop — yet exports remain well below the 550,000 tonnes achieved five years ago, and industry estimates suggest export earnings could reach ~US$400mn within five years with better varieties and cold-chain infrastructure. SE's own kinnow export volumes (3,600 tons in FY26) represent a small fraction of the national total, leaving considerable headroom.

Mango realization benefited from a supply-constrained season: Mango became SE's largest segment by value in FY26 (55% of revenue) as regional supply constraints — Pakistan's national mango export target was cut to 80,000 tonnes from 110,000 tonnes on an estimated 20% crop shortfall — pushed export prices sharply higher. SE's average mango export realization rose 133% year-on-year to PKR 525,231/ton in FY26, even as its own export volume fell 57% to 1,515 tons; average freight cost per ton also rose 198% amid Strait of Hormuz-related disruption.

Potato offers a large, underexploited addressable market: National potato production reached a record ~12mn tonnes in 2025-26 (from ~8.7mn tonnes), leaving an exportable surplus of 4-4.5mn tonnes against typical national exports of only 500,000-600,000 tonnes; the April 2026 reopening of the Russian market (after phytosanitary restrictions lifted) further expands the addressable base. SE's IPO-funded cold storage and processing capacity is designed to let it participate in this segment for the first time at scale.

New export markets and demand visibility: SE is pursuing entry into Uzbekistan , Kazakhstan , Canada and Poland, alongside letters of intent from the Middle East and Far East. Indicative demand from just five existing customers (Abu Jaber Vegetables, Global Star, Anwar Al Khalidya, Bin Yaroof Trading and BGP International) alone totals 17,940 tons kinnow, 20,690 tons mango and 26,500 tons potato — exceeding SE's entire FY26 export tonnage across all three crops.

Route resilience demonstrated during FY26 regional disruption: Following the onset of regional conflict around the Strait of Hormuz in late February 2026 and closure of the Afghan land route, SE rerouted mango shipments through Fujairah, Sohar and Salalah with onward delivery by refrigerated truck, and diverted kinnow shipments to Khor Fakkan port — evidence of operational flexibility, albeit at a materially higher freight cost.

Financial Analysis

Revenue growth has been consistent but not yet linear with margin: Revenue grew from PKR 793.97mn in FY22 to PKR 2,132.93mn in FY26 (23.4% 4-year CAGR), while gross margin has fluctuated with crop mix and seasonal pricing — dipping to 24.7% in FY25 (a weaker potato/kinnow pricing year) before rebounding to 35.4% in FY26 on exceptionally strong mango realization. Profit after tax grew to PKR 303.82mn in FY26 (14.2% net margin), though growth decelerated to 21.0% (from 44.9% in FY25) as freight costs rose sharply during the regional disruption described above.

PKR mn	FY22	FY23	FY24	FY25	FY26
Revenue	793.97	1,266.25	1,425.86	1,720.55	2,132.93
Cost of Revenue	494.69	859.17	989.94	1,294.83	1,378.88
Gross Profit	299.28	407.08	435.92	425.72	754.05
Gross Margin	37.7%	32.1%	30.6%	24.7%	35.4%
Operating Expenses	187.0	194.3	249.0	125.6	275.0
Operating Profit	112.32	212.77	186.95	300.14	479.04
Operating Margin	14.1%	16.8%	13.1%	17.4%	22.5%
Other Income	3.00	3.06	6.84	10.94	2.79
Finance Charges	5.78	9.88	6.79	0.77	0.64
Profit Before Tax	109.53	205.95	186.99	310.31	481.20
Taxation	7.22	11.52	13.72	59.25	177.38
Profit After Tax	102.31	194.43	173.28	251.07	303.82
Net Margin	12.9%	15.4%	12.2%	14.6%	14.2%
EBITDA	115.02	215.39	189.91	303.11	484.06
Total Debt / Equity	21.0%	15.2%	0.0%	0.0%	0.0%

Source: Prospectus, BMA Research

Source: Bloomberg, BMA Research

Working-capital seasonality masks strong underlying profitability: Trade receivables reached PKR 995.87mn at FY26 year-end, driven by the June mango export season (80% aged 0-30 days, 20% aged 31-180 days, none over six months). As a result, cash flow from operations in FY26 was only PKR 3.74mn against profit after tax of PKR 303.82mn — a seasonal, not structural, mismatch that should partly reverse as receivables are collected in Q1 FY27, but is worth monitoring as volumes scale post-IPO.

Financial Projections (Management Estimates)

Management's five-year plan (FY27-FY31) assumes continued kinnow and mango volume/price growth, a scaled-up potato export segment from FY27, and the operational impact of IPO-funded capacity from FY28 onward. On these assumptions, revenue grows at a 38.8% CAGR and PAT at a 37.5% CAGR over FY26-FY31, with the effective tax rate normalizing at ~29% (standard corporate tax).

PKR mn	FY27F	FY28F	FY29F	FY30F	FY31F
Revenue	5,052.27	6,221.42	7,647.09	9,145.87	10,994.52
Gross Profit	1,833.33	2,248.39	2,751.89	3,279.06	3,925.67
Gross Margin	36.3%	36.1%	36.0%	35.9%	35.7%
Operating Profit (EBIT)	953.80	1,138.45	1,339.12	1,535.54	1,759.95
Finance Cost	2.31	2.85	3.51	4.20	5.05
Profit After Tax	679.56	952.96	1,116.39	1,292.76	1,495.36
Effective Tax Rate	29.0%	29.0%	29.0%	29.0%	29.0%
EBITDA	679.56	952.96	1,116.39	1,292.76	1,495.36
EPS (PKR, Post-IPO Shares)	7.25	10.17	11.91	13.79	15.96

Source: Prospectus, BMA Research

Forward valuation cheapens materially: Using management's FY27F-FY29F EPS at the Floor Price of PKR 40, the forward PE compresses from 8.4x (FY26A) to 5.5x (FY27F), 3.9x (FY28F) and 3.3x (FY29F) — a much steeper de-rating path than the DCF alone suggests, though investors should treat these as management projections rather than independently audited forecasts.

DCF valuation: The Consultant to the Issue's DCF, using a cost of equity of 17.53% (11.53% risk-free rate, 6.00% equity risk premium, beta of 1.00) and a 4.00% terminal growth rate, discounts FY27F-FY31F free cash flow to equity plus a terminal value to arrive at an equity value of PKR 84.95 per share on a post-IPO 93.716 mn shares outstanding — a 112% upside to the Floor Price.

Risks to the Thesis

Risk Factor	Assessment
Limited Corporate History	The Company was only incorporated in August 2025 and has one year of financial statements in its own right; its listing eligibility rests on the profitable track record of its predecessor partnership, which prospective investors should note may not be fully representative of performance as a listed corporate entity.
Working-Capital Dependency	Growth in export volumes requires capital deployed well ahead of sales realization across the crop cycle. SE has historically been unable to fulfil all demand received, including customer LOIs, due to working-capital constraints; there is no assurance IPO proceeds will be deployed as effectively as planned.
Customer Concentration	SE's largest kinnow export customer accounted for ~46% of FY26 kinnow export volume, and its two largest mango export customers together for ~63% of mango export volume. Loss of a major customer would materially affect revenue.
Supplier / Procurement Concentration	A limited number of orchard owners and suppliers account for a significant share of procurement in certain segments; disruption to these relationships or adverse farm-gate price movements could affect margins.
Receivables & Cash-Flow Seasonality	Trade receivables of PKR 995.87mn at FY26 year-end (seasonal mango build-up) meant FY26 operating cash flow (PKR 3.74mn) trailed profit after tax (PKR 303.82mn) by a wide margin; collection delays would pressure liquidity.
Seasonality of Earnings	Kinnow (Nov-Mar) and mango (May-Aug) are single-season crops; an adverse event in either peak season — crop shortfall, quality issue, logistics disruption — could disproportionately affect full-year results.
Regional Conflict / Freight Cost Risk	FY26 disruption around the Strait of Hormuz and closure of the Afghan land route pushed average freight cost per ton up 184-198% YoY on affected corridors; recurrence could delay perishable shipments, raise insurance costs, or impair market access.
Climatic / Agricultural Risk	Production is highly dependent on rainfall, temperature and flood conditions, which can significantly affect yield, size and export-grade quality.
FX & Import-Policy Risk	Export sales are USD-denominated against a largely PKR cost base; exchange-rate moves affect profitability, as do import-policy, tariff or phytosanitary changes in destination markets.
Deployment / Execution Risk	The Cold Chain & Processing capex is scheduled for completion only by Q3 FY28; delays or cost overruns would push out the associated capacity and revenue benefits embedded in FY28F-FY31F projections.
Capital Market / Under-Subscription Risk	The Book Building process will be cancelled if bids fall short of the shares on offer or the minimum required number of bids, in which case subscription monies are refunded; post-listing, the share price will be subject to normal market volatility.

Source: Prospectus, BMA Research

Company Snapshot

Item	Detail
Founded (as AOP)	October 26, 1998, Sargodha, Punjab
Incorporated (Pvt. Ltd.)	August 18, 2025
Converted to Public Ltd.	January 12, 2026
Head Office	Sargodha, Punjab; branch offices in Rahim Yar Khan & Hyderabad
Certifications	GLOBAL G.A.P.-certified farms; HACCP-certified processing/packing
Auditor	Ilyas Saeed & Co., Chartered Accountants (no qualified opinion, FY24-FY26)
Pre-IPO Paid-up Shares	63,716,036
Post-IPO Paid-up Shares	93,716,036
Post-IPO Free Float	48.32% (incl. 32.01% public offering)

Source: Prospectus, BMA Research

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Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)