# JS Research Beep

## Pakistan Food Sector

November 17, 2026

JS Global Capital Limited

# PREMA: FY26 Corporate analyst briefing takeaways

At-Tahur Limited (PREMA) conducted its Corporate Briefing Session (CBS) to discuss FY26 and 1QFY27 financial performance and future outlook. During FY26, the company reported standalone EPS of Rs3.76mn, up 55.5% YoY, despite gross margin contracting by 3.9ppt to 40.6%. Meanwhile, during 1QFY27, earnings declined by 25% YoY to Rs0.15, primarily due to higher finance costs. We present key highlights from the session.

- PREMA reported standalone revenue growth of 22% YoY to Rs6.9bn during FY26, supported by volumetric growth across most product categories and contributions from newly introduced products.
- Gross margin declined by 3.9ppt YoY to 40.6% during FY26 amid higher input costs. Operating expenses as a percentage of revenue declined to 25.6% during FY26 (30% in FY25).
- During 1QFY27, gross margin improved by 2.6ppt YoY to 42.4%, although earnings declined by 25% YoY due to a 51% increase in finance costs to Rs76.7mn.
- Management highlighted ongoing efforts to optimize energy costs through a 1MW biogas power project, with plans to subsequently expand capacity to 2MW. The facility will utilize cattle dung and slurry to generate electricity, providing power during nighttime hours when solar generation is unavailable. Management estimates biogas-based electricity costs at approximately Rs30/kWh, compared to Rs40-50/kWh from the grid and Rs110-130/kWh from diesel generators, implying savings of approximately 33% and 75%, respectively.
- On the operational front, management indicated that the company has adopted a strategy of procuring annual feed requirements when prices are favorable to mitigate commodity price volatility.
- Regarding product expansion, PREMA introduced natural spring water during FY26, followed by the launch of premium gelato in 1QFY27, while management is exploring additional cheese varieties, particularly mozzarella. These additions complement the company's existing portfolio of milk, yogurt, eggs, butter, cream cheese and honey. Meanwhile, Greek yogurt is available across approximately 2,100 retail outlets, targeting the premium consumer segment.
- Management highlighted that milk's contribution to total revenue has declined from approximately 90% historically to around 54%

**Bloomberg Code:** PREMA PA

**Market Price:** Rs31.43

**Market Cap:** Rs6.9bn, US$25mn

**1-yr ADTO:** 2.2mn shrs, Rs81mn, US$0.3mn

**1-yr High / Low:** Rs42.42 / 23.54

**Estimated free float:** 65mn shares (30%)

**PREMA Standalone: Key Statistics**

| (Rs mn) | FY25 | FY26 | 1QFY27 |
|---|---|---|---|
| **Sales** | 5,655 | 6,900 | 1,733 |
| Sales Growth | -3% | 22% | 12% |
| Gross Margins | 45% | 41% | 42% |
| **PAT (Rs mn)** | 528 | 821 | 32 |
| **EPS (Rs)** | **2.42** | **3.76** | **0.15** |
| EPS Growth | 49% | 55% | -25% |
| DPS (Rs) | 0.00 | 0.00 | 0.00 |
| P/E (x) | 11.93 | 10.01 | NM |
| D/Y | 0% | 0% | 0% |

*Source: Company accounts, JS Research*
*FY25 & FY26 multiples calculated on avg prices*

currently. Notably, eggs now contribute approximately 8–9% of total revenue, with further growth anticipated.

- PREMA commands approximately 65% market share in Pakistan's fresh pasteurized milk segment, priced at a premium to mainstream UHT brands such as Olper's and Nestlé Milkpak, but has a relatively shorter shelf life of 6–9 days.
- Management highlighted that rising per-capita income could support long-term growth in packaged milk consumption.
- Looking ahead, management remains focused on expanding its distribution footprint, particularly in Karachi, where current sales remain negligible. Company is in discussions with a potential distribution partner to strengthen its presence in the city. However, management does not currently plan to establish another dairy farm near Karachi. Exports remain a secondary priority for PREMA.

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