

Flashnote: Rafhan Maize Products Company Limited (RMPL) CY24 Corporate Briefing Takeaways

- Rafhan Maize Products Company Limited (RMPL) is an affiliate of Ingredion Incorporated, USA. Ingredion is one of the world's leading corn refiners and carries a 71% stake in RMPL. RMPL considers itself to be an ingredients solution provider and serves more than 50 industries domestically and internationally. RMPL operates three manufacturing facilities in Punjab and Sindh.
- RMPL primarily produces Starch (40%), Glucose (40%), and Dextrose (20%). RMPL operates in the following product categories and their respective segments: Food (confectionery, bakery, dairy, beverages, snacks, savory); Pharmaceuticals (Pharma-grade starches and glucose syrups for a wide range of applications); Industrial (textile, paper and corrugation, chemical and allied, and home and personal care); and Animal Nutrition (poultry, livestock, and aquaculture).
- The Management noted that RMPL carries over 90% market share in its primary segments.
- According to the Management, RMPL carries over 90% market share in its primary segments and in the event of price fluctuations, the Company is able to pass on the increase to the consumer and maintain its gross margins.
- RMPL's Net Sales grew by 6.8%, increasing from PKR 65.5Bn in CY23 to PKR 70Bn in CY24 while the Cost of Sales rose by 7.4%. RMPL's Gross Profit increased by 4.6%, reaching PKR 14.6Bn, and the Gross Profit Margin remained stable at 21%. Profit After Tax (PAT) rose by 8.1% and as a result, Earnings Per Share (EPS) increased by 8.1%, from PKR 748/sh to PKR 809/sh. RMPL's production volume this year was 569,000 MT, up 14% from 500,000 MT during the SPLY.
- RMPL has recently received three bids: On May 15, Sapphire Fibres announced its intention to acquire a 75.69% stake in RMPL; May 8 saw a Joint Bid from Cherat Cement and Atlas to acquire 75.69% of RMPL, and on May 15; Nishat Hotels and Properties Limited announced its intention to acquire RMPL's majority stake.

Friday, May 16, 2025

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Valuation Methodology

To arrive at our period end target prices, TSL uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: www.JamaPunji.pk

Frequently Used Acronyms

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings ratio	PB	Price to Book ratio	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	ROE	Return on Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book