

REP - 040

International Industries Limited (INIL)

Largest steel exporter of Pakistan , offers long-term value & exposure to macro tailwinds

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Stock Prices used are as of October 08, 2026
Date of Publication: October 09, 2026

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International Industries Limited (INIL) - 'BUY'

Detailed Company Report—International Industries Limited (INIL)

TAURUS SECURITIES LIMITED
A Subsidiary of National Bank of Pakistan

Engineering

Jun'27 Target Price	Closing Price	Upside (%)	Dividend Yield (%)	Total Return (%)
200	157	27%	4%	31%

Investment Thesis

- We initiate coverage on International Industries Limited (INIL) with a Jun'27 target price of PKR 200/sh., offering an upside of 27% over the LDCP, coupled with a dividend yield of 4% - resulting in a total return of 31% - warranting a 'BUY'. To recall, FY26 earnings increased sharply i.e. up ~2.2xYoY mainly on the back of significant jump in the topline i.e. ~40%YoY—higher business activity across the Group's operations particularly in steel coils and stainless steel (covering Automobile, Electrical Goods and Construction); along with higher earnings contribution from its Associates amounting to PKR 871.6Mn.
- Moreover, the ASC Group (sponsor) has decided to sell INIL's stake (including holding via ISL) in Chinoy Engineering (CECL) for PKR 700Mn. To note INIL had booked an impairment loss of PKR 122Mn in FY26 against this investment. Hence, the Company's bottle-line is expected to normalize FY27 onwards.
- INIL's revenue is highly correlated with the GDP given its diversified product offering i.e. 80% correlation—making it a major beneficiary of macroeconomic tailwinds. GDP growth for FY27 is forecasted at 3.5-4.5% as per official estimates, with further demand pick-up in years ahead. This is likely to drive domestic demand for steel & polymer pipes, infrastructure, construction, energy and industrial activity. Hence, consolidated sales are expected to grow at a CAGR of 7% over FY27-FY31.
- Further, INIL is officially recognized as Pakistan's largest manufacturer and exporter of steel pipes, tubes, and polymer fittings, considered a highly significant and notable player in the global market. For context, Exports make up ~20% of sales with long-term supply contracts, offering stability to revenues in case of cyclical pressures at home. INIL exports to over 60 countries.
- Additionally, the management boasts an excellent track record in the steel sector of Pakistan with decades of experience, underscoring the long-term value proposition of the Company.
- Currently trading at a PE of 8.6x i.e. 20% discount to 5Yr-Avg.

INIL PA

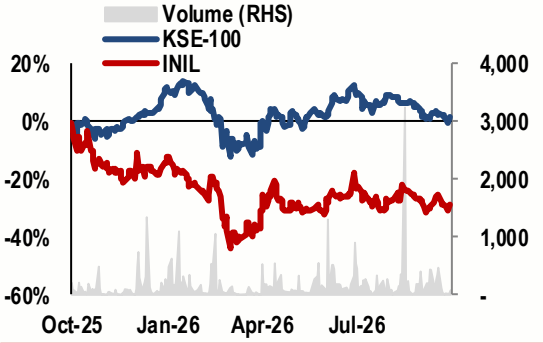
Sponsor	ASC Group
Stock Price	157
Outstanding Shares (Mn)	132
Market Cap. (PKR Bn)	21
Free-Float (%)	45%
3M Avg. Daily Value (PKR Mn)	31
3M Avg. Daily Volume ('000)	188
3M High	181
3M Low	148

Source: PSX and TSL Research

Key Metrics	FY26A	FY27E	FY28F
EPS	21.9	18.2	26.7
DPS	7.0	6.0	9.0
GM (%)	13%	12%	14%
NM (%)	4%	3%	4%
ROE (%)	10%	7%	10%
ROA (%)	5%	4%	6%
Div. Yield (%	4%	4%	6%
P/E (x)	7.7	8.6	5.9
P/B (x)	0.5	0.4	0.4

Source: Company Accounts & TSL Research

12 Month Relative Performance of INIL

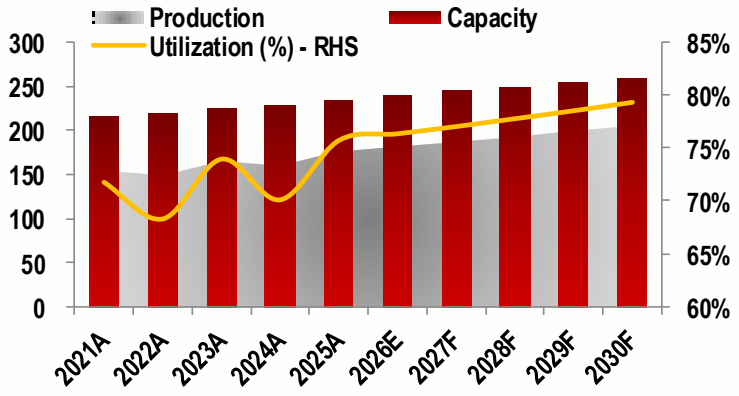


Source: PSX and TSL Research

Global steel demand – Steel Tubes & Pipes segment to outperform

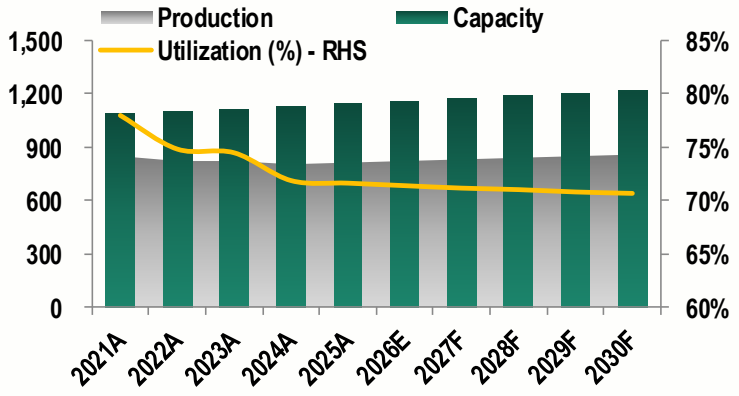
- As per World Steel Association (WSA), global steel demand is expected to grow only 0.3% in 2026 due to ongoing trade disruptions owing to the US-Iran conflict i.e. global steel exports to decline sharply largely affecting long and flat steel segments. However, global steel demand is expected to recover in 2027, growing at ~2.2% p.a. due to improved geo-political outlook.
- In Steel Tubes & Pipes segment, sales grew ~10%YoY to 177.9Mn tons during FY26 with China maintaining a dominant share of ~52%. While in Pakistan, the market expanded by ~20%YoY to over 1Mn tons. Going forward, global demand for Steel Tubes & Pipes is likely to grow faster in the coming years due to its exposure to several structural investment themes i.e. pipelines, LNG, water, energy transition, data-center/industrial construction and infrastructure etc. Further, traction may also come from the changing geopolitical landscape as countries specially in the Middle-East consider developing alternate energy supply routes (pipelines) & storage facilities & terminals on a 'war-footing'. Moreover, the Middle-East faces ~USD 58Bn in repair and restoration costs for damaged oil & gas and associated energy infrastructure due to the ongoing war in the region; expected to bode well for demand for Tubes & Pipes in the short-term as well.
- The global construction sector is expected to face another challenging year i.e. forecast to grow just 0.8% in 2026, following a 0.2% decline in 2025 mainly due to geopolitical instability alongside US imposed "Liberation Day" tariffs, elevated material and energy costs, supply-chain disruptions and higher freight expenses. However, as per Association of Equipment Manufacturers (AEM), construction demand is likely to recover in 2027 with an anticipated growth of ~2.8% (3.7% CAGR during 2028-2030); driven by fast growing infrastructural development for AI and Cloud centers mainly in the US, China and India. To note, the strongest structural demand is likely to come from infrastructure, power, data centers, utilities and urban investment rather than conventional real estate.
- Further, according to the World Steel Association, India is expected to lead construction-related steel demand growth in 2027, followed by Africa. Whereas, China is projected to transition from contraction towards stabilization during 2027. Also, the US steel demand is projected to grow by 2.0% in FY27, supported by private investment, public infrastructure spending and a recovery in residential construction. Finally, the EU is expected to post a growth of 3.0% in 2027, with infrastructure and defence spending contributing to the recovery mainly.

Global Steel Pipes & Tubes (MTPA)



Source: ITA & TSL Research

Global Flat Steel (MTPA)

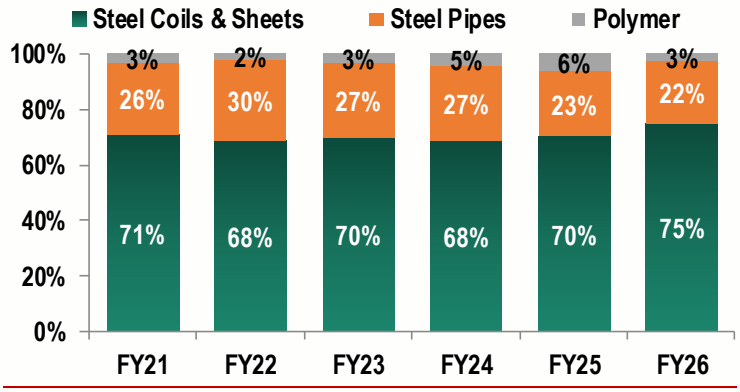


Source: WSA & TSL Research

Broader value-added product portfolio makes INIL a premier player

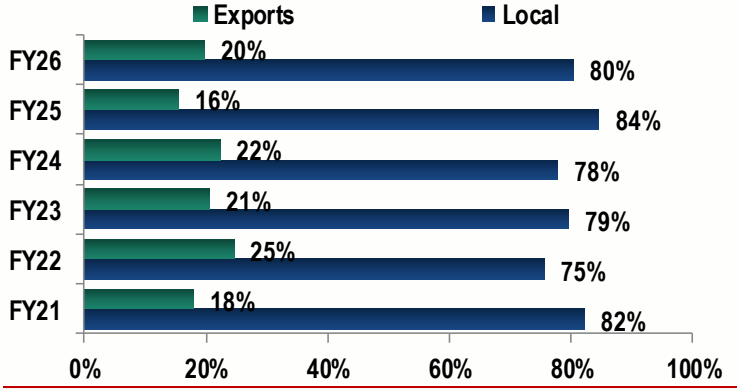
- INIL is the only Company within the Engineering sector of Pakistan to offer all kinds of steel products along with engineering solutions. However, majority of the consolidated sales of INIL are largely tied with the performance of its subsidiary International Steels Limited (ISL) i.e. ~75% of INIL's FY26 net sales came from the Steel Coils & Sheet segment (product sales from ISL). Further, the Company generates ~22% revenue from Steel Pipes and ~3% from Polymer Pipes & Tubes, respectively. In addition, INIL's exports account for ~20% of sales (FY26), distributed as ~83% from Flat Steel and 17% from Tubes & Pipes, respectively.

Product-wise Revenue - FY21-FY26



Source: Company Accounts & TSL Research

Revenue Break-up (Local & Exports)

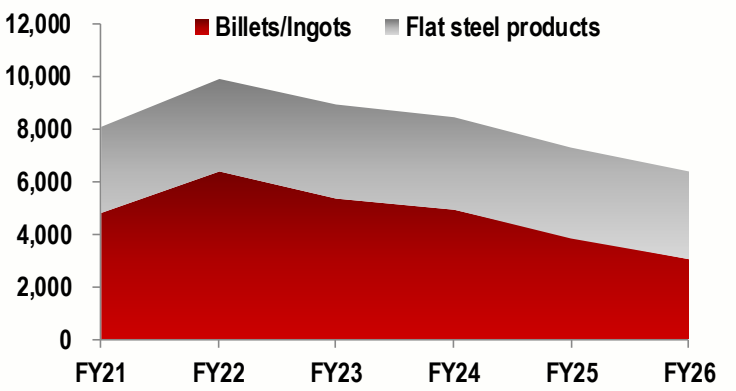


Source: Company Accounts & TSL Research

Pakistan's annual steel production declined over the last 5 years

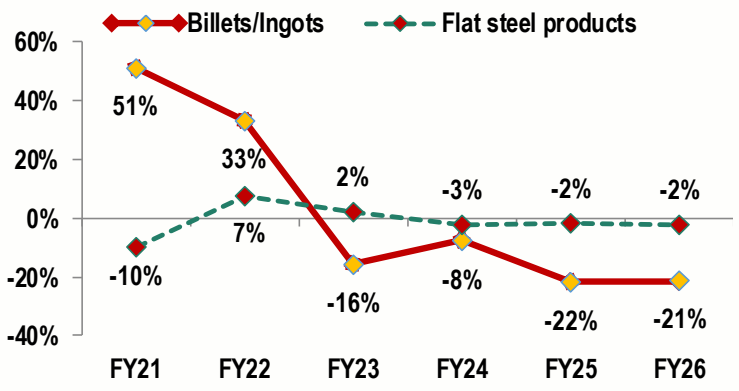
- Pakistan's steel production contracted at an average of ~4% during FY22-FY26 mainly due to economic slowdown along with significant increase in the raw material & energy costs. Specifically: i) Construction (public & private) slowdown—probably the biggest factor in case of long-steel and tubes & pipes demand; ii) Higher Inflation—reduction in the purchasing power, affecting Automobile and White Goods sales mainly; iii) Record high interest rates—resulting in lower private sector credit demand affecting industrial and construction activities along with the demand for consumer finance; & iv) Fiscal constraints i.e. lower PSDP utilization and higher taxation.
- Nevertheless, we expect demand for steel products to recover on account of the ongoing macroeconomic stabilization in the country i.e. gradually reducing fiscal pressures & robust outlook for the external sector, subject to the normalization of geopolitical risks.

Pakistan Annual Steel production - 000 tons



Source: PBS & TSL Research

Pakistan Annual Production growth - (%)

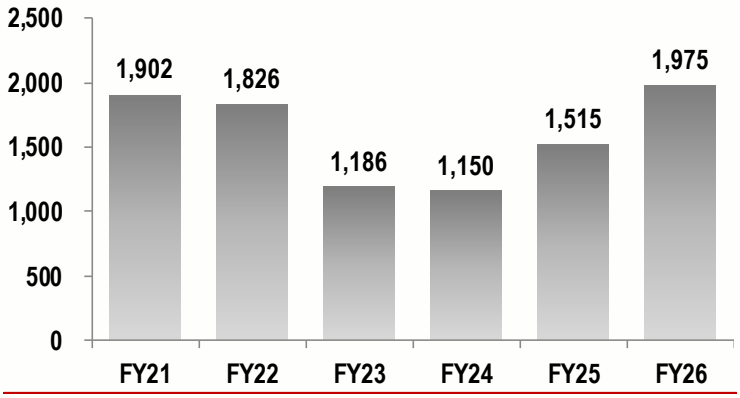


Source: PBS & TSL Research

Compelling growth in the Flat Steel segment courtesy subsidiary

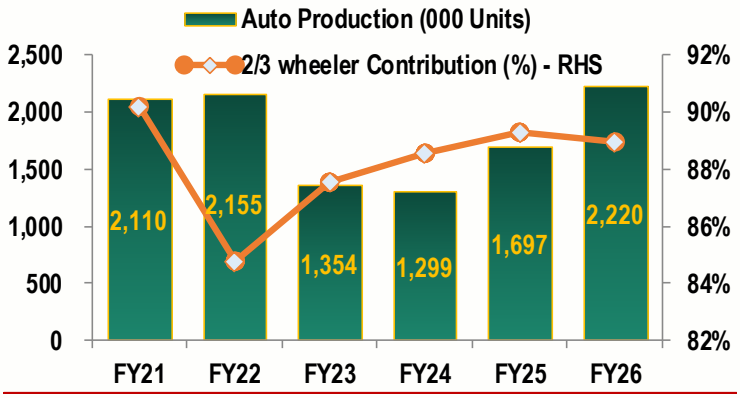
› Most of the INIL's consolidated revenue comes from its subsidiary ISL—largest flat steel producer in the Country. It has a solid market share in the Automobile sector i.e. above 60% - wherein ~50% is attributable to the 2-3 wheeler segment. We expect demand for flat steel products from the Automobile sector to grow going forward in light of: i) Improved demand outlook for passenger cars driven by recovering macros & stable prices; ii) Focus on localization by the OEMs under the new Automobile Policy; & iii) Surge in Auto Finance. Additionally, higher fuel prices may lead to demand shifting towards more affordable & fuel efficient vehicles i.e. supporting 2-3 wheeler sales.

2/3 Wheeler Production (000 Units)



Source: PAMA & TSL Research

2/3 Wheeler Contribution in Automobile Production

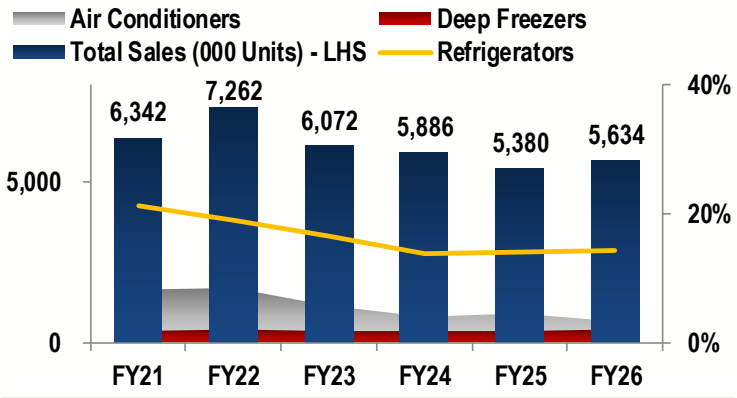


Source: PAMA & TSL Research

› Other sectors contributing to Flat Steel demand include demand from the White Goods sector i.e. electronic appliances etc. where ISL holds ~20% market share. We anticipate demand for White Goods to increase on the back of surge in consumer spending, population growth, urbanization & uptick in domestic manufacturing—supporting volumes for ISL in the future.

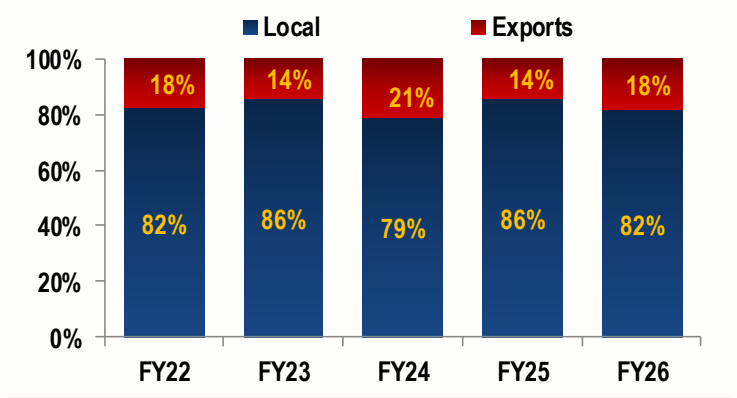
› Elsewhere, ISL also has a ~10% market share in demand from the applications of Flat Steel in the Agriculture sector like building storage facilities i.e. Silos. These may benefit from the Government announced incentives like 'Agri Storage Financing Facility' in Budget FY27 amounting to PKR 7.1Bn. Similarly, initiatives like investments in corporate farming would also benefit demand. In addition, gradual uptick in construction activities is also likely to support Flat Steel volumes. To recall ~18% of ISL's sales come from exports which also have a positive forward outlook. Consequently, we expect ISL's sales to grow at a CAGR of 6.5% over FY27-FY31—supporting INIL's sales at the group level.

Mix of Electronic Appliances Sales



Source: PBS & TSL Research

ISL Historical Sales Mix - %

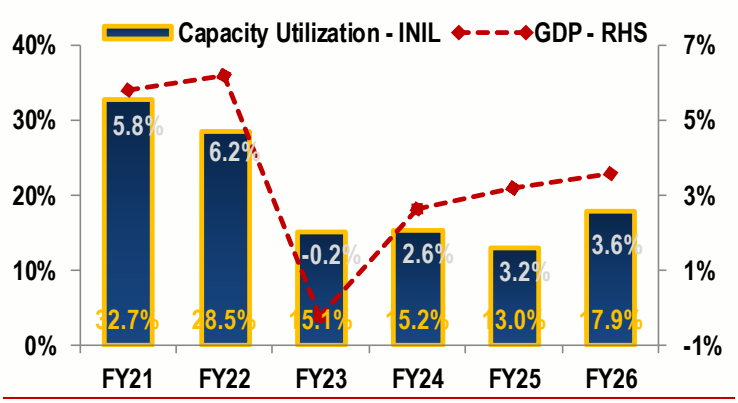


Source: Company Accounts & TSL Research

Steel Pipe segment performance to remain fragmented

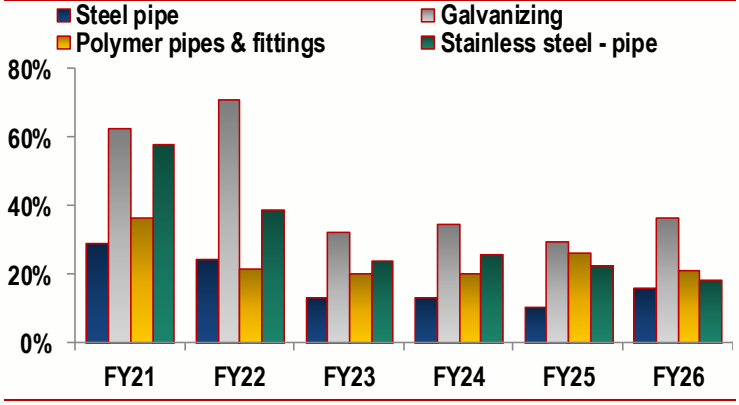
- Despite a significant rebound in sales of the Steel Pipe segment during FY26 (up ~32%YoY from PKR 20.1Bn in FY25 to PKR 26.6Bn in FY26), segment performance remains highly sensitive to domestic demand, going forward. For context, historically it has had a correlation of ~0.8 with Real GDP growth in the country. Wherein, potential demand drivers include; i) Infrastructure development spending; ii) Increase in water & gas transmission projects; iii) Uptick in construction activities and; iv) Mining related projects.
- **Margins recovered to historical levels:** Moreover, INIL's Steel Pipe segment margins recovered to their historical average of ~13% in FY26 after slipping to ~8% in FY25; driven by stable raw material prices and improvement in sales to the construction sector. However, exports from this segment declined substantially to ~15% of total sales in FY26, compared to the historical contribution i.e. ~30%; mainly due to tariffs imposed by the US on global steel exporters during the year.
- **Outlook:** Industry dynamics are expected to remain fragmented due to increase in the number of un-documented players, offering/selling cheaper and non-standard pipes. This is likely to be the biggest challenge for INIL in case of sustaining margins; as it may absorb costs in order to protect market share. Further, the Company's high quality products i.e. MS/black pipe, GI, HSS, API and scaffolding pipe rely on demand from large infrastructure projects. While, construction market is likely to be dominated by un-documented steel pipes—margins may improve on account of phasing out the GST exemption for FATA/PATA regions; currently only 12% GST applies in these regions.

INIL Capacity Utilization (%)



Source: PBS, Company Accounts & TSL Research

Segment wise Capacity Utilization (%)



Source: Company Accounts & TSL Research

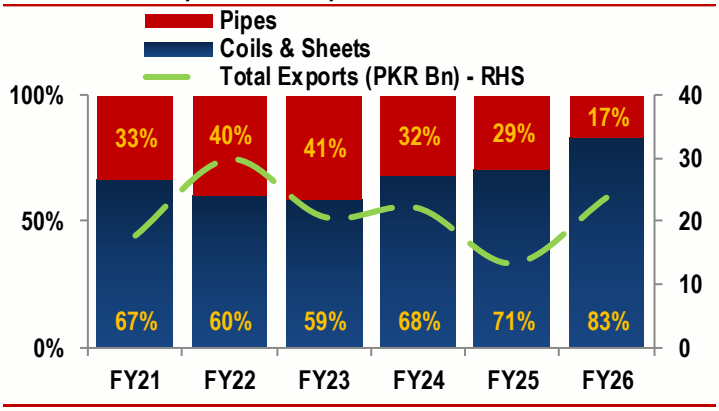
Recovering macros to support volumes for the Polymer Segment

- Polymer demand is highly dependent on infrastructure spending, urbanization and agricultural demand in the Country. To note the Company's Polymer division manufactures a diverse range of pipes and fittings for water supply, gas distribution, telecommunications, and ducting applications, with a strategic emphasis on capacity expansion, product development, and the market's long-term growth. Resultantly, we expect FY27 outlook to remain muted (anticipating construction growth of 1.5-2% only) due to ongoing US-Iran conflict which has already increased raw material prices and driven headline inflation (10.2%YoY in Sep'26—FY27E CPI of 8.8%YoY). However, phasing out of the GST exemption for the erstwhile FATA/PATA regions is expected to improve margins.

Substantial exports protect sales from domestic economic cycles

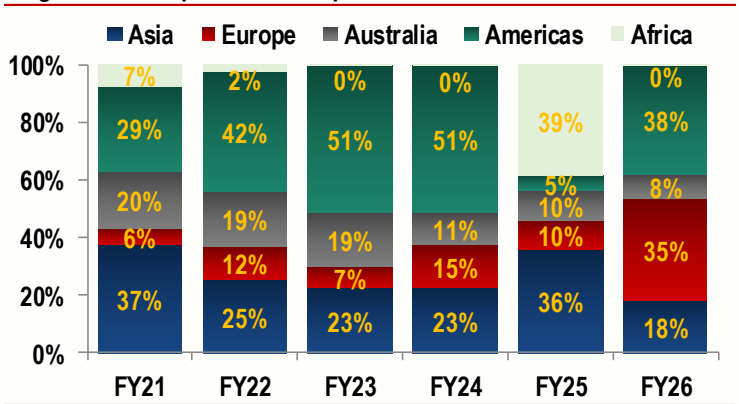
- INIL is the largest steel exporter of Pakistan having presence in more than 60 countries through its international sales & distribution arm—consists of 3 wholly owned subsidiaries i.e. IIL Australia Pty. Limited (covering wider Asia-Pacific market), IIL Americas Inc. (sales and distribution of products in North America) and INIL Europe Limited (consists of Ireland & EU countries), respectively. All of INIL's subsidiaries engage in the sales and distribution of INIL's products (except Polymers) in their respective markets. These products include galvanized pipes, precision steel tubes, pre-galvanized pipes, stainless steel tubes and galvanized sheets & coils (particularly covers Asia-Pacific market).
- During FY26, share of exports in the sales mix improved to 20% compared to 16% last year. Wherein, exports to Europe and North America increased significantly by 5.2xYoY and 12.1xYoY, respectively. While, exports to the Asia-Pacific region declined 12%YoY due to lower demand. Nevertheless, we expect exports to the Asia-Pacific region to recover during 2HFY27 amid better demand outlook.
- **Outlook:** INIL's export potential is currently tied to the normalization of geopolitical conditions, going forward. Hence, a prolonged US-Iran escalation is likely to affect demand from INIL's export markets; particularly North-America and the Asia-Pacific. However, downside may be limited due to larger contribution from INIL Europe Limited. We expect geopolitical situation to normalize during 2HFY27— likely to boost INIL export sales contribution to ~22-23% during FY27, in our view.

Product-Wise Exports Break-up



Source: Company Accounts & TSL Research

Region-Wise Exports Break-up



Source: Company Accounts & TSL Research

Robust local sales & distribution network

- IIL Trading (Pvt.) Ltd (Formerly IIL Construction Solutions Private Ltd), a wholly owned subsidiary of INIL, covers domestic distribution of international industrial/construction brands in Pakistan i.e. Fischer, Milwaukee and Mapei. Its main business is trading, distribution and marketing of international recognized products in Pakistan through the INIL's channel, which includes distribution of construction materials, power/hand tools, construction chemicals and oil & gas specialty chemicals. It also offers after-sales services in order to retain customers.
- Accordingly, the management expects the growth in INIL's distribution channels to support local sales. However, the latter will be more or less subject to overall demand growth in the Country i.e. PSDP projects and other construction supportive schemes announced in the FY26 Budget, along with demand from Automobile and the White Goods segment as well.

Positive earnings outlook for Pakistan Cables Limited (Associate)

- INIL holds ~9.3Mn (17.12%) shares of Pakistan Cables Limited (PCAL) - associate, with ~PKR 818Mn in investment outlay along with ~PKR 32Mn booked in share of profit from PCAL in FY26. Accordingly, as on June 30, 2026 INIL's total investment value in PCAL stood at ~PKR 1.9Bn. To note, PCAL posted a sharp jump in earnings for FY26 on account of 16%YoY growth in sales along with stable margins. Moreover, it also booked a hefty one-off SIDC related reversal of ~PKR 320Mn, and a post-impairment gain on disposal of Chinoy Engineering (discussed earlier) amounting to PKR 420Mn. Consequently, PCAL's FY26 EPS arrived at PKR 3.05 against a LPS of PKR 5.15 in the SPLY.
- To note PCAL relocated operations to Nooriabad in May'25 resulting in cost efficiencies, the impact of which was fully reflected in its FY26 results. In addition, it has also signed an Ijaarah agreement with Burj Clean Energy Modaraba to install 7.5MW Wind Turbine Project with commencement expected in FY27. It will have ~20 years life, translating into expected cost savings of PKR 100-150Mn. Finally, demand outlook for PCAL is also expected to improve on account of potential DISCOs privatizations, including plans of USD 10.6Bn in grid upgrades under Integrated System Plan, surge in construction activities mainly housing related under the National Housing Policy and the PM Apna Ghar Scheme as well as expansion of renewable investments, respectively.

Disposal of investment in Chinoy Engineering (CECL)

- Chinoy Engineering & Construction (Pvt.) Limited (CECL) is an associated company in which ISL and INIL collectively hold ~34% shares, having collectively invested PKR 97Mn in CECL during FY25. As of FY26, investment in CECL (equity accounted) amounted to ~PKR 822Mn. Subsequently, INIL announced to divest its equity investment (including ISL's shares) in CECL for a total consideration of PKR 700Mn at PKR 72.24/sh. translating into a loss of PKR 122Mn.
- To recall, CECL was setup as a SPV for the purpose of executing the construction of accommodation camps for the Reko Diq project. However, due to security threats in Balochistan along with little progress on the Reko Diq project itself; the Group (including PCAL and ISL) decided to divest its shares in CECL. Consequently, INIL and its group companies are expected to benefit from a significant one-time cash inflow i.e. PKR 700M; and cumulatively over PKR 1Bn (sale proceeds plus dividends).

Loss on disposal of CECL Shares	PKR/Mn
Investment Value - FY25	97
Share of net income on investment	1,051
Dividend received	(326)
Ending Value - FY26	**822**
Sales Proceeds	700
Gain/(Loss)	**(122)**

Source: Company Accounts & TSL Research

INIL Group Holdings - Shares in Mn	Shares	%
International Steels Limited (ISL) - Subsidiary	245.1	56%
Pakistan Cables Limited (PCAL) - Associate	9.3	17%
Chinoy Engineering & Construction (Pvt.) Ltd - Associate	9.7	34%
CFS Minerals (Pvt.) Ltd - Associate	1.0	33%

*Source: Company Accounts & TSL Research; *As of FY26 Annual Report*

Diversification into a new ventures

- INIL has formed a joint venture to enter the minerals and mining business via an initial investment of PKR 10Mn, (expected to go up to PKR 500Mn in tranches as the operations grow) called CFS Minerals (Pvt.) Ltd—holding ~33.3% shares along with Cherat Cement Ltd (CHCC) and Shirazi Investments also holding 33.3% each. CFS Minerals' principle activities would include acquisition and leasing of mining rights, exploration and development of mineral concessions and development & management of mining-related assets in Balochistan and Khyber Pakhtunkhwa. These operations will focus mainly on exploiting Copper, Gold, Lead, Zinc, Barite and Antimony.

Key risks to INIL investment thesis

i) Slower than expected GDP and LSM growth affecting domestic sales;

ii) Volatility in raw-material prices amid prolonged US-Iran conflict;

iii) Higher energy and freight costs;

iv) Exchange-rate fluctuations;

v) Protectionist trade policies constraining exports;

vi) Rising inflation & taxes denting purchasing power, and weighing on consumer goods demand, particularly Automobiles and Electrical/Electronic appliances;

vii) Weaker construction and infrastructure spending due to lower PSDP utilization; and

Viii) Delays in the roll-out of public/private housing projects i.e. PM Apna Ghar Scheme etc.

About the Company

- International Industries Limited (INIL) is a leading Pakistani manufacturer of steel and polymer pipes, tubes, fittings, and related engineering solutions. Established in 1948 and listed on the Pakistan Stock Exchange in 1984, the Company has grown into a major industrial enterprise serving sectors such as construction, infrastructure, energy, and manufacturing. INIL offers products including galvanized steel pipes, precision tubes, API line pipes, structural hollow sections, stainless-steel tubes, and polymer pipes and fittings. With operations and subsidiaries extending internationally, its products are exported to more than 60 countries across six continents, making INIL an important contributor to Pakistan's industrial and export sector.
- INIL is the flagship company of Amir S. Chinoy (ASC) Group, with a diversified group structure comprising subsidiaries and associates. Its subsidiaries include International Steels Limited (ISL), in which INIL holds ~56.33% shares, along with wholly-owned subsidiaries i.e. IIL Trading (Pvt.) Ltd., IIL Australia Pty. Ltd., IIL Americas Inc., and INIL Europe Ltd. INIL also holds ~17.12% in Pakistan Cables Limited (PCAL), 17.0% in Chinoy Engineering & Construction Pvt. Ltd (CECL—~34% when including ISL's shareholding) and 33.0% in CFS Minerals (Pvt.) Ltd.

Board of Directors	Position
Mr. Kamal A. Chinoy	Chairman/Non-Executive Director
Mr. Asif Jooma	Independent Director
Mr; Haider Rashid	Independent Director
Mr. Mansur Khan	Independent Director
Mr. Mustapha A. Chinoy	Non-Executive Director
Mrs. Selina Rashid Khan	Non-Executive Director
Muhammad Asad	Non-Executive Director
Zain K. Chinoy	Executive Director
Mr. Yousuf H. Mirza	Chief Executive Officer (CEO)

Source: Company Accounts & TSL Research

Pattern of Shareholding	Percentage
Directors, CEO and their spouse(s) and family members	43%
Associated Companies	1%
Govt. Financial Institutions/NIT / NBP Related Companies	23%
Banks, DFIs, Non Banking Financial Institutions	2%
Insurance Companies	2%
Modarabas and Mutual Funds	5%
Foreign Companies	0%
Public, Private and Other Companies	4%
General Public - Local & Foreign	20%

Source: Company Accounts & TSL Research

Product Categories	Product Types	Uses
Steel Pipes & Tubes	Galvanized Iron (GI) Pipes	In transmission of portable water, Natural gas, oil and other fluids.
	Hollow Structural Sections (HSS) , MS & Black Pipes	In construction of buildings, bridges, pedestrian walkways, stadiums and many other structures.
	Cold Rolled (CR) Steel Tubes	In automobiles, transformer goods, electrical goods and other mechanical items.
	Scaffolding Pipes	Scaffolding pipe is used in all types of construction projects.
	Firefighting Pipes	Ideal for specialized water transmission.
	HRS Tubes	Most commonly used in the fabrication of gates, grills, railings, light bedsteads, and other furniture.
	API (American Petroleum Institute) Line Pipes	Used in the distribution of natural gas and petroleum.
	L-T-Z-D Profiles	In the fabrication of doors, windows, gates and railings.
Stainless Steel Tubes	Cosmo (SS Grade 300 Series)	To be used in a variety of ornamental applications.
	Econic (SS Grade 200 Series)	Used in indoor applications and non-coastal environments.
	Forza (SS Grade 400 Series)	For use in automotive exhausts, trims, frames, and mufflers as well as home hot water systems.
Polymer Pipes & Fittings	PPRC Pipes & Fittings	Ideal for the transmission of hot & cold water in all residential, commercial, and industrial settings.
	UPVC Pipes & Fittings	Excellent at fulfilling the needs of customers for sewerage, soil, waste, and vent systems.
	HDPE Water Pipes	Commonly used in municipal and industrial applications.
	HDPE Duct Pipes	Used to provide a ducting sheath for fiber optic and telecom cables.

Source: Company Accounts & TSL Research

INIL: Jun'27 Target Price: PKR 200/sh. 'BUY'

Detailed Company Report – International Industries Limited (INIL)

TAURUS SECURITIES LIMITED
A Subsidiary of National Bank of Pakistan

Income Statement - Consolidated (PKR - Mn)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27E	FY28F
Net Sales / Revenue	98,746	121,740	100,737	99,156	85,813	120,255	122,875	134,213
Cost of Sales	(81,178)	(105,364)	(85,433)	(86,490)	(77,250)	(105,213)	(108,137)	(116,009)
Gross Profit	**17,568**	**16,376**	**15,304**	**12,666**	**8,563**	**15,042**	**14,738**	**18,204**
Net Operating Profit	14,251	11,188	11,856	8,037	4,414	8,814	8,795	11,705
Finance Cost	(1,567)	(2,504)	(4,024)	(2,334)	(1,426)	(1,804)	(1,987)	(2,171)
Profit Before Taxation (PBT)	**11,788**	**8,569**	**7,234**	**5,325**	**2,944**	**7,106**	**5,928**	**8,687**
Taxation	(3,071)	(3,835)	(2,625)	(1,498)	(1,366)	(2,610)	(2,193)	(3,214)
Profit After Tax (PAT)	**8,717**	**4,734**	**4,609**	**3,827**	**1,579**	**4,496**	**3,735**	**5,473**
EPS	**41.4**	**18.4**	**23.4**	**16.4**	**6.8**	**21.9**	**18.2**	**26.7**
DPS	**10.0**	**8.0**	**7.5**	**5.5**	**4.0**	**7.0**	**6.0**	**9.0**

Source: Company Accounts & TSL Research

Balance Sheet - Consolidated (PKR - Mn)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27E	FY28F
Current Assets	40,179	57,036	42,946	40,074	41,221	49,117	48,932	54,922
Non - Current Assets	27,853	32,223	32,426	34,593	36,571	34,911	37,891	39,809
Total Assets	**68,032**	**89,260**	**75,372**	**74,667**	**77,792**	**84,028**	**86,823**	**94,731**
Total Equity	**28,197**	**33,400**	**35,266**	**39,863**	**42,625**	**45,674**	**50,535**	**57,126**
Non - Current Liabilities	8,614	6,649	7,742	6,321	3,747	2,666	3,067	3,248
Current Liabilities	31,220	49,211	32,364	28,483	31,420	35,688	33,220	34,357
Total Liabilities	**39,834**	**55,860**	**40,106**	**34,805**	**35,167**	**38,354**	**36,287**	**37,605**
Total Equity & Liabilities	**68,032**	**89,260**	**75,372**	**74,667**	**77,792**	**84,028**	**86,823**	**94,731**

Source: Company Accounts & TSL Research

Key Metrics	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27E	FY28F
Gross Margins (%)	18%	13%	15%	13%	10%	13%	12%	14%
Net Margins (%)	9%	4%	5%	4%	2%	4%	3%	4%
ROE (%)	31%	14%	13%	10%	4%	10%	7%	10%
ROA (%)	13%	5%	6%	5%	2%	5%	4%	6%
P/E (x)	5.1	5.6	3.1	11.9	26.0	7.7	8.6	5.9
P/B (x)	1.0	0.4	0.3	0.6	0.5	0.5	0.4	0.4
P/S (x)	0.3	0.1	0.1	0.3	0.3	0.2	0.2	0.2
Dividend Yield (%)	5%	8%	10%	3%	2%	4%	4%	6%
Debt to Equity (%)	89%	110%	56%	35%	26%	34%	19%	16%
Interest Coverage (x)	8.8	4.7	2.8	3.3	3.2	5.1	4.1	5.1
Current Ratio (x)	1.3	1.2	1.3	1.4	1.3	1.4	1.5	1.6
Cash Ratio (x)	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1
Quick Ratio (x)	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.3

Source: Company Accounts & TSL Research

Valuation (PKRMn)	FY27E	FY28F	FY29F	FY30F	FY31F
Free Cashflow to Firm	**2,580**	**3,207**	**2,672**	**7,189**	**5,146**
Terminal Value					23,421
Discounted FCFF	**2,580**	**2,751**	**1,954**	**4,495**	**2,915**
Enterprise Value	**38,117**				
Less: Debt	(15,655)				
Plus: Cash	3,967				
Equity Value	**26,429**				
No. of shares outstanding (Mn)	132				
Value per share (PKR)	**200**				

Source: PSX, Company Financials and TSL Research

Valuation Assumptions	
Risk Free Rate	**11%**
Beta	**1.1**
Market Risk Premium	**7%**
WACC	**18%**

Source: TSL Research

SECP Research Entity Notification Number: REP-040

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- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: https://jamapunji.pk/

Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flows	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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