Food & personal care products

BNL: 3QFY25 Management Call Takeaways

- Bunnys Company Limited (BNL) held a corporate briefing session to discuss the 3QFY25 financial results and provide key insights on the future outlook for the Company.
- 9M FY25 Sales stood at around PKR 5.50 billion, with net revenue for 3QFY25 reaching PKR 1.82 billion vs. PKR 1.79 billion in SPLY. Gross Profit Margin improved significantly to 25.8% in 9M FY25 vs. 18.1% in 9M FY24, reflecting better cost management.
- The company reported a PAT of PKR 36.8 million for 3QFY25 vs. a loss of PKR 126 million in 3QFY24. EPS stood at PKR 0.55 vs. (1.89). For 9M FY25, EPS was PKR 2.24 compared to LPS (1.59) last year.

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Key highlights from Corporate Briefing

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- The Bread and cake mix remain the core (≈80% of sales of which bread contributing ≈60-70%). Snacks currently not included in revenue base. Furthermore, bread prices are regulated by the government, exposing margins to flour price volatility, whereas cakes and other products allow flexible pricing.

- Management disclosed that 15% of the revenue growth was backed by increase in bread prices while volumetric growth exceeded 30% of overall revenue growth.

- BNL has expanded into the northern market with its Islamabad bread plant, overcoming shelf-life and transportation challenges.

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Operating in a single shift, it currently contributes ~10% of total revenue.

- To lower costs and improve sustainability, BNL has installed a 200 KVA solar system (15% savings), another 200 KVA solar system is in process with plans to scale up to 1 MW (≈50% electricity savings).

- The company also uses biogas, which is ~30% cheaper than conventional fuels (LPG/Sui gas/LNG), though adoption is limited by capacity. The overall energy mix comprises gas and electricity through grid, with further diversification under review.

- Snack Division currently supplies in bulk orders but from Sep 25, BNL will shift to nationwide distribution model, launching its snack portfolio directly via distributors. This Shift will be significant and is expected to raise snack contribution beyond the earlier 20% of revenue

- The management expressed that risks remain from flour price volatility especially post floods and government delays in regulated bread price adjustments, though diversification into snacks and expansion into new regions will support long-term profitability

- Management expects continued improvement in sales and gross margins in FY26, driven by snacks expansion, Islamabad plant contribution, and energy cost savings.

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