# EVER FLOW RIVER GROUP PUBLIC CO., LTD.

YSX: 00006 | Sector: Logistics, Shipping & Trade | Equity Research

**Recommendation:**
NEUTRAL / HOLD
**NAV / Share (Owners):** MMK 1,047.31
**EPS:** MMK 58.86
**Date:** FY 2025–2026 Review

| | | | |
|---|---|---|---|
| **MMK 16.39B** Consolidated Revenue (-46.1%) | **MMK 9.74B** Gross Profit (+18.5%) | **59.4%** Gross Margin (vs 27.1% FY25) | **MMK 2.14B** Operating Cash Flow (+428.8%) |

## EXECUTIVE INVESTMENT SUMMARY

Ever Flow River Group (EFR) completed a major strategic realignment in FY 2025–2026. Top-line revenue contracted to MMK 16,390.84 million (-46.1% YoY) due to intentional trading restructuring and the deconsolidation of Eravati Myanmar Co., Ltd. However, **Gross Profit expanded +18.5% YoY to MMK 9,742.80 million**, driving Gross Margins up to 59.4% (from 27.1% in FY25) through rigorous direct cost discipline (-70.0% YoY in COGS).

**Cash Flow & Balance Sheet Turnaround:** Net cash from operations swung back into positive territory, reaching MMK 2,137.64 million (vs. -MMK 650.04 million in FY25). Solid cash generation supported an attractive dividend payout of MMK 70.49/share (MMK 1,408.19M total), representing a 119.8% payout ratio relative to controlling net income.

### Key Investment Catalysts

- **Margin Expansion:** Core logistics focus significantly improved profitability metrics.
- **Capital Return:** High cash dividend distribution (MMK 70.49/share).
- **De-risked Portfolio:** Deconsolidation of non-performing Eravati unit into contractual receivables.

## KEY FINANCIAL HIGHLIGHTS (FY25 VS FY26)

| Key Metric | FY 2024–2025 | FY 2025–2026 | YoY % | Analytical Significance |
|---|---|---|---|---|
| **Total Revenue** | MMK 30,389.41M | MMK 16,390.84M | -46.1% | Contraction due to trading reset & Eravati exit |
| **Gross Profit** | MMK 8,222.21M | MMK 9,742.80M | +18.5% | Substantial cost efficiency improvement |
| **Operating Profit (EBIT)** | MMK 3,473.66M | MMK 2,262.33M | -34.9% | Impacted by overhead & compensation costs |
| **Net Profit (Owners)** | MMK 2,520.91M | MMK 1,175.93M | -53.4% | Normalized base after deconsolidation |
| **Diluted EPS** | MMK 126.19 | MMK 58.86 | -53.4% | Based on 19.98M outstanding shares |
| **Operating Cash Flow** | -MMK 650.04M | MMK 2,137.64M | +428.8% | Strong inventory/advance working capital release |
| **NAV per Share (Owners)** | MMK 1,034.86 | MMK 1,047.31 | +1.2% | Solid book value asset backing per share |

## SUBSIDIARY PERFORMANCE ANALYSIS

| Business Unit | Stake | FY26 Rev | FY26 PAT |
|---|---|---|---|
| LDC Mandalay (Dry Port) | 95.1% | 2,867.9M | 340.1M |
| Myanmar Elite Logistics | 100.0% | 2,013.7M | 500.8M |
| Gold Shipping Agency | 100.0% | 1,530.8M | 462.7M |
| EFR G Link Express | 100.0% | 1,778.8M | 302.3M |
| MRTW Logistics (Air Cargo) | 100.0% | 1,042.1M | 245.6M |
| EFR Trading Co. | 100.0% | 4,049.8M | -209.0M |

## CAPITAL STRUCTURE & OUTLOOK

**Balance Sheet Stability:** EFR maintains a sound balance sheet with total assets of MMK 37,114.70M against long-term borrowings of MMK 3,000.00M. Total cash and cash equivalents stand at MMK 4,784.61M.

**Strategic Associates:** Contributions from joint ventures (KEFR JV & Nankai AGL) added MMK 94.29M to profits, strengthening cross-border infrastructure connectivity.

**Outlook & Conclusion:** While headline net income decreased due to structural operational reshaping, EFR's core logistics engine is healthier, generating higher profit margins and robust operational cash flow. Equity NAV of MMK 1,047.31 provides strong downside protection.