CHASE SECURITIES

CORPORATE BRIEFING NOTES

12 Nov 2026

RA-07

STOCK SNAPSHOT

Symbol	PPP
Price	PKR 122.00
Market cap	PKR 976.00mn
Shares	8.00mn
Free float	4.00mn
52W high	PKR 198.00
52W low	PKR 91.00

SECTOR

Paper, Board & Packaging

Muhammad Zohair

PPP PSX · PAPER, BOARD & PACKAGING

Pakistan Paper Products Limited

FY26 EPS	1QFY27 EPS	FY26 NET SALES	FY26 GROSS MGN
PKR 20.73	PKR 2.23	PKR 1.91bn	20%
▲ 35% YoY	▼ 41% YoY	▲ 10% YoY	▲ 3pp YoY

KEY TAKEAWAYS

FY26 EPS at PKR 20.73 on higher sales and margins; 1QFY27 sales down 14%

Net sales grew **10%** to **PKR 1,914mn** in **FY26**, gross margin was **20%** (**FY25**: **17%**) and profit after tax rose **36%** to **PKR 166mn**; DPS was **PKR 8.0** (**FY25**: **PKR 5.0**). In **1QFY27**, net sales were **PKR 377mn**, down **14%** YoY, and EPS was **PKR 2.23** (**1QFY26**: **PKR 3.77**).

EARNINGS

- Pakistan Paper Products Limited recorded earnings per share of **PKR 20.73** in **FY26**, compared to **PKR 15.30** in **FY25**.

EXERCISE BOOKS

- Exercise book sales remained strong in **2023** and **2024** but started declining in **2025**, with the trend continuing in **2026**. The decline was offset by Pro Labels.
- The **2025** decline was primarily attributable to two factors: global pulp prices declined significantly, making pulp more affordable for smaller industry players, and the government cancelled several programme tenders and withdrew their funding.
- Smaller mills that previously relied on these government programmes started dumping paper in the local market. The company decided not to compete with these players, as doing so would have adversely impacted margins.
- In **2026**, the company adopted a more competitive pricing strategy to regain some market share. Margins in this segment remain relatively lower.
- The company competes with unregistered players in the exercise books segment. It procures paper from Century Paper, and its products qualify for zero-rating under the sales tax regime.

PRO LABELS

- Pro Labels recorded **22%** sales growth. Capacity utilisation reached **103%**, while margins also improved.
- All raw materials are imported, and currency stability supported procurement costs. The supply chain was shifted from Europe to China, which further contributed to lower raw material costs.

Financial highlights

PKR mn	FY25	FY26	YoY	1QFY26	1QFY27	YoY
Net sales	**1,734**	**1,914**	**10%**	**439**	**377**	**-14%**
Cost of sales	-1,435	-1,539	7%	-361	-314	-13%
Gross profit	**299**	**375**	**25%**	**78**	**63**	**-19%**
Gross margin	*17%*	*20%*		*18%*	*17%*	
Selling & distribution	-25	-26	4%	-6	-4	-33%
Administrative	-59	-78	32%	-20	-20	0%
Operating profit	**214**	**271**	**27%**	**53**	**39**	**-26%**
Depreciation & amortisation	51	51	0%	12	12	0%
EBITDA	**265**	**322**	**22%**	**65**	**51**	**-22%**
Financial charges	-38	-30	-21%	-9	-6	-33%
Other income	2	1	-50%	0	0	N/A
Other charges	-17	-17	0%	-3	-7	133%
Profit before tax	**161**	**225**	**40%**	**41**	**27**	**-34%**
Taxation	-39	-59	51%	-11	-9	-18%
Profit after tax	**122**	**166**	**36%**	**30**	**18**	**-40%**
Net margin	*7%*	*9%*		*7%*	*5%*	
EPS (PKR)	**15.30**	**20.73**		**3.77**	**2.23**	
DPS (PKR)	5.0	8.0		0.0	0.0	

Source: Company accounts, Chase Research

GROSS MARGIN



Gross profit as % of net sales

IMPORTANT DISCLOSURES

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