



Investor Briefing

National Foods Limited – NATF

October 2026

NATIONAL FOODS LIMITED

Compounding Value with Discipline

Pakistan's leading branded food company with a growing international footprint and disciplined capital allocation.



05

Entities



06

Continents



55

Countries



416

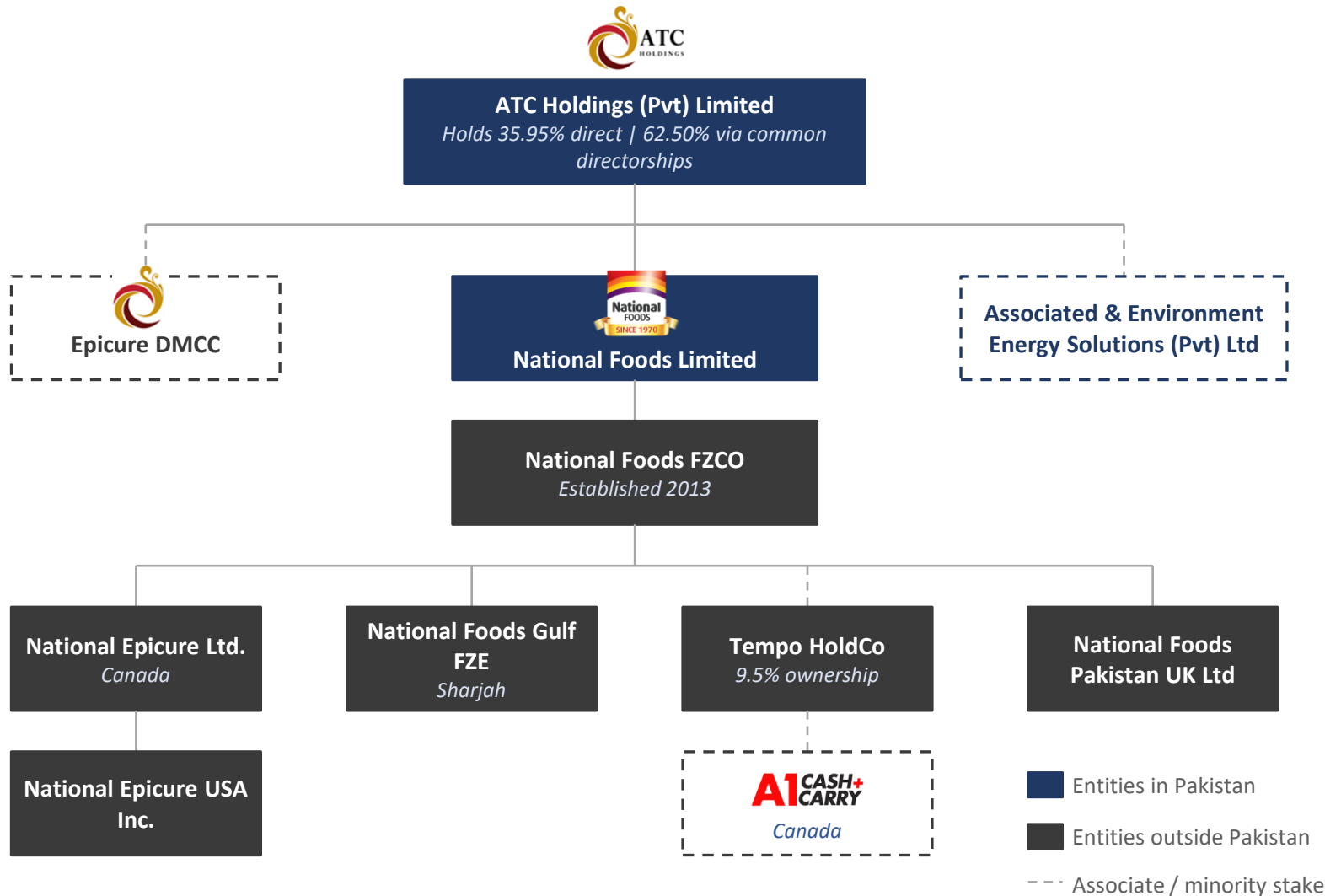
Distributors (globally)

 Link to Group Financial Report: nfoods.com/investor-relations

info@nfoods.com | nfoods.com | 12/CL-6, Claremont Road, Civil Lines, Karachi – Pakistan

Group Structure & Ownership Overview

Deliberately simple, scalable and governance-led – international entities sit close to markets, capital discipline stays centralized



VISION

Creating food that enriches the lives of people everywhere.



MISSION

We will achieve our vision by designing and manufacturing food and related products, conforming to international standards and guidelines for nutrition, health, wellness and quality, bringing joy and happiness to people everywhere.

VALUES



Passion
Go Above & Beyond



Customer Centric
Prioritise Customer Experience
(Internal & External)



Teamwork
Trust Each Other & Achieve Together



Excellence in Execution
Lead, Commit & Deliver the Best



Ownership
Own It & Deliver It

The Board: Translating Strategy into Shareholder Value

Execution-oriented board with deep FMCG, finance and international exposure – committees actively engaged

							
Mr. Zahid Majeed	Mr. Abrar Hasan	Ms. Aminah Zahid Zaheer	Mr. Ali H. Shirazi	Mr. Adam Fahy Majeed	Ms. Saadia Naveed	Mr. M. Hamza Hasan	Mr. Zouhair A. Khaliq*
Chairman	Chief Executive Officer	Independent Director	Independent Director	Non-Executive Director	Non-Executive Director	Executive Director	Independent Director
		<i>Chair – BAC</i>  	<i>Chair – HRRC</i> 	 	 	 	
 International Division Board			 Audit Committee		 HR & Remuneration Committee		

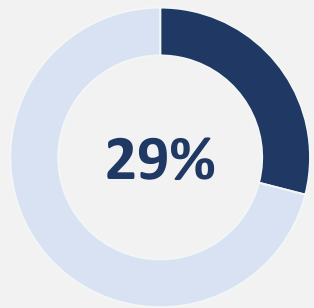
Through active participation across key Board Committees, our members play a pivotal role in shaping strategy, overseeing performance, and upholding the highest standards of governance and accountability. *Their collective expertise drives impact across all business verticals while ensuring alignment with our long-term vision.*

** Mr. Zouhair A. Khaliq is an independent director at NFFZCO (not on the NFL Board).*

A Foundation of Trust: Governance and Accountability

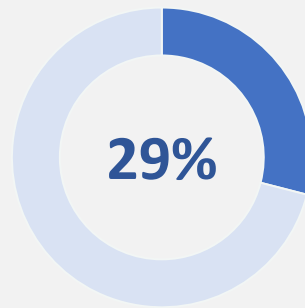
We uphold the highest standards of corporate governance through a diverse and independent board, transparent frameworks, and practices that safeguard long-term value.

BOARD COMPOSITION AT A GLANCE



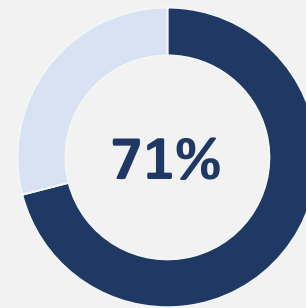
Independence

2 of 7 directors are independent



Gender Diversity

2 of 7 directors are female



Non-Executive

5 of 7 directors are non-executive

KEY GOVERNANCE PRINCIPLES



Separate Roles

The roles of the non-executive Chairman and the CEO are separate.



Independent Oversight

Independent Directors chair the Board Audit Committee and the Human Resource & Remuneration Committee.



Ethical Conduct

A Code of Conduct, a comprehensive Whistleblowing Policy, and strict conflict-of-interest policies are actively managed.

“The Company strives to operate transparently, consistently, and in a timely manner, complying with all prevailing laws and regulations of Pakistan.”

Our Commitment to Environment, Social Responsibility & Governance

Flagship initiatives across four impact pillars

01



ENVIRONMENT



**Green Environmental
Stewardship Award**

Effluent Treatment Plant recognition

02



EDUCATION



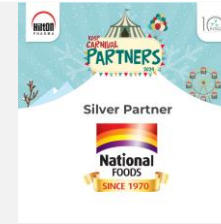
TCF Aagahi

Adult literacy

03



HEALTH & WELL-BEING



73 KDSP sessions

Early intervention

04



INCLUSION & SKILLS



Foodpreneur 2.0

Culinary talent



Climate and water education

with GoRead.pk



School Khana

Nutrition and attendance



ChildLife

Critical-care support



Inclusive culinary training

with KVTC

Economic Backdrop

H2 FY26 → Q1 FY27 | War-driven inflation in energy, packaging and freight

\$93

Brent crude from \$60 (Dec-25)

11.1%

CPI Jun-26 from 5.6% (Dec-25)

11.5%

SBP policy rate up from 10.5% (Mar-26)

~278

PKR / USD stable through FY26

FY27 OUTLOOK

8.4%

CPI FY27F IMF; war-driven

3.5%

GDP FY27F cut from 4.1%

GEO-POLITICAL & ECONOMIC SITUATION

1 H2 FY26 – War breakout

Gulf conflict & Hormuz disruption (Feb–Jun): oil, freight & insurance spiked; GCC exports disrupted. Pak–Afghan border closure halted Afghan trade. CPI 5.6% → 11.1%; policy rate back to 11.5%.

2 Q1 FY27 – Costs stay elevated

Oil \$102/bbl; flexible packaging hit hardest; canola/soybean oil, mango pulp and wheat add RM pressure.

3 Jul–Oct 2026 – KSA–Yemen escalation

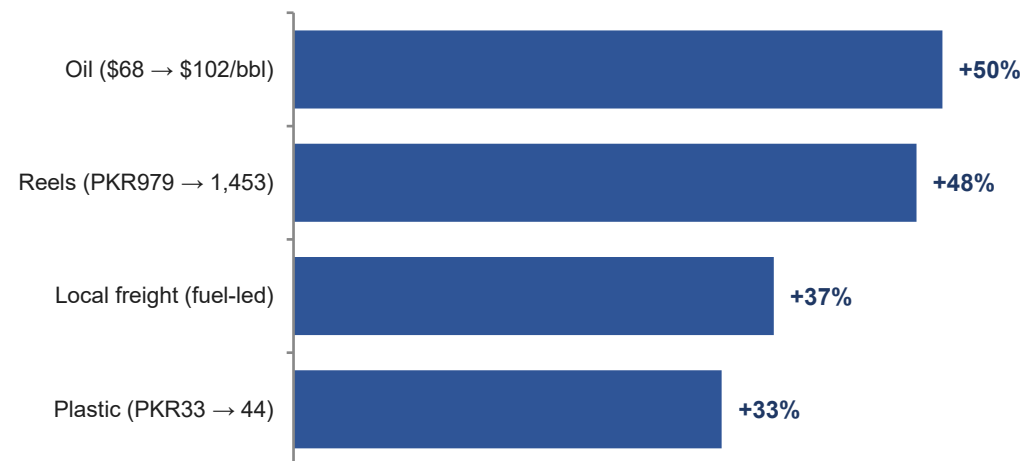
Houthis end the 2022 truce and blockade Saudi-linked shipping (Jul); seize Mokha & Perim at Bab al-Mandab (Sep); strikes on Saudi airports & Aramco (Oct). Red Sea route and GCC trade at risk; oil back above \$100.

4 Watch-out – H2 FY27

Brent sensitivity to Middle East; FY27 CPI forecast 8.4%, GDP cut to 3.5%.

WHAT WENT UP

% increase, Last 6 Months vs Q1 FY26



10x

International freight – GCC

Container rates to GCC markets; Red Sea / Bab al-Mandab risk keeps rates elevated

Impact on NFL: input and freight inflation cut GP margin from ~38-40% till Q3'26 to 33.8% (Q4'26); price held in peak season to protect volume, then taken in Q1 FY27.

FY26 Key Wins – Commercial Wins & Business Leadership

Strong distribution and category leadership – a competitive edge that is hard to replicate



Commercial Wins & Business Leadership

01

PAKISTAN – CATEGORY LEADERSHIP

Recipe Mixes

No. 1 brand – leadership extended; 9 new variants

Ketchup

Crossed PKR 12bn; volume +15%

Mayo

Crossed PKR 1bn; volume +45%

FoodService (FSD)

Highest-ever revenue recorded

INTERNATIONAL – MAINSTREAM SCALE

6 new markets / channels

Bangladesh, S. Africa, Portugal, Poland, Romania; USA mainstream

9 mainstream retail wins

Jumbo (EU); Sobeys, Loblaws, Chalo (CA); Panda (KSA); Lulu (UAE)

PAKISTAN – UNMATCHED ROUTE-TO-MARKET



109K+
Active outlets



350+
Distributors (locally)

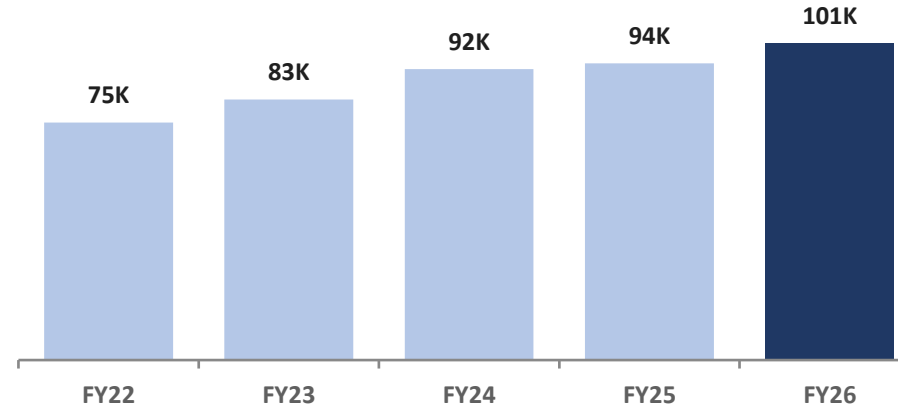


1,097
Order bookers



605
Modern Trade outlets

Shop coverage (outlets) **+33% FY22→FY26**



GT 34 zones | 81 territories **MT** 3 clusters | 19 territories

INTERNATIONAL | 7 distributor upgrades

Brand recognition – Effie Awards



2 Silver Effies – 2026

Aaj Kya Pakega (New Product Launch) and Karachi Khaas (Sustained Success); Silver & Bronze in 2025

Strong distribution and category leadership give NFL a competitive edge that is hard to replicate – the volume engine stays intact.

FY26 Key Wins – Working Capital and Innovation

Working-capital discipline releasing cash and cutting finance cost; a record innovation pipeline building future growth

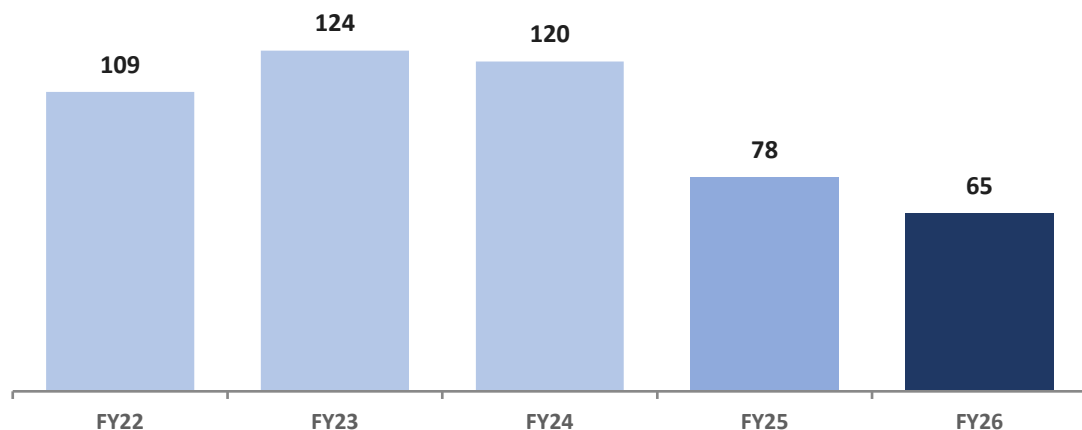


Working Capital

02

WORKING CAPITAL – PAKISTAN

65 days ▼13 vs FY25 | vs 70-day target



DIO 93 + DSO 10 – DPO 38 | DIO at a 5-year low

Finance cost down 24%

PKR 966M vs 1,263M in FY25 – leaner working capital cut borrowing needs, alongside sub-KIBOR facilities



Innovation

03

NEW LAUNCHES



Chicken Powder



Drizz'l Burger Sauce



Pickle Pouch



Trifle Pack

Also: 8 Recipe Mix variants | Drizz'l Thai Chilli & Peri Peri | new pickle pouches

FY26 INNOVATION SCORECARD

25 launches – a record year

Highest annual total; ~47% more than FY25

Chicken Powder

PKR 130M+ in launch year; reached 70% of GT universe

Trifle Pack

PKR 30M+ incremental revenue; custard + jelly in one pack

Drizz'l range

1M+ product trials; Thai Chilli, Burger, Peri Peri added

Leaner working capital releases cash for growth – while a record innovation pipeline keeps the portfolio fresh.

How NFL Responded to Economic Challenges

Feb–Oct 2026 | Actions taken to protect margins, supply and the balance sheet – without giving up volume



Protect margins

Pricing interventions

Calibrated price actions to recoup gross margins.

Shelf-price realignment & targeted trade spends

Re-based shelf prices to restore margins while focusing trade spend on upscaling volume.



Secure supply & input cost

Packaging secured

Cover and rate hedging amidst uncertainty to lock in rates and sustained pricing strategy

RM & PM lock-ins

Forward procurement contracts locked in favorable raw and packaging material prices.



Contain cost-to-serve

Freight cost sharing

Distributor arrangements renegotiated to share incremental freight.

Productivity & capacity

Productivity drive at Faisalabad; alternate tolling partners finalised.



Protect the balance sheet

Lower funding cost

Continued use of sub-KIBOR facilities to contain finance cost.

Working-capital discipline

Tight inventory and receivables management; lean distributor inventory.

PHASING

H2 FY26

Hold price through peak season; secure supply

Q1 FY27

Calibrated price actions; trade spend re-targeted

Q2 FY27 →

Lock-ins & cover to Dec-26; rebuild margin

Financial Performance FY26 – Consolidated (Group)

All amounts in PKR Million unless stated otherwise



Consolidated - Group

	FY25	FY26	Change
Tonnage (KGs '000)	101,001	109,524	8%
Revenue	65,144	74,283	14%
Net sales	44,368	50,651	14%
Gross profit	16,184	19,447	20%
Operating profit ¹	3,768	6,108	62%
Net profit after tax – Continuing operations	2,005	5,917	>100%
Earnings per share (PKR) - Continuing ²	8.15	25.78	>100%
Profit from discontinued operations ³	2,414	20,469	>100%
Profit attributable to owners of the Parent	3,462	25,975	>100%
Total Earnings per share (PKR)	14.85	111.42	>100%
Gross margin (%)	36%	38%	+1.9ppt
Operating margin (%)	8%	12%	+3.6ppt
Profit margin (%) - Continuing Operations	5%	12%	+7.2ppt

1. Operating profit excludes other income and other expenses.

2. FY25 re-presented to show A-1 Bags & Supplies Inc. as discontinued.

3. Includes gain on 50.5% divestment of A-1 and remeasurement gain on retained 9.5% stake. NCI share of profit: FY26 PKR 411M; FY25 PKR 957M.

KEY MESSAGES FOR INVESTORS

1

Growth converting to margin +20% GP

Revenue +14% on 8% volume; gross margin +1.9ppt.

2

Core earnings stepped up 3x EPS

OP +62% to PKR 6.1bn; continuing EPS PKR 25.78 vs 8.15.

3

A-1 value crystallised PKR 19.5bn

Net gain on 50.5% divestment, incl. retained 9.5% at fair value (PKR 3.7bn); net cash inflow PKR 20.9bn.

A structurally more profitable core – with A-1 proceeds as balance-sheet firepower for disciplined growth.

Financial Performance FY26 – Pakistan

All amounts in PKR Million unless stated otherwise



Unconsolidated - Pakistan

	FY25	FY26	Change
Tonnage (KGs '000)	101,715	109,540	8%
Revenue	64,677	72,977	13%
Net sales	44,588	49,899	12%
Gross profit	15,836	18,788	19%
Operating profit ¹	4,869	7,025	44%
Net profit after tax	3,181	5,655	78%
Earnings per share (PKR)	13.65	24.26	78%
Gross margin (%)	36%	38%	+2.1ppt
Operating margin (%)	11%	14%	+3.2ppt
Profit margin (%)	7%	11%	+4.2ppt

1. Operating profit excludes other income and other expenses.

KEY MESSAGES FOR INVESTORS

1 Pricing power, demand intact +13%
Local revenue: PKR 3bn from pricing, PKR 5bn from volume.

2 Margin from discipline OP 14%
+3.2ppt on Faisalabad efficiencies, pricing and material tailwinds.

3 Leaner finance & tax -24%
Finance cost down on WC 65 days (vs 78); ETR 6.1% vs 13.4% (SEZ).

4 Returned to shareholders 7.7% yield
PAT +78% to PKR 5.7bn; PKR 30/share (incl. PKR 15 special); ROCE 38% vs WACC 17%.

Earnings growth is cash-backed and quality-led – not one-offs.

Investor Perspective

All amounts in PKR Million unless stated otherwise



		FY24	FY25	FY26
Enterprise Value	Net Cash Generated from Operating Activities	5,957	5,669	6,079
	Market Share Price	175	327	387
	Enterprise Value - EV	45,604	82,491	98,542
	Enterprise Value - EV (in USD million)	161	295	351
	Exchange Rate PKR / USD	283	279	280
Financial Ratios	EV / EBITDA (in times)	13	14	12
	Price / Earnings (in times)	40	27	18
	Dividend Yield (in %)	2.3%	2.8%	7.7%
	Return on Capital Employed - ROCE (in %)	16%	28%	38%
	Gearing Ratio (in %)	55%	49%	59%
Financial Guardrails as per Capital Allocation Framework				
Inv. Appraisal	Net Debt / EBITDA (in times) Max: 2.5x	1.4	1.0	1.0
	Interest Coverage (EBIT / Finance Cost) Min: 3.0x	1.7	3.7	6.7
	DSCR (EBITDA / Debt Obligation) Min: 1.5x	2.2	3.3	3.8

Insights



Returns remain comfortably above the cost of capital, with ROCE at **38%** versus WACC of **17%**, preserving a strong **21-percentage-point positive spread** and supporting continued economic value creation.



Operating cash flow up **7%** to **PKR 6.1bn**; cash conversion lagged the 78% profit growth and should be monitored, while leverage and debt-servicing capacity remain comfortable.



Valuation multiples compressed despite resilient operating fundamentals – EV/EBITDA down to **12x** and P/E to **18x** as earnings grew faster than the share price – consistent with **multiple compression**, not a deterioration in operating performance.

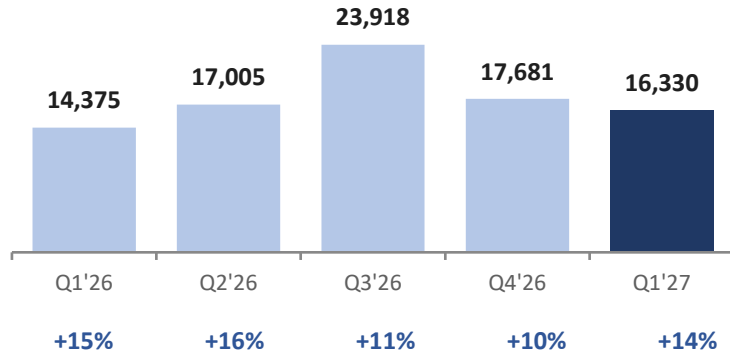
Quarterly Momentum Intact – Margins on the Mend

NFL Corp (unconsolidated) | FY26 by quarter and Q1 FY27 | PKR Million unless stated otherwise



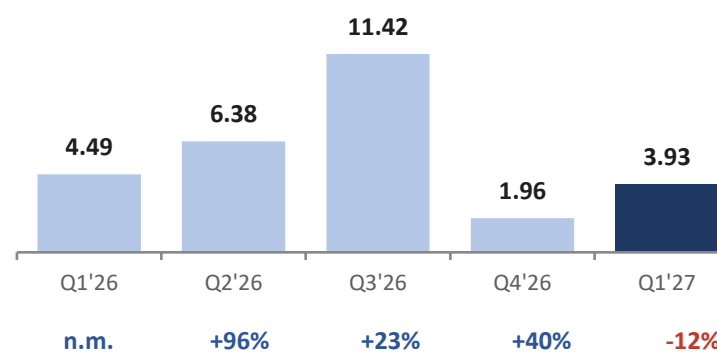
Revenue

FY26 PKR 73.0bn +13% vs FY25 | YoY by qtr below



EPS (PKR)

FY26 PKR 24.26 +78% vs FY25 | YoY by qtr below

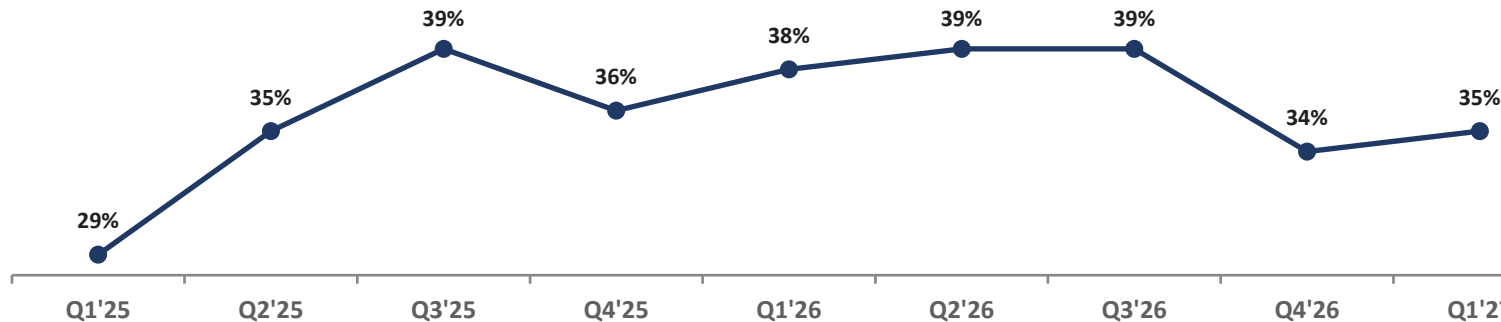


Q1 FY27 SNAPSHOT

	Q1'26	Q1'27	Chg
Tonnage ('000 kg)	22,984	25,297	+10%
Net sales	10,039	10,973	+9%
Gross profit	3,822	3,825	0%
Operating profit	1,419	1,159	-18%
Profit after tax	1,047	916	-12%
EPS (PKR)	4.49	3.93	-12%

Gross margin (% of net sales)

Q1'27 GM 35% +1ppt vs Q4'26



INVESTORS TAKE AWAY

- 1 Growth every quarter**
Revenue up 10–16% YoY in each FY26 quarter; Q1'27 +14% on 10% volume.
- 2 Q1 hit by input shock**
Reels +48%, plastic +33%, oil +50% and higher trade spend took OP down 18% YoY.
- 3 Recovery underway**
GM +1ppt QoQ after Q1 pricing; lock-ins and packaging cover to Dec-26 support the rebuild.

Bottom line: demand held through the cost shock – volume grew every quarter, and Q1'27 margins are already rebuilding from the Q4'26 trough.

Shariah Screening – NFL Group (Consolidated) Meets 4 of 5 KMI Criteria

The single gap is treasury investments arising from the A-1 divestment proceeds | 30 June 2026



4 / 5 criteria compliant – Group



KMI screening ratio	Threshold	Status
Interest-bearing debt / Total assets	< 37%	✓ Compliant
Non-compliant investments / Total assets	< 33%	✗ Breach
Non-compliant income / Total income	< 5%	✓ Compliant
Illiquid assets / Total assets	> 25%	✓ Compliant
Market price vs net liquid assets / share	Price > NLA	✓ Compliant



Why the gap

A-1 divestment proceeds (net PKR 20.9bn) held in a treasury portfolio



Leverage now a strength

Group debt / assets 21.4% vs 35.1% at Jun-25



Path to compliance

Reallocate to Shariah-compliant instruments (sukuk / commodities)



Stakeholder engagement

In engagement with Shariah advisors and PSX Board

Management is pursuing classification and certification to support restoration of Shariah-compliant status

Way Forward – Strategic Priorities

Building on FY26 delivery: balanced growth, margin recovery and disciplined deployment of A-1 proceeds

PRIORITY		WHAT IT MEANS	WHERE WE STAND (FY26)
01	 Balanced price / volume growth	Grow through both pricing and volume, avoiding reliance on price alone	Local revenue growth: ~PKR 3bn from price, ~PKR 5bn from volume; volume +8%
02	 Restore margins to FY26 levels	Rebuild gross margin from the Q4'26 trough through the input-cost cycle	Q1 FY27 pricing taken; RM/PM lock-ins and packaging cover to Dec-26; trade spend targeted at volume
03	 Capitalize on route-to-market	Deepen Modern Trade penetration and keep widening shop coverage	109K+ active outlets; shop coverage +7% in FY26; 350+ distributors, 1,097 order bookers
04	 Capex for quality, capacity & innovation	Continue investing in automation, capacity unlock and new capabilities	Capex outflow for ketchup packaging capacity, recipe / ketchup quality upgrade planned
05	 Innovation pipeline	Keep refreshing the portfolio and building new growth platforms	Chicken Powder, Drizz'l range launched strong innovation pipeline
06	 A-1 proceeds & Shariah	Deploy A-1 proceeds into international growth above return hurdles; close the KMI gap	Net PKR 20.9bn received; Investments & M&A function set up; ROCE 38% vs WACC 17%

Watch-points: input-cost volatility (oil, packaging, freight), consumer demand under elevated inflation, and recovery of GCC / KSA distribution.

This slide sets out management priorities and does not constitute financial guidance. Figures are FY26 actuals (unconsolidated unless stated).



*NFL is scaling beyond Pakistan, with resilience, discipline, and innovation —
building long-term value for investors.*

Thank You

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