

AHL Alert: Technology

Air Link Communication Limited

Result Review: Earnings rose by 7% YoY in 1QFY25

Profitability arrived at PKR 2.1/share in 1QFY25

Air Link Communication Limited (AIRLINK) announced its financial result for 1QFY25 whereby the company, on consolidated basis, declared a profit after tax (PAT) of PKR 842mn (EPS: PKR 2.1) compared to an earnings of PKR 789mn (EPS: PKR 2.0) in 1QFY24. On quarterly basis, net profit declined by 46% QoQ.

Result Highlights

- Topline of the company settled at PKR 22,052mn in 1QFY25, down by 12% YoY in SPLY. Moreover, on a quarterly basis, sales declined by 40% QoQ amid significant pre-buying of mobile phones in the previous quarter, driven by the anticipation of increased GST rates of 18-25% introduced in the recent budget, we view.
- The company posted gross margins at 9.8% in 1QFY25 compared to gross margins of 6.4% in SPLY. The surge in margins is primarily driven by the improved utilisation of its mobile phone assembly plant. On a QoQ basis margins improved by 3.7pps.
- Other operating income settled at PKR 210mn in 1QFY25, jump by 70% YoY. Whereas, on a quarterly basis, other income declined by 11% QoQ.
- Moreover, in 1QFY25 finance costs soared by 45% YoY to settle at PKR 681mn in lieu of higher short-term borrowings. On a quarterly basis finance cost dipped by 32% due to decline in policy rate.
- The company recorded effective tax rate of 31.4% in 1QFY25 compared to 7.2% in SPLY.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	1QFY25	1QFY24	YoY	4QFY24	QoQ
Net Revenue	22,052	25,109	-12%	36,937	-40%
Cost of Sales	19,882	23,490	-15%	34,670	-43%
Gross Profit	2,170	1,619	34%	2,267	-4%
Gross Margins	9.8%	6.4%		6.1%	
Admin & Dist Exp	293	375	-22%	(364)	nm
Others Expense	86	-	nm	109	-21%
Others Income	210	124	70%	237	-11%
Finance Cost	681	470	45%	996	-32%
PBT	1,228	851	44%	1,414	-13%
Taxation	386	62	523%	(134)	-387%
PAT*	842	789	7%	1,548	-46%
EPS (PKR)	2.1	2.0		3.9	

Source (s): Company Financials, AHL Research

*profit attributable to equity shareholders of the company.

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