IBLHL: FY26 Corporate Briefing Takeaways

Flashnote: IBL HealthCare Limited (IBLHL) – Corporate Briefing

Tuesday, November 3, 2026

- IBL Healthcare Pakistan, a leading player in the healthcare and wellness industry, undertook a major strategic refocus in FY26. The company narrowed its portfolio from diverse segments to two main verticals, Nutrition and Medical & Surgical Disposables (MSD), and discontinued portfolios that no longer fit this direction.
- IBL Healthcare reported a 7%YoY increase in revenue, totaling ~PKR 4.6Bn in FY26, up from ~PKR 4.3Bn in FY25. Reported growth was held back by the planned wind-down of discontinued portfolios (~PKR 312Mn of FY25 revenue). Excluding these, revenue of the continuing business grew ~15%YoY. MSD was the main driver, growing ~13% to ~PKR 2.3Bn and now contributing about half of revenue, while Nutrition grew ~2% on a reported basis.
- The Company's profit after tax surged to ~PKR 220Mn (EPS; ~PKR 2.24) in FY26 up from ~PKR 208Mn (EPS; ~PKR 2.11), demonstrating a 6% YoY growth. The growth reflects continued local demand across its core portfolio and stable product availability.
- Gross margins improved to ~36% in FY26 from 33% in FY25, with gross profit growing ~14%YoY to ~PKR 1.6Bn. The expansion reflects a better product mix and the Company's continued emphasis on locally produced products, which reduces reliance on imports and limits discounting pressure.
- IBL Healthcare is prioritizing strengthening its Nutrition segment by partnering with global brands such as Mead Johnson and Nestle Health Sciences. The Company is actively expanding its product range and has also launched two new in-house brands, Uptake and Elevate to strengthen its presence in Nutrition segment.
- The Company's portfolio remains ~85% imported, which gives the business meaningful FX and commodity-cost pressure. Management is addressing this through pricing agility, sourcing discipline and a gradual shift towards local production. This is intended to limit import-cost risk and protect margins in the upcoming periods.

- The Company also increased its marketing and distribution expenses by ~17% YoY to PKR 1,006Mn in FY26, up from PKR 858Mn in FY25, as the Company invested behind brand-building and market development for the Nutrition portfolio. Management expects the benefits of these investments to build through FY27 and beyond.
- Going forward, the Company's earnings trajectory will depend on its ability to control operating expenses and convert higher gross margins into operating profit. With a near debt-free balance sheet and strong cash flows, IBLHL is well placed to expand its product range and invest in local manufacturing, which should support profitability in the coming periods.

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

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

SECP JamaPunji Portal link: www.JamaPunji.pk

Frequently Used Acronyms

TP	Target Price	**DDM**	Dividend Discount Model	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DCF**	Discounted Cash Flows
PE	Price to Earnings ratio	**PB**	Price to Book ratio	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**ROE**	Return on Equity
ROA	Return on Assets	**SOTP**	Sum of the Parts	**JPB**	Justified Price to Book