

ILP | AIRLINK

ILP: Earnings to expected to arrive at PKR 0.7/share in 2QFY25

Interloop Limited's (ILP) is scheduled to announce its 1HFY25 result on 19th Feb'25, where we expect the company to post a profit after tax (PAT) of PKR 1,323mn (EPS: PKR 0.94), down 87% YoY. On quarterly basis, we project the earnings to arrive at PKR 988mn (EPS: PKR 0.71), showcasing a decline of 74% YoY amid i) absence of one-off surplus on acquisition of subsidiaries, and ii) imposition of higher tax on income from exports. Topline is expected to climb up by 11% YoY to PKR 39,334mn, on the back of anticipation of enhanced production capacities at the Hosiery and Apparel plants. However, the 2% YoY currency appreciation during the period muted the growth in terms of PKR. The gross margins are expected to decrease by 776bps YoY to 20.1% during 2QFY25 owing to i) ramp-up phase of apparel plant and ii) higher energy tariff. Finance cost is expected to arrive at PKR 2,725mn, up 53% YoY due to surge in short term borrowings.

Exhibit: Financial Highlights

(PKR mn)	1HFY25e	1HFY24a	YoY	2QFY25e	2QFY24a	YoY	QoQ
Net Sales	82,080	73,984	11%	39,334	35,484	11%	-8%
Gross Profit	16,046	22,630	-29%	7,905	9,884	-20%	-3%
Gross Margins	19.5%	30.6%		20.1%	27.9%		
Others Expense	489	1,206	-59%	245	479	-49%	0%
Finance Cost	5,586	4,801	16%	2,725	2,595	5%	-5%
PAT	1,323	9,856	-87%	988	3,814	-74%	3x
EPS (PKR)	0.9	7.0		0.7	2.7		
DPS (PKR)	-	2.0		-	2.0		

Source (s): Company Financials, AHL Research

AIRLINK: Bottom-line projected to jump by 20% YoY to PKR 3.81/share in 2QFY25

Air Link Communication Limited (AIRLINK) is scheduled to announce its 2QFY25 financial result soon, whereby the company is expected to post a profit after tax of PKR 1,508mn (EPS: PKR 3.81) in 2QFY25 compared to a profit of PKR 1,253mn (EPS: PKR 3.2) during 2QFY24. Net sales are expected to jump by 4% YoY | 67% QoQ, arriving at PKR 36,845mn. This significant QoQ growth is primarily driven by a 62% surge in mobile phone sales, fueled by improved consumer sentiment, increased retail activity, and lower interest rates, which have enhanced affordability. Gross margins are expected to expand by 140bps to 9.1%, benefiting from improved pricing dynamics and cost efficiencies. Meanwhile, finance costs are estimated at PKR 652mn, reflecting a 1% YoY increase due to higher short-term borrowings. Alongside the results, we anticipate a dividend payout of PKR 3.0/share.

Exhibit: Financial Highlights

(PKR mn)	1HFY25e	1HFY24a	YoY	2QFY25e	2QFY24a	YoY	QoQ
Net Sales	58,897	60,594	-3%	36,845	35,485	4%	67%
Gross Profit	5,522	4,362	27%	3,351	2,743	22%	54%
Gross Margins	9.4%	7.2%		9.1%	7.7%		
Other Income	422	161	2.6x	212	37	5.7x	1%
Finance Cost	1,334	1,115	20%	652	644	1%	-4%
PAT	2,350	2,042	15%	1,508	1,253	20%	79%
EPS (PKR)	5.9	5.2		3.8	3.2		
DPS (PKR)	3.0	2.0		3.0	2.0		

Source (s): Company Financials, AHL Research

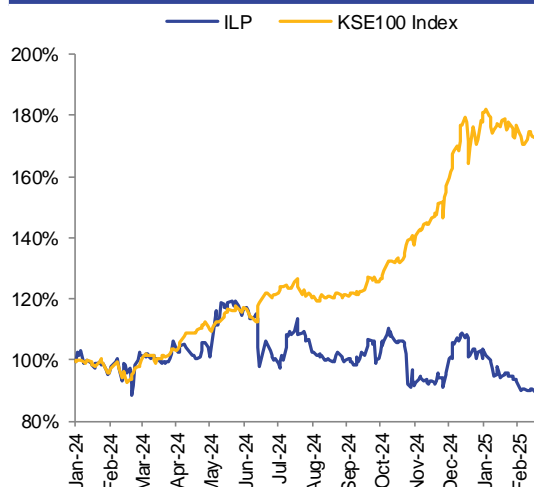
ILP

Last Closing 60.91

PSX Code ILP

Bloomberg Code ILP PA

Relative Performance



Source (s): PSX, AHL Research

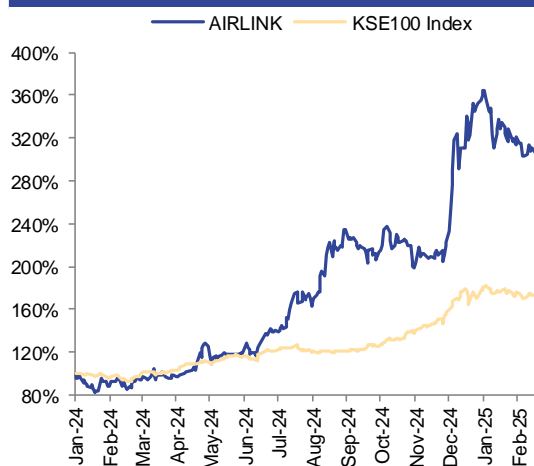
AIRLINK

Last Closing 186.81

PSX Code AIRLINK

Bloomberg Code AIRLINK PA

Relative Performance



Source (s): PSX, AHL Research

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Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2025 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- **Discounted Cash Flow (DCF)**
- **Dividend Discount Model (DDM)**
- **Sum of the Parts (SoTP)**
- **Justified Price to Book (JPTB)**
- **Reserved Base Valuation (RBV)**

Risks

The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has a shareholding in AIRLINK.