SE FRUITS & VEGETABLES LIMITED
From Pakistan to the World

CHASE SECURITIES
Pakistan (Private) Limited

EQUITY | IPO NOTE |FOOD & PERSONAL CARE PRODUCTS

SE Fruits and Vegetable Limited



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Company Overview

Business Description

SE Fruits & Vegetable Limited is a Sargodha based horticultural exporter engaged in the procurement, processing, grading, packing and export of fresh agricultural products, primarily kinnow and mangoes, with potatoes being added as an additional product line. The business commenced operations in 1998 as Shaheen Enterprises and was corporatized on August 18, 2025, carrying forward nearly three decades of operating history, supplier relationships and international customer linkages.

- The Company operates within Pakistan's agriculture and horticulture export sector, with its core business centered around kinnow and mango exports. SE also undertook limited potato exports in FY23 and FY24; however, working capital was subsequently prioritized toward its established kinnow and mango operations. Going forward, management intends to expand potato exports as part of the Company's product portfolio.

- SE follows a hybrid procurement model, sourcing produce through its own orchards as well as third party growers and market suppliers. Kinnow is primarily procured from the Sargodha region of Punjab, mangoes from Sindh and Southern Punjab, while potatoes are mainly sourced from the Okara district. The Company inspects third party farms before procurement to maintain product quality and supply consistency during peak export seasons.

IPO Snapshot	
Floor	PKR 40
Ceiling	PKR 64
IPO Size	30 Mn shares
Total Outstanding Shares	93.71 Mn Shares
Pre-Issue P/E	8.39
Post-Issue P/E (At Floor)	12.34
Book Building Dates	21-22nd September
Public Subscription Dates	28-29th September
Revenue CAGR (FY22-FY26)	28.00%
PAT CAGR (FY22-FY26)	31.00%

Key Ratios	FY23	FY24	FY25	FY26	FY27P	FY28P	FY29P	FY30P	FY31P
Return on equity	70%	36%	39%	32%	27%	32%	32%	31%	30%
Cash Conversion Cycle	60	18	29	63	16	16	16	16	16
Receivable Turnover	46	48	45	170	50	50	50	50	50
Debt to Equity	18%	0%	0%	0%	0%	0%	0%	0%	0%
Gross Margin	32%	31%	25%	35%	36%	36%	36%	36%	36%
Net Margin	15%	12%	15%	14%	13%	15%	15%	14%	14%

Source: Investor Presentation

Company Overview

Business Description

- The Company undertakes in-house processing, grading and packing of product prior to export. Its registered office and core kinnow operations are located in Bhalwal, District Sargodha, one of Pakistan's major citrus producing regions, providing SE with proximity to a key raw material base and supporting efficient procurement and processing operations.

- SE serves a diversified portfolio of international markets across the Middle East, Far East, South & Central Asia and the CIS region. Key markets include the UAE, Oman, Saudi Arabia, Qatar, Bahrain, Iraq, Sri Lanka, Bangladesh, Afghanistan, Tajikistan, Turkmenistan, Uzbekistan, Indonesia, Singapore, Malaysia, the Philippines, Cambodia, Russia and Belarus. The Company has developed long standing relationships with international customers through nearly three decades of market presence and export activity.

Segment-wise Contribution (Export)

Segment	Selling Price (PKR/Ton)			Buying Price (PKR/Ton)			Profit Margin		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Kinnow	85,240	120,000	104,199	37,505	82,800	65,000	56%	31%	38%
Mango	239,259	241,801	525,230	90,000	184,247	115,000	62%	24%	78%
Potato	60,000	-	-	34,217	-	-	43%	-	-

Segment-wise Contribution (Local)

Segment	Selling Price (PKR/Ton)			Buying Price (PKR/Ton)			Profit Margin		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Kinnow	7,646	100,703	65,000	4,000	82,800	65,000	48%	18%	0%
Mango	-	-	144,663	-	-	90,810	-	-	37%
Potato	-	-	-	-	-	-	-	-	-

Source: Investor Presentation

Product Portfolio

Mango (May - August)
Sindhri and Chaunsa varieties for the Gulf. Processing and cold storage leased seasonally along the Karachi export corridor. Highest realization per ton of the three crops.

Kinnow (Dec - March)
Flagship product line. Owned 52-finger and 42-finger processing plants at Bhalwal with 36,000 tons of seasonal capacity, plus a 500 ton, three room cold store and 14 acres of own orchards.

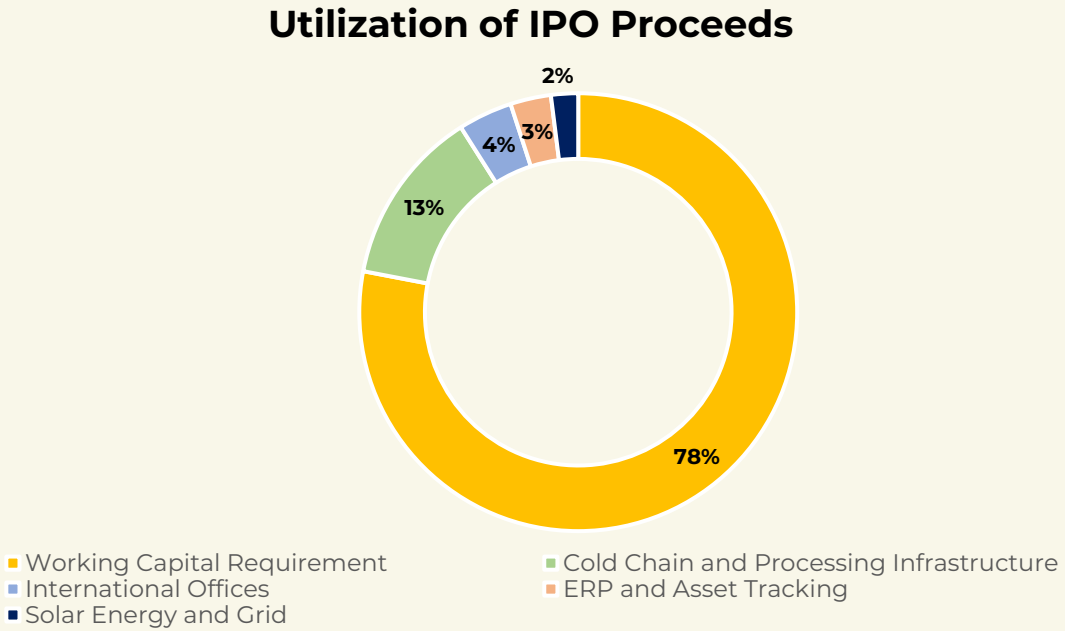
Potato (Jan - March)
Being reintroduced after FY2024. Two crop cycles per year, sourced from Okara. Suspended in FY2025–26 solely because working capital was prioritized to kinnow and mango.

Export Market	Countries
Middle East	UAE, Oman, Saudi Arabia, Qatar, Bahrain and Iraq
Far East	Indonesia, Singapore, Malaysia, the Philippines, Cambodia
South & Central Asia	Sri Lanka, Bangladesh, Afghanistan, Tajikistan, Russia, Belarus
Emerging Markets	Uzbekistan, Kazakhstan and Poland — new market entry underway

Source: Investor Presentation

Use of IPO Proceeds & Growth Drivers

Capital Deployment



Particulars	Amount (PKR mn)	%
Working Capital Requirement		
Kinnow - Export	556	59%
Kinnow - Local	258	27%
Potatoes	127	14%
Cold Chain and Processing Infrastructure	154	13%
International Offices — UAE / Uzbekistan	50	4%
ERP and Asset Tracking	30	3%
Solar Energy and Grid	26	2%
Total	**1,200**	**100%**

Source: Investor Presentation, Investor Brief

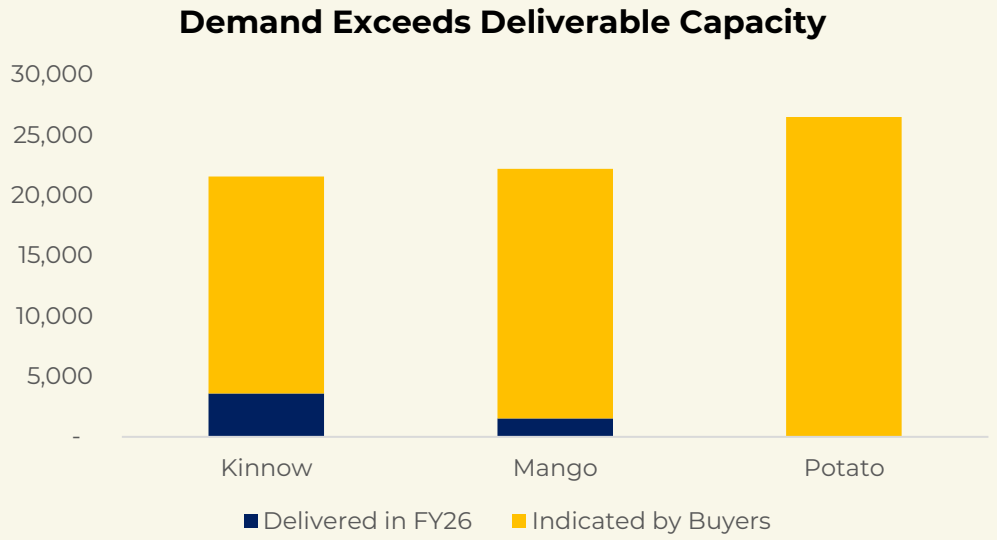
Key Investment Highlights

- Pakistan's horticulture sector presents a sizeable underpenetrated export opportunity, with the country currently exporting less than 10% of its total fruit production. The key constraint across the sector remains post-harvest infrastructure including grading, cold-chain facilities, certification and working capital rather than the availability of produce.

- Pakistan produces approximately 3.9mn tons of citrus annually across nearly 260,000 hectares, while annual mango production stands at around 2.9mn tons, making Pakistan one of the world's largest mango producers. Exporters with the ability to procure at scale, maintain international quality standards and meet traceability requirements are therefore well positioned to capture a larger share of the country's exportable horticultural surplus.

- SE's growth opportunity is further supported by significant indicated demand relative to its current export base. In FY26, indicated demand stood at approximately 65,150 tons compared with actual exports of 5,115 tons, representing nearly 12.7x the delivered volume and highlighting considerable headroom for expansion, subject to working-capital availability and execution capacity. At the same time, Pakistan's annual potato production stands at approximately 12mn tons, with the record 2025–26 crop generating an estimated 4.0–4.5mn ton surplus, providing a sizeable supply base for the Company's planned expansion into potato exports.

Segment	FY24 Tons	FY24 PKR mn	FY25 Tons	FY25 PKR mn	FY26 Tons	FY26 PKR mn
Kinnow - export	6,320	539	4,600	552	3,600	375
Kinnow - local	14,800	113	3,200	322	8,000	520
Mango - export	2,700	646	3,500	846	1,515	796
Mango - local	—	—	—	—	3,056	442
Potato - export	2,133	128	—	—	—	—
Total	**25,953**	**1,426**	**11,300**	**1,720**	**16,171**	**2,133**



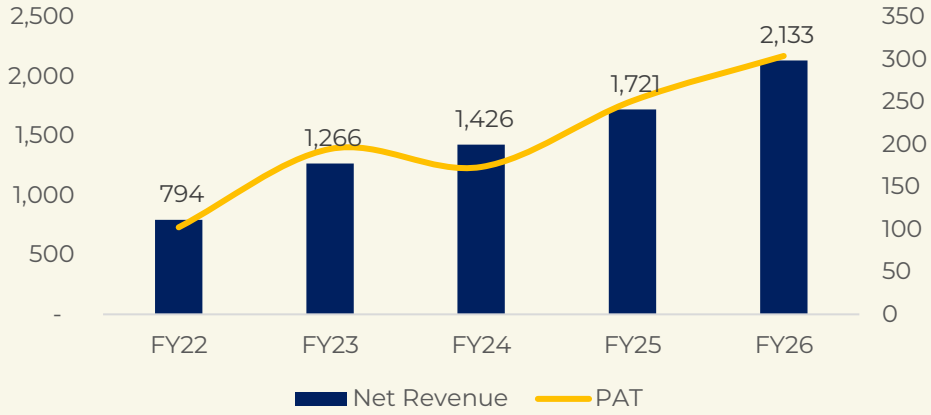
Source: Investor Presentation

Forward Projections

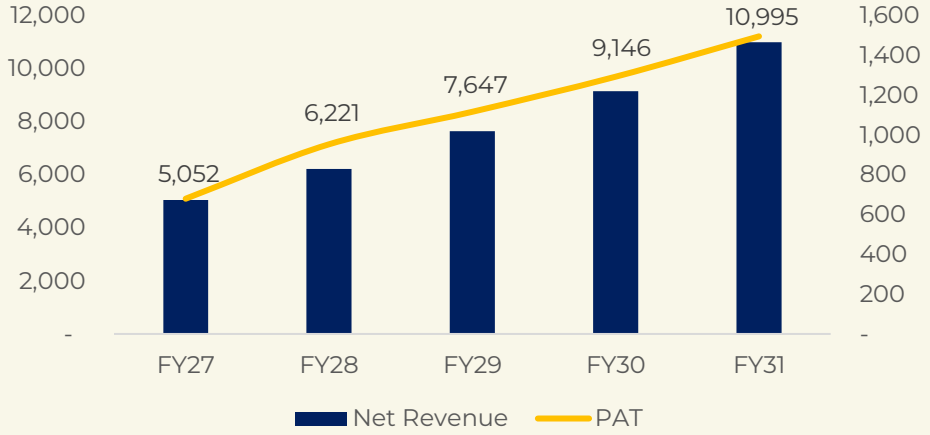
Profit & Loss Statement					
Particulars (PKR mn)	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**
Revenue	5,052	6,221	7,647	9,146	10,995
Gross Profit	1,833	2,248	2,752	3,279	3,926
Gross Margin	36.30%	36.10%	36.00%	35.90%	35.70%
EBITDA	960	1,167	1,366	1,560	1,784
Profit after Taxation	680	953	1,116	1,293	1,495
Net Margin	13.50%	15.30%	14.60%	14.10%	13.60%
Total Equity	2,481	2,957	3,515	4,162	4,910
Earnings per Share (PKR)	7.25	10.17	11.91	13.79	15.96
Dividend per Share (PKR)	3.63	5.08	5.96	6.9	7.98
Total Export Volume (tons)	**30,326**	**35,953**	**42,499**	**48,404**	**55,549**

Investor Presentation, Chase Research

Revenue and profit after tax (PKR mn)



Revenue and profit after tax (PKR mn)



Source: Investor Presentation

Key Highlights

- Management indicated a potential dividend payout ratio of up to 50%, subject to final Board approval and the availability of sustainable cash flows.
- Management projects total export volumes of approximately 30,000 metric tons (MT) in FY27.
- For kinnow, the company's in-house processing capacity reaches approximately 36,000 tons under double shift operations, providing sufficient processing headroom relative to projected volumes.
- Approximately 60% of the fruit sourced from farms is of export grade quality, while the remaining 40%, which does not meet export-grade specifications, is sold in the local market, where gross margins typically range between 15% and 20%.
- The company pre books approximately 50%–60% of its required farms before the harvest season, while the remaining 40% is sourced from the spot market. This procurement mix provides flexibility and helps mitigate the impact of localized crop losses.
- Payments to farmers are structured in stages across the harvesting cycle. The company makes an initial 25% advance at the time of farm booking, followed by further payments as harvesting progresses, with the cumulative payment reaching 50% once approximately 25% of the farm has been harvested, 75% once 50% has been harvested, and 100% upon completion of approximately 75% of the harvest.
- International distributors and wholesalers provide the company with weekly demand forecasts based on underlying supermarket retail orders. Pricing is structured accordingly, with prices typically fixed for around two months in December, while weekly dynamic pricing is used during the peak February season.
- International buyers generally extend approximately one month credit terms to end destination supermarket chains, which forms part of the normal working capital cycle.
- The company sources fruits from farms spread across multiple geographical districts, including Sargodha and Jhang, reducing exposure to localized weather events and limiting the risk that a single climatic event materially disrupts the entire procurement base.

Source: Investor Briefing, Chase Research

Key Highlights

- Kinnow farm bookings are finalized after the monsoon season, once management has inspected the physical fruit set and assessed crop quality. Management noted that, over the company's 28 year operating history, it has never experienced a complete crop destruction event.
- Management stated that banks remain reluctant to extend larger credit facilities against perishable inventory and relatively asset-light trading operations.
- Following the IPO and listing, management expects the enhanced corporate profile and access to capital markets to potentially enable the company to raise additional financing through unsecured corporate Sukuk, providing an alternative funding source for future working capital requirements.
- Pakistan exports approximately 700,000 tons of potatoes annually, and management therefore considers its planned 10,000 ton export volume achievable within the context of the broader market, particularly through established sea routes to Oman and other Middle Eastern markets.
- Management highlighted that the GCC imports approximately 85% of its food requirements, supporting structurally resilient food demand. Any demand weakness is viewed as being largely concentrated in the tourism related segment, with management estimating an impact of around 5%–10%. The sea route through Oman remains operational, with management viewing Oman's diplomatic relationships with Iran, the US and Saudi Arabia as supportive of route stability.
- Regional supply chain disruptions have reduced fruit availability in certain markets, enabling the company to achieve higher export realizations and stronger gross margins.
- In the event of severe disruption to Middle Eastern trade routes, management believes kinnow export volumes can be redirected toward alternative markets, including the Far East Indonesia, Malaysia and the Philippines—Eastern Russian ports, Afghanistan and Central Asia.
- National kinnow production declined to a record low of approximately 1.7mn tons in FY25, compared with a normalized crop of around 2.8–2.9mn tons. The resulting increase in farm gate procurement prices could not be fully passed on to international customers, leading to margin compression during the period.
- If a natural disaster, disease outbreak, or severe weather event damages a pre-booked farm, the resulting loss is borne by the Company; however, this risk is mitigated through structural protections.

Source: Investor Briefing, Chase Research

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Rating Definition	
Buy	Total stock return > 15%
Neutral	Total stock return between 0% -15%
Sell	Total Stock return < 0%

* Total stock return = capital gains + dividend yield

Valuation Methodology:

- Period end target prices, Chase Securities Pakistan Private Limited uses different valuation methodologies including but not limited to:
- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return o arrive at our based methodologies (EVA, Residual Income etc.)

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