



## Listed food sector snapshot ~ Ramadhan galore

The growth of Pakistani food sector is very noticeable. Good companies are making hefty margins. Pakistani companies also offer variety of products. Since Pakistan has a huge consumer base, these companies enjoy product acceptability alongside margins.

At present companies are cashing in on holy month of Ramadhan with increased consumption in the country. Companies in Pakistan continue to increase prices and thus we see exceptional growth in their top line. Hence Pakistan is an ideal country for good food producers.

We have compiled a list of companies listed at the Karachi Stock Exchange which are also renowned FMCG companies and thus doing exceptionally well in terms of earnings growth.

### Listed food sector snapshot

Companies	Price	EPS Annual	EPS Latest	Hist P/E	Exp P/E	PBV	Avg 52 W. Vol.
EFOODS	156.65	1.16	1.39(3M)	130.6	26 - 27	9.2	2,500,998
NESTLE	9738	174.85	81.01(3M)	55.7	30.4	26.4	440
QUICE	9.55	0.44	-0.23(9M)	21.7	12.7	6.0	1,145,342
NATF	338.9	6.84	6.10(9M)	49.7	39.4	15.6	13,698
POML	195.94	15.5	36.38(9M)	11.8	3.8	1.3	5,502
MFFL	440.83	13.65	1.85(6M)	32.0	44.1	6.2	3,296
MUREB	962.25	41.77	35.23(9M)	22.3	19.8	3.0	4,124
SHEZ	922	32.5	17.03(9M)	26.6	36.9 - 42	4.7	2,632

Source - [www.scstrade.com](http://www.scstrade.com) & Research Desk

### Listed food sector margins

Companies	Gross margins
EFOODS	19% - 20%
NESTLE	28%
QUICE	N/m
NATF	35%
POML	10.50%
MFFL	27%
MUREB	35%
SHEZ	30%

We regularly cover EFOODS which is now virtually in every segment viz. dairy, juices, tea whiteners, local drink lassi, ice cream, ghee etc. We see CY15 to be a year of EFOODS; wherein their earnings could be Rs 5.5/sh given tremendous sales across the board.

### Expected earnings growth

EFOODS	391%
NESTLE	83%

Research Desk

EV /share	Rs/sh
EFOODS	160
NESTLE	9980
QUICE	40
NATF	340
POML	190
MFFL	471
MUREB	825
SHEZ	936

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We also expect few new companies most notably meat producers such as Fauji Bin Qasim Al-Shaheer would be in limelight given their meat sales. Another famous brand Shan Foods may also be listed at the exchange.

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