KSE-100 Index Profitability

23-Sep-2025

FY25: Earnings up 2% YoY

REP-300

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Top 25 Companies ('17-'19)

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KSE-100 Index Profitability

FY25: Earnings increase by 1.8% YoY to PKR 1.7trn

- The KSE-100 index's profitability (based on 93% of the index weightage) increased by 1.8% YoY in FY25, reaching PKR 1.66trn.
- This earnings increase was witnessed on the back of 205%, 119%, 43%, 41%, and 39% YoY in the Investment Banks, Pharmaceuticals, Miscellaneous, Cement and Auto Assemblers respectively.
- Conversely, decline was recorded in Textiles, Chemicals, Power, E&P and Insurance YoY decrease of 55%, 41%, 40%, 20% and 2% respectively.

Commercial Banks

Higher net interest income, non-funded income including capital gains, and lower provisioning contributed to an overall profitability increase of 9% YoY, reaching PKR 592bn in FY25.

Oil and Gas Exploration Companies

The sector's profitability declined by 20% YoY to PKR 351bn in FY25, mainly due to lower international oil prices and a YoY drop of 12% and 8% in oil and gas output, respectively, amid weak demand and production cuts. Additionally, the appreciation of the PKR against the USD and the absence of depletion allowance provisions also contributed to the earnings decline.

Fertilizer

Earnings rose 7% YoY to PKR 138bn, primarily driven by FFC. The FFBL–FFC merger (effective FY25) boosted results, along with higher urea margins. Other income also increased on account of increased dividend payouts.

Cement

Bottom-line rose by 41% YoY to PKR 155bn in FY25, supported by higher retention prices that improved gross margins, increased other income, and lower finance costs amid a decline in interest rates, higher exports, improved power generation mix.

Power

Net profit dropped by 40% YoY to PKR 49bn during FY25, mainly due to the termination of HubCo's base plant PPA and CPPA-G's payable adjustments related to Narowal Energy, NPL, and NCPL.

OGMCs

Earnings increased by 3% YoY to PKR 71bn in FY25, with margins improving on account of lower inventory losses compared to SPLY, despite pressure from reduced ex-refinery prices and lower volumetric sales.

KSE-100 Index Profitability

FY25: Earnings increase by 1.8% YoY to PKR 1.7trn

ARIF HABIB LIMITED

Auto Assembler

The bottom-line rose by 39% YoY to PKR 65bn in FY25, supported by a revival in consumer demand as lower inflation and declining interest rates improved affordability. The increase was further reinforced by stronger volumetric sales, the launch of new variants, and a favorable low base effect from last year.

Technology

The sector reported a loss of PKR 5.2bn in FY25, down from PKR 10.2bn last year. PTC's losses narrowed on the back of higher telecom service pricing and lower finance costs amid declining interest rates, while SYS delivered a 41% YoY increase in profitability, cushioning the sector's performance.

Pharmaceuticals

The sector reported a robust 119% YoY growth in earnings to PKR 27bn in FY25, driven by the revision in prices of non-essential medicines, approval of hardship cases, and a decline in international API costs.

Chemical

Profitability plunged by 41% YoY to PKR 14bn during FY25, which was primarily due to lower international chemical margins and higher gas prices.

Textile Composite

The sector's profitability fell by 55% YoY to PKR 8bn in FY25, primarily due to higher energy tariffs and the inclusion of export goods under the normal tax regime, which led to increased tax burdens.

- We have based our analysis on the KSE-100 index and have included the results of 79 companies.
- The companies that have been included in our analysis represent almost 93% of the market capitalization of KSE100.

KSE-100 Index Profitability

FY25: PAT up by 1.8% YoY

Exhibit: Sector Wise KSE-100 Index Profit after tax

(PKR mn)	Weight	4QFY25	YoY	QoQ	FY25	YoY
		417,952	13.8%	-2.8%	1,661,143	1.8%
Banks	28.4%	124,237	4%	-32%	592,273	10%
E&P	11.9%	85,880	-5%	-6%	351,249	-20%
Fertilizer	11.9%	39,300	19%	60%	137,579	7%
Cement	10.6%	40,875	83%	17%	154,582	41%
Inv. Banks	5.4%	34,222	15.6x	16x	46,095	205%
Power	5.1%	12,455	-47%	17%	48,725	-40%
Technology	4.3%	(3,207)	nm	nm	(5,291)	nm
OGMCs	3.2%	17,397	3%	0%	71,378	3%
Auto Assem.	3.1%	16,625	12%	-19%	65,400	39%
Pharma	2.9%	6,969	75%	8%	27,212	119%
Food	1.7%	14,475	-8%	-16%	56,234	6%
Chemicals	1.6%	3,001	10%	36%	13,536	-41%
Textile Composite	1.4%	3,408	12%	54%	8,126	-55%
Miscellaneous	0.8%	2,614	40%	105%	7,231	43%
REIT	0.8%	(93)	nm	nm	7,992	-1.8%
Insurance	0.6%	2,278	-3%	-19%	8,401	-2.3%
Tobacco	0.4%	7,993	36%	28%	31,046	7%
Property	0.3%	(246)	nm	nm	1,565	-23%
Others	5.7%	9,768	11%	30%	37,810	-29%

Source (s): Company Financials, AHL Research

KSE-100 Index Profitability
FY25: PBT up by 8.6% YoY

Exhibit: Sector Wise KSE-100 Index Profit before Tax

(PKR mn)	Weight	4QFY25	YoY	QoQ	FY25	YoY
		845,746	40.9%	15.4%	3,015,955	8.6%
Banks	28.4%	365,471	42%	3%	1,418,235	19%
Fertilizer	11.9%	61,565	54%	58%	165,464	-10%
E&P	11.9%	115,966	-9%	-13%	542,513	-12%
Cement	10.6%	85,355	116%	67%	250,751	53%
Inv. Banks	5.4%	79,816	886%	773%	132,980	80%
Power	5.1%	16,289	-43%	1%	62,752	-39%
Technology	4.3%	(1,959)	nm	nm	4,174	17x
Auto Assem.	3.1%	27,504	17%	-14%	103,576	39%
OGMCs	3.2%	7,227	139%	-54%	58,007	10%
Pharma	2.9%	11,718	69%	2%	37,837	89%
Food	1.7%	26,254	14%	-2%	84,521	0%
Chemicals	1.6%	5,458	35%	31%	20,063	-38%
Textile Composite	1.4%	5,257	52%	55%	13,037	-37%
Miscellaneous	0.8%	2,638	0%	106%	326	-95%
Insurance	0.6%	3,442	-1%	-17%	6,421	-54%
Tobacco	0.4%	14,236	38%	34%	55,180	15%
REIT	0.8%	1,355	18%	6%	4,908	9%
Property	0.3%	(264)	nm	nm	2,154	-1%
Others	5.7%	18,417	24%	43%	53,056	-35%

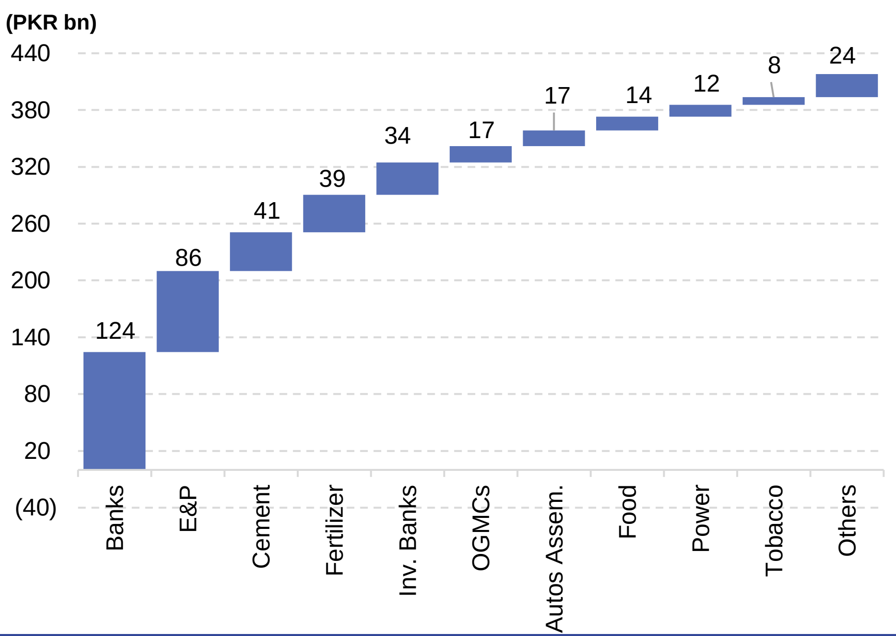
Source (s): Company Financials, AHL Research

KSE-100 Index Profitability

Earnings uptick – a 13.8% elevation in 4QFY25

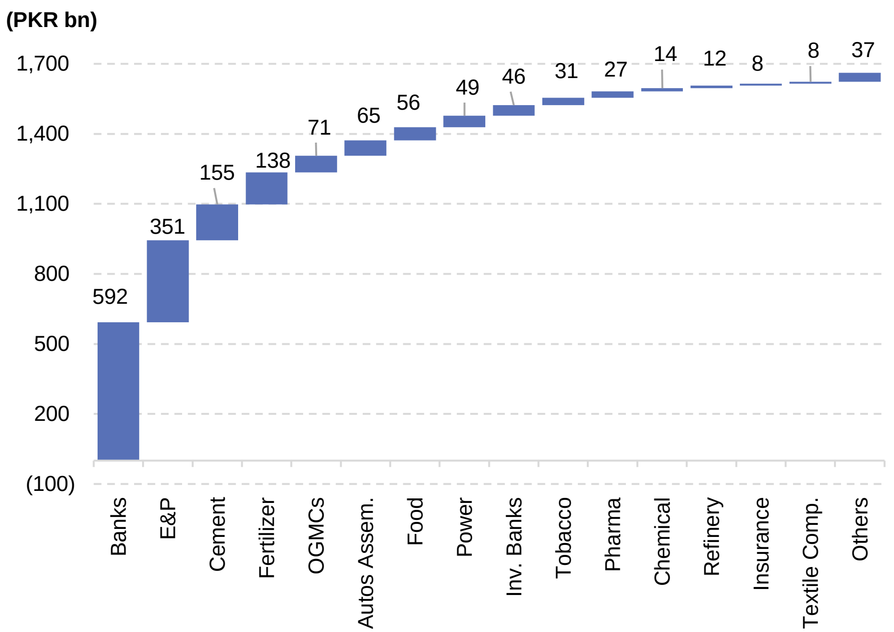
- KSE-100 profitability augmented by 13.8% YoY to PKR 418bn in 4QFY25.
- This earnings increase was witnessed on the back of 15.6x, 83%, 75%, 40%, and 36% YoY in the Investment Banks, Cements, Pharmaceuticals, Miscellaneous and Tobacco respectively.
- Conversely, decline was recorded in Power, Food, E&P and Insurance YoY decrease of 47%, 8%, 5% and 3% respectively.

Exhibit: KSE100 Profitability Contribution (4QFY25)



Source (s): Company financial, AHL Research

Exhibit: KSE100 Profitability Contribution (FY25)



Source (s): Company financial, AHL Research

KSE-100 Index Profitability

Earnings uptick – a 13.8% elevation in 4QFY25

Commercial Banks	Higher NII and lower provisioning helped cushion profitability in 4QFY25, which increased by 4% YoY to PKR 124bn.
E&Ps	The sector's profitability declined by 5% YoY to PKR 86bn in 4QFY25, mainly due to weaker international oil prices and lower production levels, with oil output down 12% and gas output down 8% YoY.
Fertilizer	Earnings increased by 19% YoY to PKR 39bn in 4QFY25 mainly on account of higher other income, with FFC benefitting from record dividend payouts from its power investments. The comparison was also supported by a low base, as EFERT's profitability in SPLY was depressed due to an Annual Turnaround at its N1 plant.
Cement	Bottom-line increased by 83% YoY to PKR 41bn, driven by higher retention prices boosting gross margins, increased other income, and sharp decline in finance costs due to declining interest rates.
OGMCs	Earnings increased by 3% YoY to PKR 17bn in 4QFY25, with margins improving on account of reduced financing costs, lower inventory losses compared to SPLY, despite pressure from reduced ex-refinery prices and lower volumetric sales.
Technology	The sector's loss widened from PKR 1,751mn to PKR 3,207mn, largely due to higher losses at PTC stemming from lower other income on a YoY basis, and past service cost pension payouts. However, this was partly offset by a 59% YoY increase in SYS's profitability.

KSE-100 Index Profitability

Earnings uptick – a 13.8% elevation in 4QFY25

Auto Assembler

Bottom-line increased by 12% YoY, settling at PKR 17bn in 4QFY25 driven by revival in consumer demand as affordability has increased due to lower inflation and declining interest rates. Moreover, low base effect last year has also resulted in higher jump this quarter.

Pharma

The sector reported a strong 75% YoY growth in earnings to PKR 7bn, driven by the revision in prices of medicines, and a decline in international API costs.

Chemical

Profitability increased by 10% YoY to PKR 3bn in 4QFY25, mainly due to a volumetric growth in sales.

Textile Composite

The sector's profitability rose by 12% YoY to PKR 3.4bn, driven mainly by improved cash and short-term investment positions along with lower finance costs.

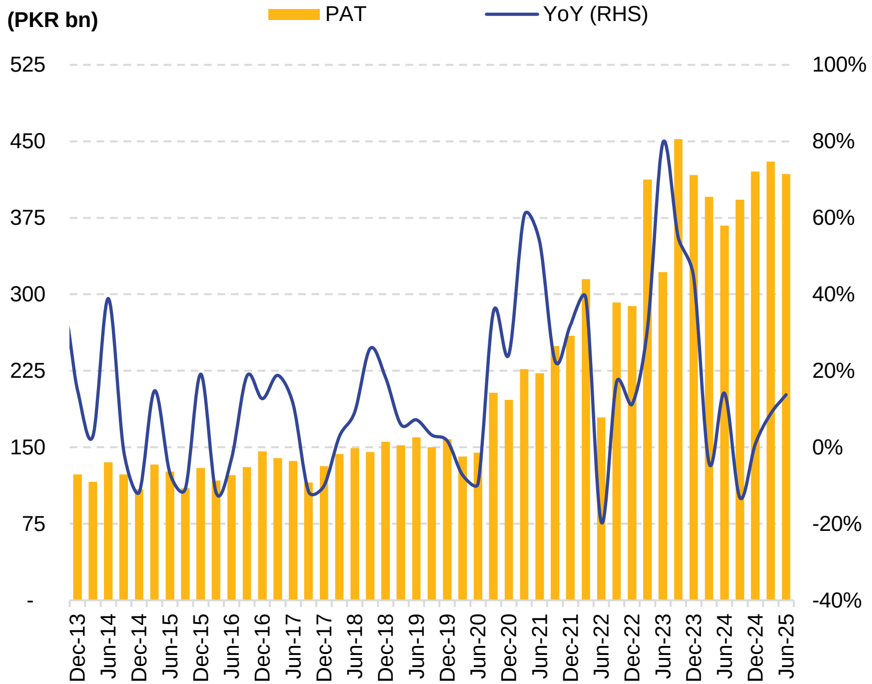
Power

Net profit declined by 47% YoY to PKR 12bn in 4QFY25, mainly reflecting the termination of Hubco's base plant PPA and payable adjustments by CPPA-G for Narowal Energy, NPL, and NCPL. The YoY comparison is further skewed as PIOL's profitability in 4QFY24 was elevated by the recognition of depletion allowance.

KSE-100 Index Profitability

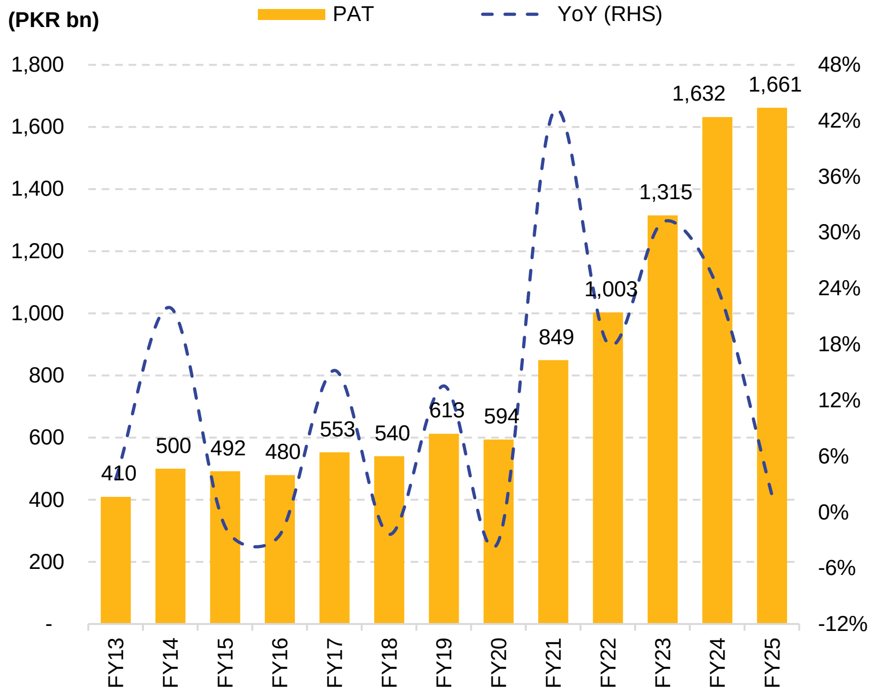
Historical trends

Exhibit: KSE100 Historical Profitability (Quarterly)



Source (s): Company financial, AHL Research

Exhibit: KSE100 Historical Profitability (FY)



Source (s): Company financial, AHL Research

KSE-100 Index Dividends

Pay out reached 43% in FY25

- Dividends of KSE-100 companies increased by 9% YoY to PKR 712bn in FY25.
- The pay out reached 43% in FY25.

Commercial Banks

Sector dividend climbed up by 17% YoY to PKR 323bn amid higher profitability.

E&Ps

The dividends witnessed a decline of 9% YoY to PKR 68bn, due to lower dividend from MARI and POL as compared to FY24.

Fertilizer

Dividends from the fertilizer sector rose by 28% YoY to PKR 96bn, led by higher payouts from FFC and FATIMA on the back of improved earnings.

Cements

Dividends from the cement sector rose 33% YoY to PKR 31bn, driven by higher profitability.

OMCs

Dividends from OMC sector decreased by 2.3% YoY to PKR 8bn during FY25 due to a lower dividend by APL.

Auto Assemblers

The sector's dividend increased by 79% YoY to PKR 39bn during FY25, given higher dividends announced by SAZEW, HCAR and INDU.

KSE-100 Index Dividends

Pay out reached 43% in FY25

Exhibit: Sector Wise KSE-100 Index Dividends

(PKR mn)	Weight	4QFY25	YoY	QoQ	FY25	YoY
KSE100 Index		**258,701**	**10.3%**	**144.5%**	**711,986**	**9.3%**
Banks	28.4%	86,934	28%	42.7%	323,280	17.4%
E&P	11.9%	47,049	6%	106x	67,750	-8.7%
Fertilizer	11.9%	30,102	34%	132.2%	95,899	28.0%
Cement	10.6%	16,542	33%	246.8%	31,144	33.0%
Power	5.1%	15,172	-3%	nm	26,363	-25.3%
OGMCs	3.2%	6,312	-7%	nm	7,867	-2.3%
Auto Assem.	3.1%	8,132	98%	-26.1%	38,925	78.7%
Food	1.7%	22,593	14%	312.5%	50,341	42.2%
Chemicals	1.6%	2,863	-6%	nm	6,003	-33.6%
Engineering	0.9%	1,615	-9%	nm	1,615	-48.2%
Insurance	0.6%	1,000	21%	233.3%	3,225	5.7%
Tobacco	0.4%	10,220	-38%	33.3%	25,549	-21.3%
Others	20.8%	10,166	-45%	nm	34,023	-38.5%

Source (s): Company Financials, AHL Research

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Jun 2026 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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Arif Habib Limited (AHL) has a shareholding in PPL , OGDC, UBL, HBL, NBP, AKBL, BOP, FFC, ATRL and PAEL.