



WEEKLY REPORT

TRACING NEW HEIGHTS

SCRIPT IN FOCUS:

Air Link Communication Ltd.
(AIRLINK)

DATE:

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Upcoming Week: Scrip in Focus - AIRLINK

AIRLINK's Strategic Transformation: A New Era of Margin Expansion and Market Leadership

Air Link Communication Limited (PSX: AIRLINK) stands as a leading player in Pakistan's technology and communication ecosystem, with a strong track record of delivering innovative, reliable, and affordable consumer technology solutions. The company has built a robust distribution platform through strategic partnerships with renowned global brands, including Samsung, Xiaomi, Apple (Authorized Reseller), Tecno, itel, Acer Gadgets Inc., and iMiki, effectively integrating international product expertise with local market reach. Beyond distribution, AIRLINK has strengthened its downstream presence by expanding into organized retail via flagship stores and brand outlets, offering consumers direct access to a diversified portfolio encompassing smartphones, smart TVs, wearables, home appliances, and accessories.

Air Link Communication Limited	
Symbol	AIRLINK
Bloomberg Code	AIRLINK PA
Current Price	187.11
Mkt Cap (PKR Mn)	73,959.00
Mkt Cap (USD Mn)	264.19
No Of Shares (In Mn)	395.27
52 Weeks High	203.89
52 Weeks Low	116.50
Avg Volume (52 Weeks)	2,685,032.08
Avg Value	446,817,369.85

Source: PSX, HMFS Research

Strong 1QFY26 Performance Underpins FY26E Upside

From a financial standpoint, AIRLINK delivered a strong 1QFY26 performance, posting consolidated profit of PKR 1.5bn, an 88% y/y increase, and EPS of PKR 4.01. The stock currently trades at a P/E multiple of 15.5x, which remains attractive relative to the broader telecom-related sector that trades at an average P/E of ~20x, especially given AIRLINK's dominant market position and absence of a listed peer.

We believe the company's growth trajectory is underpinned by multiple structural catalysts, including the HISENSE partnership, rollout of Apple mono-stores, relocation to the Sundar Green SEZ, and ongoing cost optimization initiatives. These factors are expected to support continued revenue diversification and margin expansion. Accordingly, we forecast FY26E net profit of ~PKR 9bn, translating into EPS of ~PKR 22.9 per share, reflecting robust earnings growth (~90% y/y).

On valuation, we recommend a BUY with a target price of ~PKR 350 per share, based on a P/E-driven valuation framework, expected to be achieved by FY27. The earnings outlook also supports a healthy dividend payout. We expect the company to declare a total dividend of ~PKR 10 per share in FY26, which includes the PKR 2 dividend announced in 1QFY26, implying a dividend yield of ~5.3% and further enhancing total shareholder returns.

Strategic Diversification through HISENSE Partnership

In 2HFY26, Select Technologies Limited, a wholly owned subsidiary of AIRLINK, entered a strategic partnership with HISENSE, a globally recognized Chinese consumer electronics manufacturer. This collaboration marks a pivotal shift in AIRLINK's business model, accelerating its transition from a predominantly smartphone-focused distributor to a diversified consumer electronics manufacturer. Given the historical concentration of revenues within the mobile handset segment, this partnership materially broadens AIRLINK's earnings base by enabling entry into the home appliances segment, with an initial focus on Smart TVs and air conditioners.

AIRLINK's extensive nationwide distribution network provides an immediate route-to-market advantage, allowing HISENSE products to be seamlessly integrated into existing retail and wholesale channels, ensuring rapid penetration

Upcoming Week: Scrip in Focus - AIRLINK

and nationwide availability. Furthermore, access to HISENSE's advanced R&D capabilities and global quality benchmarks enables Select Technologies to locally manufacture premium products at competitive price points versus fully imported alternatives, supporting both margin enhancement and volume growth. For FY26E, AIRLINK's revenues are projected to reach PKR 125bn, with HISENSE-led sales expected to drive major growth. The strength of the partnership is underpinned by HISENSE's global scale, having reported group revenues of ~USD 30.24bn in 2025 and sustaining a ~14% global market share in the highly competitive television market—highlighting strong and resilient end-consumer demand.

Monetizing the Premium Apple Ecosystem

In October 2025, AIRLINK announced plans to launch Pakistan's first official Apple Mono-store under the Apple Premium Reseller (APR) model, marking a structural shift from an informal, fragmented grey market to a regulated, premium retail ecosystem. Historically, the absence of an official Apple retail presence in Pakistan pushed consumers toward informal channels, resulting in inflated pricing, unreliable warranties, and PTA registration challenges. The introduction of an authorized Mono-store directly addresses these inefficiencies, enhancing consumer trust and standardizing the Apple buying experience.

The first flagship outlet commenced operations at Dolmen Mall, Lahore, by January 2026, with plans to expand to approximately 10 Mono-stores nationwide. Strategically, this initiative elevates AIRLINK's role from a volume-driven distributor to a value-accretive premium retailer. While AIRLINK already earns gross margins of ~8–14% on iPhone distribution, the Mono-store format enables the capture of full retail margins, supplemented by high-margin accessory and after-sales revenue streams. The upcoming spectrum auction and potential 5G roll-out in Feb 2026 would boost the sales for Apple iPhones further supporting the topline for AIRLINK. This transition is expected to support margin expansion, improve revenue quality, and enhance earnings visibility over the medium term.

SEZ Tax Shield Driving Structural Margin Expansion

AIRLINK's strategic relocation of its manufacturing operations to the Sundar Green Special Economic Zone (SGSEZ) introduces a material fiscal advantage with long-term implications for profitability. Under the SEZ Act, 2012, the company is entitled to a 10-year income tax holiday alongside a one-time exemption on customs duties for imported plant and machinery. Importantly, the 0% corporate tax incentive is limited strictly to manufacturing and assembly activities conducted within the SEZ, while AIRLINK's retail and distribution segments—including Apple Mono-stores and Samsung brand outlets—remain subject to the standard corporate tax regime.

Beyond tax efficiencies, the upcoming SEZ facility is also being designed with a focus on cost optimization and sustainability. The company plans to install a 1MW solar power system at the site, which is expected to lower reliance on grid electricity, enhance energy efficiency, and reduce long-term operating costs—particularly relevant amid Pakistan's volatile power tariffs.

Despite the segmented tax structure, the SEZ incentive remains a meaningful earnings tailwind. As AIRLINK progressively scales local assembly of smartphones (20% Y/Y growth in unit sales in FY25) and HISENSE home appliances, a growing share of consolidated profits is expected to fall under this tax-efficient framework. This structural shift is projected to

Upcoming Week: Scrip in Focus - AIRLINK

compress the company's effective tax rate from ~29% toward ~21% by FY26, directly enhancing net margins. The combined impact of tax savings and lower energy costs strengthens internal cash generation, providing a sustainable buffer for reinvestment, capacity expansion, and shareholder distributions over the medium to long term.

Risks to valuations:

- Intensifying competition in consumer electronics may compress margins.
- Smartphone demand slowdown could weaken revenue growth.
- Delay or underperformance in HISENSE rollout may impact sales projections.
- Retail expansion costs could pressure profitability if sales traction is slower than expected.
- SEZ tax benefits may be reduced or delayed, affecting expected margin expansion.
- Currency depreciation and import tariff changes could raise input costs.
- Macroeconomic weakness may dampen consumer spending on premium electronics. .

Financial Performance			
Amount in PKR 'Mn'	1QFY26	1QFY25	% Change
Net sales	24,402	22,052	11%
Cost of sales	(21,015)	(19,882)	6%
Gross profit	3,387	2,170	56%
Selling/distribution expenses	(69)	(92)	-25%
Administrative expenses	(310)	(293)	6%
Operating profit	3,008	1,785	69%
Financial charges	(968)	(681)	42%
Other income	316	210	50%
Other charges	(126)	(86)	47%
Profit before tax	2,230	1,228	82%
Taxation	(647)	(386)	68%
Profit after tax	1,583	842	88%
EPS	4.01	2.13	

Source: Company Financials, HMFS Research

Major Events

During the week, the stock market was impacted by a combination of news and events that had a considerable effect on its direction. Key events that shaped the market's trend included:

Global Engagement at Davos Spurs Funding and Connectivity Pledges

Pakistan's presence at the World Economic Forum (WEF) in Davos catalysed a string of investment and development commitments that reinforce its external engagement and growth narrative. On humanitarian financing, the European Commission pledged EUR 126mn towards humanitarian needs in Pakistan, Iran and Afghanistan as part of a broader EUR 1.9bn global aid package — underscoring multilateral support amid tightening donor budgets. In parallel, Nestlé announced a USD 60mn expansion of its Pakistan operations, signalling confidence from a major multinational investor and positioning the country as a regional manufacturing and export hub. Connectivity and industrial cooperation also featured prominently: Pakistan expects to sign a USD 7bn rail connectivity agreement with Kazakhstan during the latter's president's February visit. Meanwhile, the Pakistan-Russia steel sector partnership has advanced with a 2027 start date agreed for the Pakistan Steel Mills revival and expansion project, marking a long-term industrial cooperation milestone. Collectively, these WEF-related developments highlight diversified confidence from global partners across humanitarian funding, FDI expansion, regional connectivity, and industrial revitalisation, offering incremental narrative support to investment sentiment — especially in infrastructure and export-oriented sectors — amid broader macro pressures.

Power Sector: Reform Claims vs Persistent Debt Pressures

The government has renewed its push to stabilise Pakistan's power sector amid diverging narratives on circular debt dynamics. Official data places power sector circular debt at PKR 1.82trn during Jul-Oct FY26, reflecting a moderation from last year's peak levels but still indicating continued accumulation, largely due to DISCO inefficiencies and legacy liabilities. A key development is ongoing discussion with IFIs (e.g., World Bank, ADB) and Saudi Arabia for a USD 36bn refinancing package spread over 13 years from FY27, aimed at reducing tariff burdens and smoothing debt servicing. Under the proposed structure, IFI loans are being discussed at ~2% interest, while Saudi financing could be as low as ~1%, offering slightly cheaper long-term funding. The deal contemplates staged disbursements each fiscal year through FY39, and — if realised — could lower industrial tariffs more meaningfully over time. While circular debt remains structurally elevated, financing discussions may offer incremental support to sentiment, though execution risks and tariff sustainability remain key watchpoints.

Major Events

Investment Momentum and Funding Signals

Pakistan's economic narrative this week included notable investment deals and capital market innovation that could influence liquidity dynamics and credit conditions. In a potential structural shift, the government is exploring the tokenisation of up to USD 2bn of domestic government debt in an initial phase to broaden investor participation and modernise debt markets, especially by enabling retail investor access through blockchain-based instruments — though regulatory and implementation frameworks are yet to be defined. On the external financing front, the Islamic Development Bank (IsDB) approved USD 603mn in financing for key infrastructural and social sector projects, including the 306 km Sukkur-Hyderabad Motorway (M-6), a Poverty Graduation programme for vulnerable households, and an education project in Azad Jammu & Kashmir. Meanwhile, Fitch Ratings affirmed Pakistan's long-term sovereign credit rating at 'B-' with a stable outlook under its revised sovereign criteria — incorporating recovery assumptions — signalling continued external credit access, though elevated debt and liquidity risks remain key sensitivities. Together, exploratory debt market innovation, multilateral financing support, and a stable external credit assessment underline a cautiously positive backdrop for capital markets and financing conditions, provided structural reforms and regulatory clarity keep pace with these initiatives.

Other News

Pakistan signs Trump-led Board of Peace charter: US President Donald Trump kicked off his so-called 'Board of Peace' here on Thursday, with world leaders, including Prime Minister Shehbaz Sharif, signing on "to pursue a lasting agreement for Gaza". A group of leaders and senior officials from 19 countries — including Trump allies from Argentina and Hungary — gathered on stage with the US president to put their names to the founding charter of the body, said an AFP report.

\$204.44m World Bank-funded Punjab project rated 'satisfactory': The World Bank-financed Punjab Resilient and Inclusive Agriculture Transformation (PRIAT) Project made substantial progress toward improving water efficiency, agricultural productivity and farmers' incomes, with overall implementation and achievement of development objectives rated satisfactory in the latest Implementation Status & Results Report (ISR).

Free Trade Agreement: Pakistan, China discuss progress on about 700 items: Pakistan and China have discussed progress on approximately 700 items as part of the third phase of the China-Pakistan Free Trade Agreement (CPFTA). In FY 2024-25, Pakistan's total exports to China stood at USD2.375 billion, of which USD 2.16 billion were under the FTA framework.

MoUs for \$4.5bn agri investment with China: Private sector entities of Pakistan and China have signed 78 memoranda of understanding worth \$4.5 billion at the conclusion of Pak-China Agriculture Investment Conference, marking agriculture's elevation as a priority sector under the second phase of CPEC. Briefing the media on Tuesday, Minister for National Food Security and Research Rana Tanveer Hussain said the conference would contribute to increased bilateral agricultural trade, expanded investment in priority sub-sectors, modernisation of production and processing systems, and the establishment of commercial partnerships between private sector entities of the two countries.

SOCAR set to finalize investment in Pakistan's oil sector: The State Oil Company of the Republic of Azerbaijan (SOCAR) has indicated that it is close to finalizing a major investment in Pakistan's oil and gas sector, with a decision expected in February. The development follows a high-level business roundtable held on the sidelines of the World Economic Forum (WEF) Annual Meeting in Davos, signaling growing international investor interest in Pakistan's energy sector, according to a press release issued.

Foreign assistance to Pakistan hits \$4.51 billion in first half of 2025-26: Foreign assistance to the country in the first half of 2025-26 reached USD 4.51 billion registering an increase of 20 percent compared to the corresponding period of last year. According to data released by the Economic Affairs Division, the multilateral and bilateral loans and grants December remained USD 1.47 billion compared to just USD 511.49 million in the previous month of November.

CPPA-G seeks 50 paisa per unit raise in Discos' tariffs: The Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought a positive adjustment of paisa 50 per unit in Discos' tariffs under Fuel Charges Adjustment (FCA) for December 2025 to recover Rs 4 billion from consumers and Discos and KE. The Nepra is scheduled to hold public hearing on KE's application on January 29, 2026 to scrutinise the data submitted by CPPA-G. According to data submitted to Nepra, in December 2025, hydel generation was 1,534 GWh constituting 18.07 percent of total generation.

Dec C/A moves back into deficit: Pakistan's current account moved back into deficit in December 2025 after posting a surplus in November 2025, mainly due to a rise in the goods import bill. The State Bank of Pakistan (SBP) on Monday reported that Pakistan's current account recorded a deficit of USD244 million in December 2025, reversing a surplus of USD 98 million posted in November 2025.

Other News

Pakistan IT exports break \$400m monthly barrier: Pakistan's information technology and ICT exports reached a historic milestone in December 2025, crossing the \$400 million mark in a single month for the first time, emphasizing the sector's growing role in the country's services-led growth. According to figures shared by Khurram Schehzad on his X account, December exports climbed to a record \$437 million, showing a robust 23% month-on-month increase compared to \$356m in November 2025. On a year-on-year basis, IT and ICT exports rose 26% from \$348m recorded in December 2024, highlighting sustained demand for Pakistani technology services in global markets.

Petroleum import bill falls to \$1.2bn in Dec: The import bill of the petroleum group decreased to \$1.18 billion in December 2025, marking a decrease of 6% YoY compared to the import bill of \$1.25 bn recorded in December 2024, data released by the State Bank of Pakistan (SBP) showed. Conversely, the imports of petroleum products went up by 17.4% MoM compared to the bill of \$1.01 bn in November 2026. Likewise on a monthly basis, imports have increased by 21.65% MoM compared to the imports worth \$4.72 bn recorded in November 2025.

Textile exports rise 10% YoY in December: The country's total textile exports went up by 9.97% YoY to \$1.59bn in December 2025 compared to \$1.45bn in December 2024, data released by the State Bank of Pakistan (SBP) showed. Likewise, on a month-on-month basis, the exports of the same group registered an increase of 21.21% MoM compared to exports worth \$1.31bn in November 2025. Cumulatively in 6MFY26, the textile exports grew by 5.16% YoY to \$9.1bn compared to \$8.65bn in 6MFY25.

Big industry output grows 10% YoY in November: Pakistan's large-scale manufacturing sector sustained its recovery trajectory in November 2025, with the Quantum Index of Manufacturing (QIM) reaching 118.28, showing continued industrial momentum amid exceptional performances in automobiles, petroleum products and garments. According to provisional data with base year 2015-16, Large Scale Manufacturing Industries (LSMI) output grew 10.37% year-on-year (YoY) in November 2025, while posting a modest 0.16% month-on-month (MoM) increase compared to October 2025.

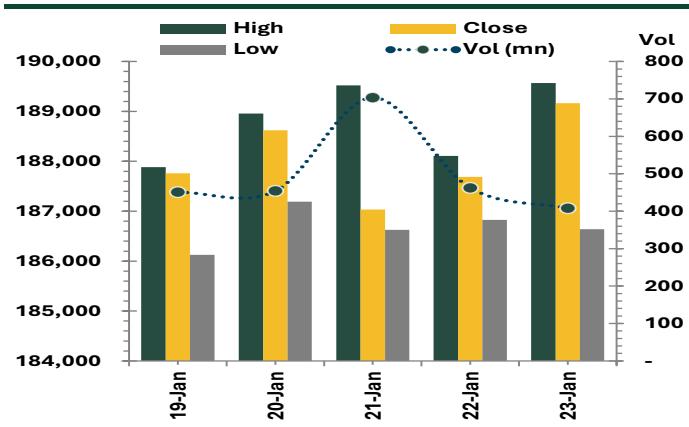
KE dispute: Gulf investors launch \$2bn arbitration case against Pakistan: Saudi and Kuwaiti investors in K-Electric (KE) have accused the Power Division, including the minister concerned, as well as the National Electric Power Regulatory Authority (NEPRA), of conduct that has adversely affected their financial rights in the power utility. These allegations form part of a USD 2 billion international arbitration initiated by Abdul Aziz Hamad A. Aljomaih, Combined National Industries Holding Company for Energy K.S.C., and others against the Islamic Republic of Pakistan.

Equity Market Review

Summary

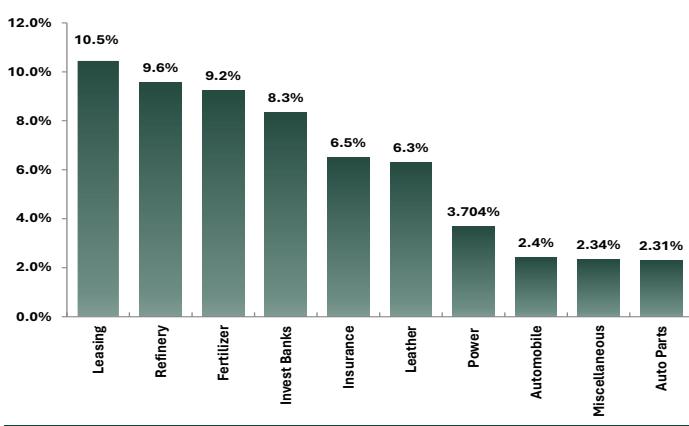
The Pakistan equity market kicked off the week on a strong note, with the KSE-100 index rallying on expectations of a policy rate cut and improved macro visibility following the planned Panda bond issuance. Early gains were broad-based, led by mid- and large-cap stocks. Midweek profit-taking triggered a short-lived correction, but easing T-bill yields and World Economic Forum (WEF) related developments renewed buying interest, lifting the index past 189,000 by Friday. Trading activity remained healthy throughout, highlighting sustained liquidity and strong participation in fertiliser, E&P, and power sector stocks. The KSE-100 closed the week with a net gain of ~4,067.99 points (+2.20%), with the benchmark index recording average volumes of 495.79mn (w/w), whereas the broader All-Share market saw an exchange of 1.14bn (w/w), respectively.

Daily Market Performance



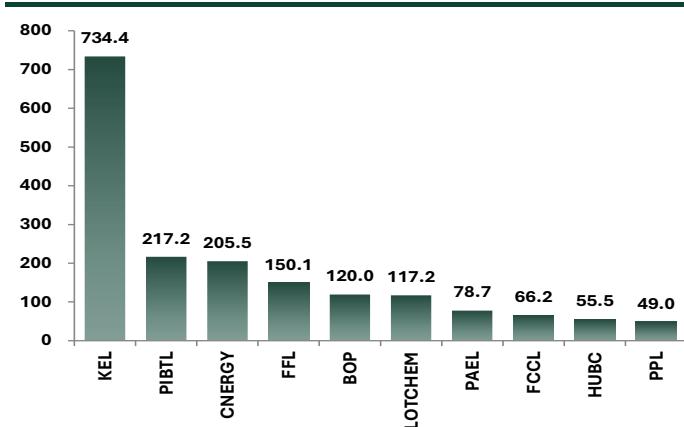
Source: PSX & HMFS Research

Sector Performance



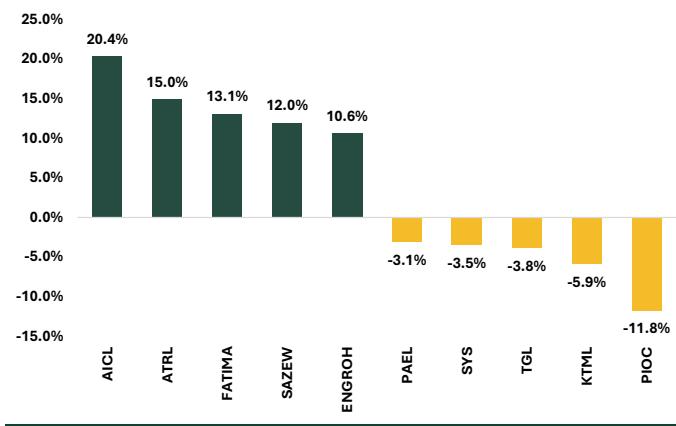
Source: PSX & HMFS Research

Top 10 Volume leaders (volumes in mn)



Source: PSX & HMFS Research

Gainers & Losers (KSE-100 Index)



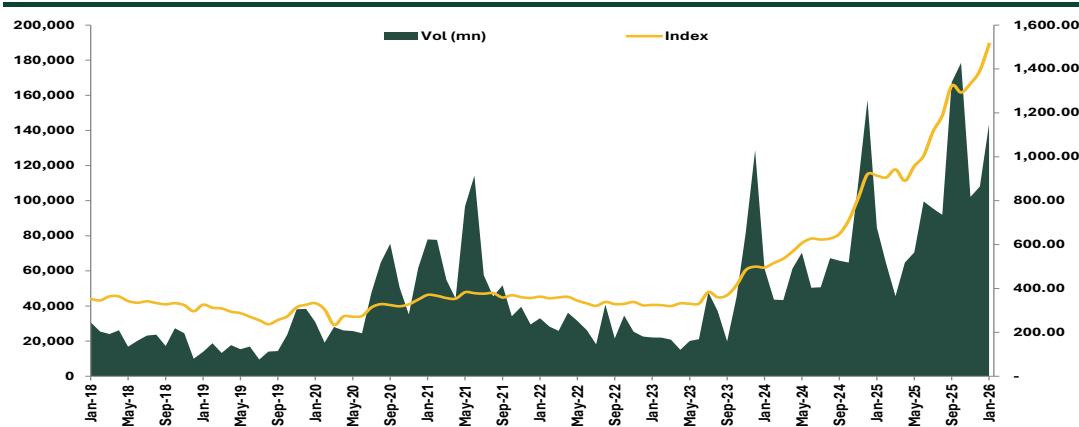
Source: PSX & HMFS Research

Equity Market Review

Outlook

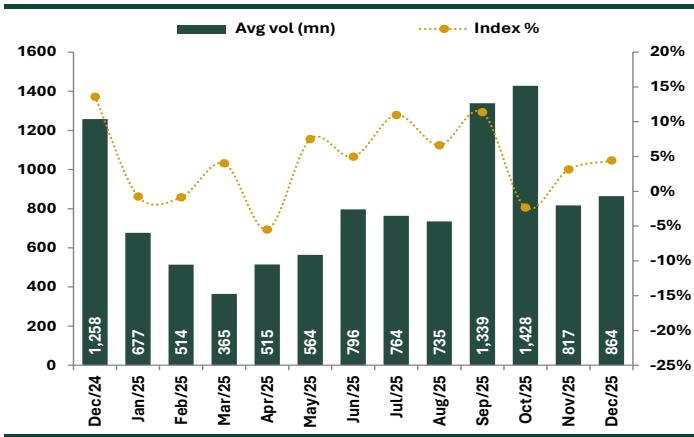
Looking ahead, the market is likely to maintain a cautiously constructive bias, underpinned by continued rate-cut expectations and improving macro indicators, including easing debt pressures and better external inflows. The upcoming corporate results season will be a key catalyst, particularly for dividend-yielding scrips, as earnings clarity could reinforce investor confidence. That said, elevated valuations across certain sectors may prompt intermittent profit-taking, and near-term volatility could persist amid global uncertainties and evolving policy signals. In this environment, investors should adopt a disciplined, bottom-up approach, prioritising fundamentally strong stocks with visible earnings growth, robust balance sheets, and resilient business models, while selectively exploiting tactical opportunities in high-liquidity names.

Index Performance



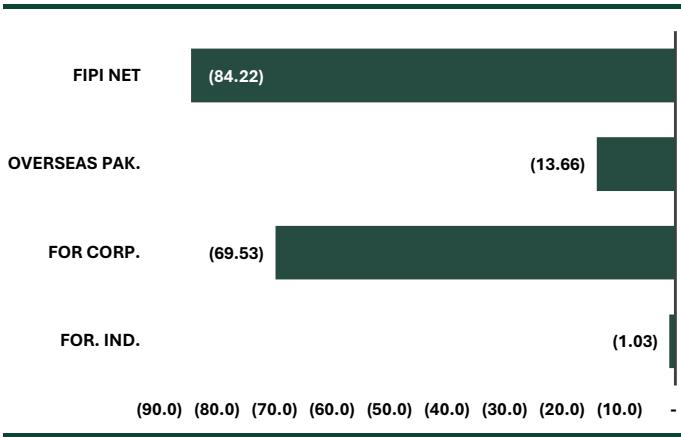
Source: PSX & HMFS Research

MoM Index gain vs Average Volume



Source: PSX & HMFS Research

FIFI (CYTD in USD mn)



Source: NCCPL & HMFS Research

Money Market Review

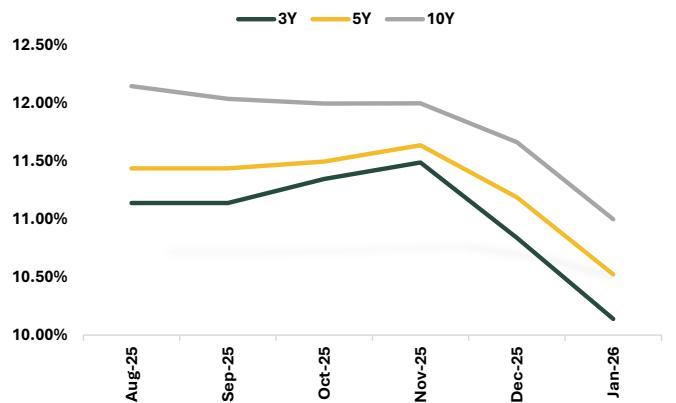
Summary

During the week, the State Bank of Pakistan (SBP) conducted a Market Treasury Bills (MTBs) auction, raising PKR 725bn in which cut-off yields declined by up to 31bps across tenors. No Pakistan Investment Bond (PIB) auction was held during the week; however, the next PIB auction is scheduled for February 06, while the upcoming MTB auction is slated for February 04. In addition, the SBP conducted a reverse repo-based Open Market Operation (OMO), injecting PKR 1.61tn to manage system liquidity.

Outlook

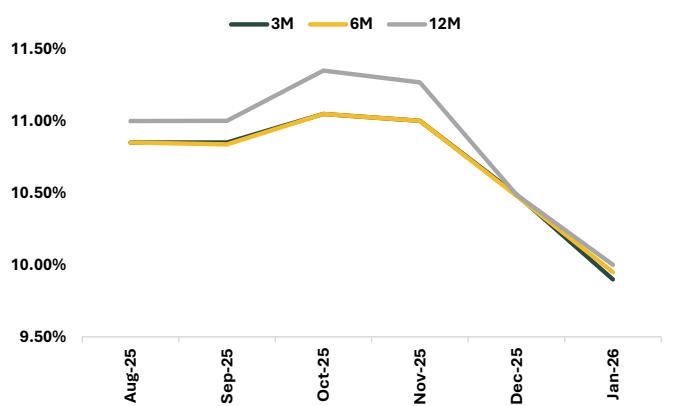
The decline in cut-off yields—bringing rates back into single-digit territory for the first time in four years—has reinforced expectations of further monetary easing, with focus now shifting to the upcoming MPC meeting on January 26. Beyond near-term rate dynamics, sentiment in the money market is also being shaped by Pakistan's plans to re-enter the global bond market after a four-year hiatus. The government is evaluating issuance options across dollar, euro, sukuk, and the country's first-ever panda bond, with progress on this front expected to improve external financing flexibility and support domestic liquidity conditions. Materialization of these initiatives could provide additional depth and stability to the money market in the coming weeks.

PIB Yields



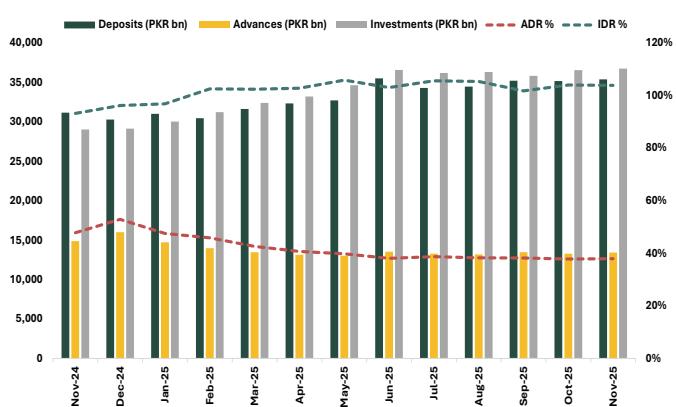
Source: SBP & HMFS Research

T-Bill Yields



Source: SBP & HMFS Research

Bank's ADR & IDR



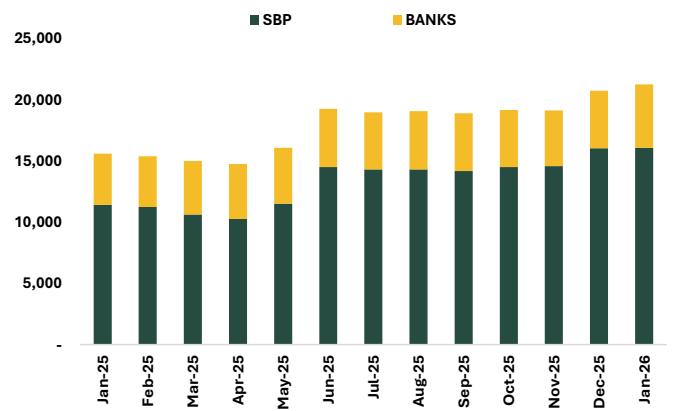
Source: SBP & HMFS Research

Forex Market Review

Summary

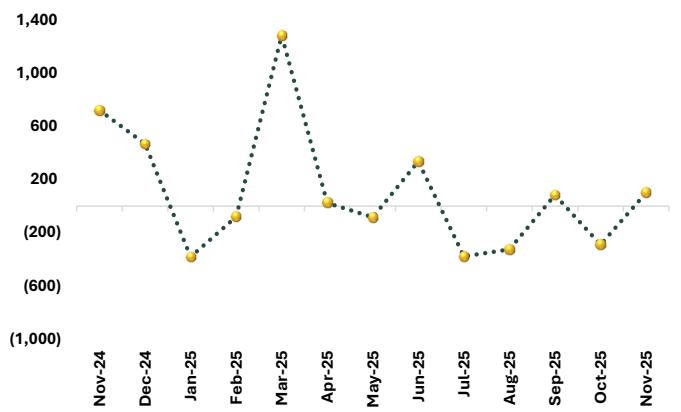
During the week, Pakistan's total liquid foreign exchange reserves recorded a marginal increase of USD 10mn. According to data released by the State Bank of Pakistan (SBP), central bank reserves rose by USD 16mn w/w to USD 16.08bn, while net foreign reserves held by commercial banks edged down by USD 6mn w/w to USD 5.17bn. As a result, the country's total liquid reserves stood at USD 21.26bn. Meanwhile, the PKR remained broadly stable against the USD, closing the week at PKR 279.86.

Foreign Exchange Reserves (USD bn)



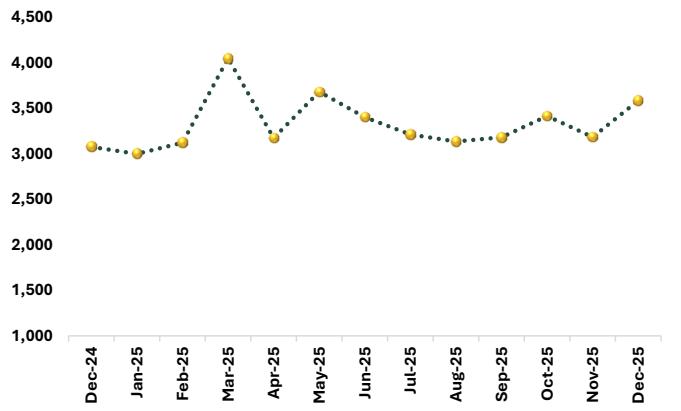
Source: SBP & HMFS Research

Current Account Balance (USD mn)



Source: SBP & HMFS Research

Remittances (USD mn)



Source: SBP & HMFS Research

Key Economic Indicators

Item	Units	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	%M/M	CY24	CY23	%Y/Y
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Banking Indicators											
Return on Outstanding Loans	%	10.91%	11.15%	11.25%	11.24%	11.33%	11.48%	-0.24%	17.07%	17.48%	-0.41%
Return on Deposits	%	5.35%	5.23%	5.23%	5.20%	5.31%	5.23%	0.12%	10.74%	10.30%	0.44%
Interest rate Spread	%	5.56%	5.92%	6.02%	6.04%	6.02%	6.25%	-0.36%	6.33%	7.18%	-0.85%
Deposits	(PKR bn)	-	35,380	35,149	35,211	34,463	34,280	0.66%	30,283	27,841	8.77%
Advances	(PKR bn)	-	13,421	13,279	13,456	13,193	13,273	1.07%	16,009	12,352	29.61%
Investments	(PKR bn)	-	36,732	36,547	35,816	36,303	36,191	0.51%	29,129	25,280	15.23%
ADR	%	-	37.93%	37.78%	38.22%	38.28%	38.72%	0.16%	52.87%	44.37%	8.50%
IDR	%	-	103.82%	103.98%	101.72%	105.34%	105.57%	-0.16%	96.19%	90.80%	5.39%

Kibor (Ask Side)											
3-Month	%	10.85%	11.16%	11.16%	11.05%	11.05%	11.02%	-0.31%	18.81%	21.48%	-2.67%
6-Month	%	10.89%	11.19%	11.18%	11.05%	11.05%	10.98%	-0.30%	18.58%	21.58%	-3.00%
9-Month	%	11.15%	11.44%	11.39%	11.27%	11.25%	11.19%	-0.29%	18.50%	21.84%	-3.34%
1-Year	%	11.16%	11.47%	11.40%	11.28%	11.26%	11.16%	-0.31%	18.21%	21.86%	-3.65%

Avg. Exchange Rates											
USD		280.29	280.71	281.11	281.53	282.19	284.20	-0.15%	278.53	280.44	-0.68%
Euro		328.43	324.52	327.24	330.31	328.15	332.05	1.20%	301.36	303.36	-0.66%
JPY		1.80	1.81	1.86	1.90	1.91	1.93	-0.64%	1.8410	1.9983	-7.87%
GBP		375.40	368.67	375.43	380.11	379.09	383.70	1.82%	355.94	348.95	2.00%
CNY		39.81	39.49	39.48	39.51	39.33	39.62	0.80%	38.70	39.59	-2.25%

Item	Units	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	%M/M	FY25	FY24	%Y/Y
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Inflation											
Avg. CPI	%	5.10%	5.01%	4.73%	4.22%	3.53%	4.07%	0.09%	4.49%	23.41%	-18.92%
Avg. NFNE	%	6.90%	6.60%	7.50%	7.00%	6.90%	7.00%	0.30%	6.90%	12.20%	-5.30%

Commodities											
Arab Light (Avg.)	USD/bbl	62.82	65.62	66.82	71.31	71.59	70.81	-4.27%	74.89	86.22	-13.14%

External Sector (FY USD mn)											
Total Imports	(USD Mn)	6,022	5,306	6,087	5,848	5,288	5,830	13.49%	58,387	54,937	6.28%
Total Exports	(USD Mn)	2,317	2,420	2,848	2,499	2,416	2,685	-4.26%	32,039	30,684	4.42%
Trade Balance	(USD Mn)	(3,705)	(2,886)	(3,239)	(3,349)	(2,872)	(3,145)	-28.38%	(26,348)	(24,253)	-8.64%
Current Account Balance	(USD Mn)	(244)	98	(291)	83	(325)	(379)	-348.98%	328	(313)	204.79%
Remittances	(USD Mn)	3,589	3,188	3,420	3,184	3,138	3,215	12.57%	38,300	30,251	26.61%
Oil Import Bill	(USD Mn)	1,183.09	1,007.78	1,293.23	1,092.95	1,238.98	1,275.20	17.40%	15,003.59	15,161.83	-1.04%

Source: SBP, PBS, Oilprice.com, HMFS Research

Note: % change is of last available month

*N/M: Not Meaningful

Valuation Guide

Symbol	Period End	Stance	Current Price	Fair Value	FV Return	M. Cap	EPS			DPS			DY		P/E		P/B		ROE		Total Yield	
							PKR	2024 A	2025 E	2026 F	2024 A	2025 E	2026 F	CY-26/FY-26								
							Trn	PKR	PKR	PKR	PKR	PKR	PKR	%	%	x	x	x	x	%		
1 FFC	Dec	HOLD	650.8	635.0	-2%	926.2	45.5	57.5	60.5	36.5	39.5	43.5	6%	7%	11.3	10.8	5.9	5.1	52%	47%	4%	
2 EFERT	Dec	HOLD	255.1	255.0	0%	340.6	21.2	24.7	28.5	21.5	22.0	26.7	9%	10%	10.3	9.0	6.7	6.4	60%	65%	10%	
3 INDU	Jun	BUY	2125.0	2321.0	9%	167.0	191.8	292.7	347.0	114.7	176.0	208.0	8%	10%	7.3	6.1	2.5	2.2	14%	27%	19%	
4 HCAR	Mar	BUY	261.0	298.0	14%	37.3	16.3	19.0	27.3	6.5	8.0	11.5	3%	4%	13.8	9.6	1.6	1.4	8%	6%	19%	
5 HBL	Dec	HOLD	346.0	372.0	8%	507.6	39.9	44.6	43.2	16.3	17.0	18.0	5%	5%	7.8	8.0	1.0	1.0	16%	13%	13%	
6 MCB	Dec	BUY	422.4	476.0	13%	500.5	48.6	45.5	44.5	36.0	36.0	36.0	9%	9%	9.3	9.5	2.0	1.9	37%	22%	21%	
7 UBL	Dec	BUY	483.7	514.0	6%	1,211.4	61.1	64.0	60.5	44.0	45.0	44.0	9%	9%	7.6	8.0	1.6	1.5	29%	21%	15%	
8 BAHL	Dec	BUY	197.0	228.0	16%	219.0	37.7	34.9	35.5	17.0	16.0	15.0	8%	8%	5.7	5.6	1.3	1.1	35%	23%	23%	
9 ABL	Dec	BUY	203.6	254.0	25%	233.1	38.8	47.5	45.4	16.0	14.0	17.5	7%	9%	4.3	4.5	1.0	0.9	30%	24%	33%	
10 MEBL	Dec	BUY	486.4	565.0	16%	875.8	57.3	45.7	45.2	28.0	28.0	27.0	6%	6%	10.6	10.8	3.1	2.8	41%	29%	22%	
11 MUGHAL	Jun	HOLD	99.1	106.0	7%	33.3	6.0	2.8	2.8	0.0	0.0	0.0	0%	0%	35.0	35.4	1.2	1.2	15%	4%	7%	
12 ISL	Jun	HOLD	108.8	98.0	-10%	47.3	8.4	3.6	3.7	5.5	2.5	1.0	2%	1%	30.4	29.4	2.3	2.2	6%	8%	-9%	
13 OGDC	Jun	Sell	327.9	257.0	-22%	1,410.1	48.6	39.5	48.0	10.1	15.1	18.0	5%	5%	8.3	6.8	1.0	0.9	18%	15%	-16%	
14 PPL	Jun	HOLD	272.0	260.0	-4%	740.0	42.0	33.8	43.5	6.0	7.5	8.0	3%	3%	8.0	6.3	1.0	0.9	20%	13%	-1%	
15 POL	Jun	BUY	671.2	688.0	3%	190.5	137.9	85.2	105.0	95.0	75.0	90.0	11%	13%	7.9	6.4	2.2	2.1	47%	28%	16%	
16 LUCK	Jun	BUY	491.9	568.0	15%	720.7	44.1	52.5	62.8	3.0	4.0	6.5	1%	1%	9.4	7.8	0.9	0.8	19%	10%	17%	
17 FCCL	Jun	BUY	59.1	72.0	22%	144.9	3.4	5.4	6.5	1.0	1.3	1.5	2%	3%	10.9	9.0	1.8	1.6	12%	17%	24%	
18 MLCF	Jun	BUY	120.3	147.0	22%	126.0	5.0	16.3	13.0	0.0	0.0	0.0	0%	0%	7.4	9.3	2.4	1.9	11%	12%	22%	
19 NML	Jun	HOLD	196.0	175.0	-11%	68.9	18.1	17.1	35.0	3.0	2.0	4.5	1%	2%	11.5	5.6	0.5	0.5	6%	6%	-8%	
20 ILP	Jun	BUY	83.4	109.0	31%	116.8	11.3	3.8	8.6	5.5	1.0	4.0	1%	5%	21.7	9.7	1.5	1.4	40%	11%	36%	
21 GATM	Jun	BUY	32.4	49.0	51%	24.0	6.4	5.4	7.0	0.0	0.0	0.0	0%	0%	6.0	4.6	0.5	0.4	11%	8%	51%	
HMFS Universe						10%	8,640.9							5%	5%	11.6	10.1	1.8	1.7	25%	19%	14%

(*) Under Review (A) Actual

(E) Estimated

(F) Forecasted

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HMFS RATING GUIDE

BUY	More than 15% Upside
HOLD	Between 15% Upside & 15% Downside
SELL	More than 15% Downside

Note: All fair value estimates are for a twelve month time horizon unless specified otherwise in the report
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Total Return is based on both the Capital Gains return & the Dividend Yield & is exclusive of all applicable taxes