CHASE SECURITIES

CORPORATE BRIEFING NOTES

12 Nov 2026

RA-07

STOCK SNAPSHOT

Symbol	NICL
Price	PKR 274.34
Market cap	PKR 30.33bn
Shares	110.59mn
Free float	38.70mn
52W high	PKR 288.59
52W low	PKR 146.00

SECTOR

Chemical

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NICL PSX · CHEMICAL

Nimir Industrial Chemical Limited

FY26 EPS	1QFY27 EPS	FY26 NET SALES	FY26 GROSS MGN
PKR 21.64	PKR 6.02	PKR 48.29bn	16%
▲ 18% YoY	▲ 32% YoY	▲ 7% YoY	▲ 1pp YoY

KEY TAKEAWAYS

FY26 EPS at PKR 21.64; Cherat Group transaction expected to close in 3QFY27

Net sales grew **7%** to **PKR 48,291mn** in **FY26**, gross margin was **16%** (**FY25**: **15%**) and profit after tax rose **18%** to **PKR 2,393mn**; DPS was **PKR 6.0** (**FY25**: **PKR 5.5**). In **1QFY27**, net sales were **PKR 15,274mn**, up **23%** YoY, and EPS was **PKR 6.02** (**1QFY26**: **PKR 4.55**).

EARNINGS

- Nimir Industrial Chemical Limited recorded earnings per share of **PKR 21.64** in **FY26**, compared to **PKR 18.29** in **FY25**.

CHERAT GROUP TRANSACTION

- The existing management partners will retain a **15%** equity stake in the company. A mandatory condition of the transaction is that the current executive management team will continue managing operations alongside Cherat Group for at least **3 years**.
- Management cited the lack of multi-family succession planning across the five partner families as the primary driver for bringing in a strategic corporate group.
- The transaction SPA has been executed and the mandatory SECP public tender offer process is underway. Transaction closure is expected in **3QFY27**.

OLEOCHEMICALS & CAUSTIC SODA

- Oleochemicals, the core business producing fatty acids, soap noodles and glycerin, contributes **60%–70%** of revenue. NICL controls over **75%** of the organised domestic market in soap noodles and oleochemicals.
- The caustic soda segment was commissioned **2–3 years** ago and is scaling up rapidly.

Expansion and operations

PALMITIC ACID (ANIMAL NUTRITION)

- A greenfield project targeting dairy cattle nutrition. Pakistan's market has expanded to over **10,000 tons** and is heading towards **15,000 tons**; NICL is setting up a **15,000-ton** plant.
- The project uses palm stearin as its raw material, yielding **30%** palmitic acid and **70%** by-product. The by-product serves as the primary raw material for soap noodles.
- The selling price is **USD 1,300** per ton, with commercial production scheduled to begin before **June 2027**.

CAPEX & CAPACITY

- The total capital expenditure programme of **PKR 3bn** includes approximately **PKR 1.5bn** for the palmitic acid plant, alongside additions to chemical plants.
- The company is shifting surplus/idle oleochemical plant capacity from the northern region to Karachi to serve the southern market and expand exports.

RAW MATERIALS & MARGINS

- Palm oil procurement is managed through annual volume contracts, with prices locked in using daily Reuters-published pricing formulas. Palm oil remains readily available due to high domestic consumption in Pakistan.
- **1QFY27** margins were temporarily compressed by elevated energy costs, specifically sharp increases in coal and biomass fuel prices in Punjab, rather than pressure on core raw material prices.

Financial highlights

PKR mn	FY25	FY26	YoY	1QFY26	1QFY27	YoY
Net sales	**45,255**	**48,291**	**7%**	**12,459**	**15,274**	**23%**
Cost of sales	-38,565	-40,698	6%	-10,898	-13,217	21%
Gross profit	**6,690**	**7,593**	**13%**	**1,561**	**2,057**	**32%**
Gross margin	*15%*	*16%*		*13%*	*13%*	
Selling & distribution	-589	-584	-1%	-153	-261	71%
Administrative	-702	-731	4%	-162	-192	19%
Operating profit	**5,400**	**6,278**	**16%**	**1,246**	**1,605**	**29%**
Depreciation & amortisation	944	985	4%	235	254	8%
EBITDA	**6,343**	**7,262**	**14%**	**1,481**	**1,859**	**26%**
Financial charges	-2,361	-1,804	-24%	-506	-464	-8%
Other income	161	366	127%	24	48	100%
Other charges	-459	-351	-24%	-46	-98	113%
Profit before tax	**2,741**	**4,488**	**64%**	**717**	**1,090**	**52%**
Taxation	-718	-2,095	192%	-214	-423	98%
Profit after tax	**2,023**	**2,393**	**18%**	**504**	**666**	**32%**
Net margin	*4%*	*5%*		*4%*	*4%*	
EPS (PKR)	**18.29**	**21.64**		**4.55**	**6.02**	
DPS (PKR)	5.5	6.0		1.0	0.0	

Source: Company accounts, Chase Research

GROSS MARGIN



Gross profit as % of net sales

IMPORTANT DISCLOSURES

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