

## Nishat Mills Limited (NML) - 2QFY25

Friday, February 28, 2025

Nishat Mills Limited (NML) posted an impressive financial performance in 2QFY25, benefiting from strong revenue growth, improved gross margins, and a significant boost in other income. Despite an increase in levies and taxation, the company's net profitability surged, supported by higher sales volumes and cost efficiencies.

- Revenue stood at PKR 45.97bn, marking a 6% QoQ and 24% YoY increase, driven by higher sales volumes and improved demand.
- Gross profit surged 22% QoQ and 33% YoY to PKR 5.79bn, reflecting enhanced cost efficiencies and stable pricing strategies.
- Operating profit rose 58% QoQ and 44% YoY to PKR 6.8bn, demonstrating strong operational execution.
- Other income jumped 59% QoQ and 44% YoY to PKR 3.77bn, mainly attributed to higher investment income and foreign exchange gains.
- Finance cost declined 31% QoQ to PKR 1.86bn, reflecting the impact of stabilizing interest rates.
- Distribution costs fell 11% QoQ, while administrative expenses increased 14% QoQ, indicating controlled overheads.
- Levies increased 78% QoQ and 19% YoY to PKR 637mn, affecting pre-tax earnings.
- Net profit soared 239% QoQ and 195% YoY to PKR 3.2bn, driven by higher revenues and improved margins.
- Earnings per share (EPS) stood at PKR 9.10, significantly up from PKR 2.68 in 1QFY25 and PKR 3.09 in 2QFY24.

Financials (PKR in mn)	2QFY25	1QFY25	QoQ	2QFY24	YoY
Revenue	45,971	43,444	6%	36,942	24%
Cost of Sales	(40,178)	(38,691)	4%	(32,596)	23%
<b>Gross Profit</b>	<b>5,793</b>	<b>4,753</b>	<b>22%</b>	<b>4,346</b>	<b>33%</b>
Distribution Cost	(1,860)	(2,099)	-11%	1,522	-222%
Admin Expenses	(803)	(706)	14%	683	-218%
Other Expenses	(101)			28	-461%
Other Income	3,768	2,365	59%	2,613	44%
Profit from Operations	6,796	4,313	58%	4,725	44%
Finance Cost	(1,862)	(2,708)	-31%	(2,705)	-169%
<b>Profit before Taxation and Levy</b>	<b>4,933</b>	<b>1,604</b>	<b>208%</b>	<b>2,020</b>	<b>144%</b>
Levy	(637)	(357)	-278%	(534)	-219%
Taxation	(1,096)	(302)	263%	(400)	174%
<b>Profit after Tax</b>	<b>3,199</b>	<b>944</b>	<b>239%</b>	<b>1,084</b>	<b>195%</b>
Earnings Per Share	9.10	2.68	240%	3.09	194%

Source: Company Financials, HMFS Research

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