KSE-100 Index Profitability

30-Oct-2025

9MCY25: Earnings up 13.6% YoY

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KSE-100 Index Profitability

9MCY25: Earnings increase by 13.6% YoY to PKR 1.3trn

- The KSE-100 index's profitability (based on 97% of the index weightage) increased by 13.6% YoY in 9MCY25, reaching PKR 1,289bn.
- This earnings increase was witnessed on the back of 510%, 97%, 41%, 35%, 32%, and 30% YoY in the Inv. Banking, Pharmaceuticals, Cement, Auto Assemblers, Insurance and OGMCs respectively.
- Conversely, decline was recorded in Power, Property, REIT, E&P and Others YoY decrease of 47%, 43%, 37%, 8%, and 25% respectively.

Commercial Banks

Higher net interest income, non-funded income including capital gains, and provisioning reversals contributed to an overall profitability increase of 15% YoY, reaching PKR 491bn in 9MCY25.

Oil and Gas Exploration Companies

The sector's profitability declined by 8% YoY to PKR 257bn in 9MCY25, mainly due to lower international oil prices and a YoY drop in oil and gas output, amid weak demand and production curtailment. 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 10% YoY to PKR 101bn in 9MCY25, primarily driven by FFC. The results were boosted by higher urea offtake amid improvements in farm economics. Other income also increased due to higher dividend pay-outs.

Cement

Bottom-line rose by 41% YoY to PKR 117bn in 9MCY25, supported by lower coal prices that improved gross margins, increased other income, and lower finance costs amid a decline in interest rates, higher exports and improved power generation mix.

Power

Net profit dropped by 47% YoY to PKR 37.4bn during 9MCY25, 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 30% YoY to PKR 33bn in 9MCY25, with margins improving on account of higher inventory gains compared to SPLY and lower finance cost.

KSE-100 Index Profitability

9MCY25: Earnings increase by 13.6% YoY to PKR 1.3trn

Auto Assembler

Bottom-line surged by 35% YoY, reaching PKR 56bn in 9MCY25, primarily due to a low base of volumetric sales supported by lower average inflation, a recovery in auto financing, and the launch of new models during the period. However tractor volumes witnessed a dip due to weak farm economics and floods.

Technology

The sector reported a profit of PKR 8.6bn in 9MCY25, up from a loss of PKR 22.1bn 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 46% YoY increasing profitability, due to increase in sales due to higher IT exports.

Pharmaceuticals

The sector posted a strong 97% YoY increase in earnings to PKR 22bn during 9MCY25, supported by improved gross margins, new product launches, and higher demand following the floods.

Chemical

Profitability increased by 2% YoY to PKR 7.2bn during 9MCY25, which was primarily due to slight recovery in construction industry despite lower international chemical margins and higher gas prices.

Textile Composite

The sector's profitability increased by 17% YoY to PKR 12bn in 9MCY25, primarily due to a decline in raw materials cost (both local and imported cotton) and declining finance costs.

- We have based our analysis on the KSE-100 index and have included the results of 90 companies.
- The companies that have been included in our analysis represent almost 97% of the market capitalization of KSE100.

KSE-100 Index Profitability

9MCY25: PAT up by 13.6% YoY

Exhibit: Sector Wise KSE-100 Index Profit after tax

(PKR mn)	Weight	3QCY25	YoY	QoQ	9MCY25	YoY
		438,034	8.7%	-2.4%	1,289,056	13.6%
Banks	28.5%	164,875	8%	3%	490,611	15%
E&P	12.1%	79,462	-8%	-7%	256,803	-8%
Fertilizer	11.6%	36,971	-12%	-6%	100,822	10%
Cement	10.2%	40,705	21%	0%	116,551	41%
Power	5.6%	12,334	-49%	-11%	37,443	-47%
Technology	4.6%	9,047	nm	66x	8,619	nm
OGMCs	3.3%	15,096	100%	50%	33,226	30%
Auto Assem.	2.9%	21,268	63%	35%	55,916	35%
Pharma	2.9%	8,001	18%	12%	21,898	97%
Tobacco	0.4%	10,259	15%	28%	24,518	23%
Chemicals	1.6%	1,983	26%	-34%	7,192	2%
Food	1.6%	13,820	13%	-8%	46,226	13%
Inv. Banks	5.5%	7,102	161%	-79%	43,464	510%
REIT	0.8%	1,385	24%	nm	2,571	-36.8%
Insurance	0.5%	3,368	105%	48%	7,948	32%
Property	0.3%	724	-20%	nm	1,053	-43%
Textile Composite	1.5%	4,235	151%	-8%	11,724	17%
Others	6.2%	7,401	38%	-19%	22,471	-25%

Source (s): Company Financials, AHL Research

KSE-100 Index Profitability

9MCY25: PBT up by 17.3% YoY

Exhibit: Sector Wise KSE-100 Index Profit before Tax

(PKR mn)	Weight	3QCY25	YoY	QoQ	9MCY25	YoY
		799,886	4.8%	-6.2%	2,387,564	17.3%
Banks	28.4%	354,130	8%	-3%	1,073,741	23%
Fertilizer	11.9%	60,331	-10%	-2%	160,844	5%
E&P	11.9%	124,000	-20%	7%	373,976	-14%
Cement	10.6%	60,906	22%	-30%	201,055	52%
Inv. Banks	5.4%	24,903	20%	-69%	113,858	158%
Power	5.1%	17,605	-39%	0%	52,115	-39%
Technology	4.3%	15,193	128%	nm	20,397	nm
Auto Assem.	3.1%	26,902	29%	3%	83,480	25%
OGMCs	3.2%	26,817	72%	271%	49,803	72%
Pharma	2.9%	13,145	27%	9%	36,105	58%
Food	1.7%	23,582	15%	-16%	79,014	18%
Chemicals	1.6%	3,491	30%	-36%	13,101	17%
Textile Composite	1.4%	7,387	122%	-2%	20,216	36%
Insurance	0.6%	5,144	84%	49%	12,709	27%
Tobacco	0.4%	16,712	2%	17%	41,557	17%
REIT	0.8%	1,385	24%	2%	4,020	19%
Property	0.3%	1,081	-1%	nm	1,629	-26%
Others	6.5%	17,173	35%	-14%	49,944	-6%

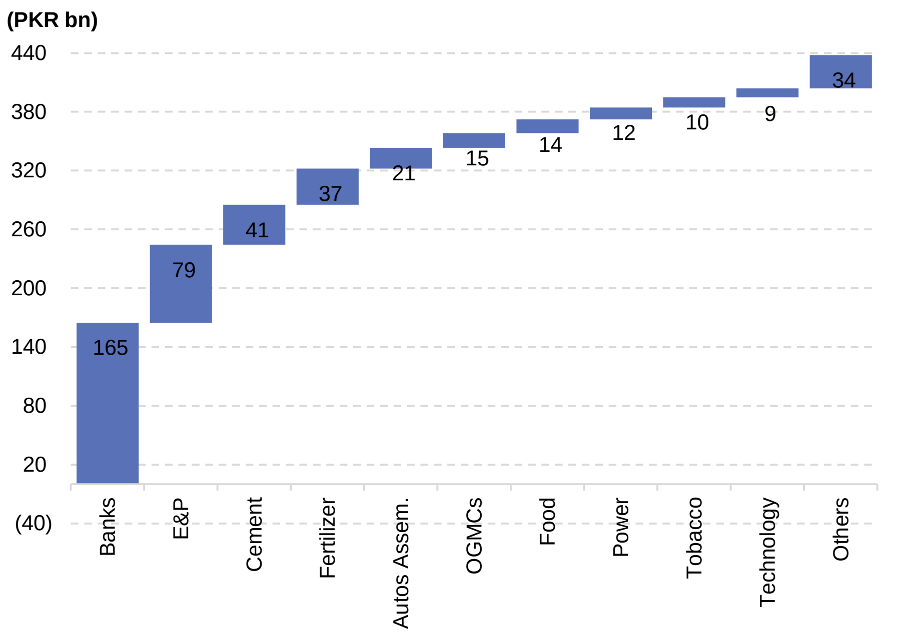
Source (s): Company Financials, AHL Research

KSE-100 Index Profitability

Earnings uptick – a 8.7% elevation in 3QCY25

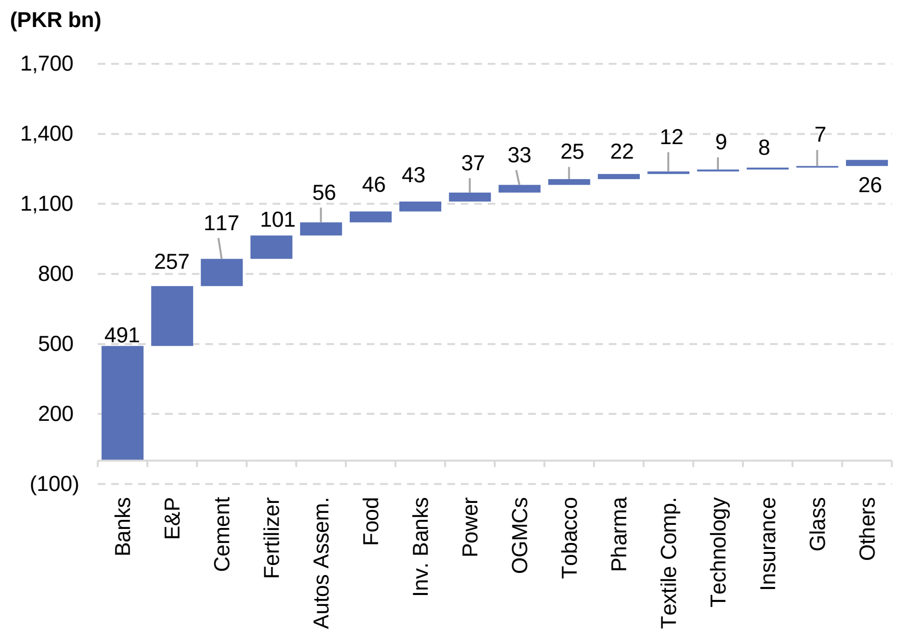
- KSE-100 profitability augmented by 8.7% YoY to PKR 438bn in 3QCY25.
- This earnings increase was witnessed on the back of 161%, 151%, 105%, 100%, and 63% YoY in the Investment Banks, Textile Composites, Insurance, OGMCs and Auto Assemblers respectively.
- Conversely, decline was recorded in Power, Property, Fertilizers and E&P YoY decrease of 49%, 20%, 12% and 8% respectively.

Exhibit: KSE100 Profitability Contribution (3QCY25)



Source (s): Company financial, AHL Research

Exhibit: KSE100 Profitability Contribution (9MCY25)



Source (s): Company financial, AHL Research

KSE-100 Index Profitability

Earnings uptick – a 8.7% elevation in 3QCY25

Commercial Banks	Higher NIMs and provisioning reversals helped cushion profitability in 3QCY25, which increased by 8% YoY to PKR 165bn.
E&Ps	The sector's profitability declined by 8% YoY to PKR 79bn in 3QCY25, mainly due to weaker international oil prices, lower production levels, lower oil output and decreased other income following lower interest rates.
Fertilizer	Earnings fell 12% YoY to PKR 37bn in 3QCY25, driven primarily by reduced other income, urea price discounts, and squeezed DAP margins amid elevated phos-Acid costs and higher international DAP prices.
Cement	Bottom-line increased by 21% YoY to PKR 41bn, driven by lower coal prices boosting gross margins, increased other income, and sharp decline in finance costs due to declining interest rates.
OGMCs	Earnings increased by 100% YoY to PKR 15bn in 3QCY25, with margins improving on account of higher inventory gains and reduced financing costs compared to SPLY, despite lower volumetric sales.
Technology	The sector's bottom-line improved from loss of PKR 297mn to profit of PKR 9,047mn in 3QCY25, largely due to lower losses in PTC and 59% YoY increase in SYS's profitability.

KSE-100 Index Profitability

Earnings uptick – a 8.7% elevation in 3QCY25

Auto Assembler

The auto sector's profitability during 3QCY25 rose by 63% to PKR 21.3bn driven by increase in volumetric sales driven by launch of new models and increase in auto financing. However tractor volumes witnessed a dip due to weak farm economics further worsened by floods during the quarter.

Pharma

The sector reported a strong 18% YoY growth in earnings to PKR 8bn, supported by improved gross margins, new product launches, and higher demand due to floods during the quarter.

Chemical

Profitability increased by 26% YoY to PKR 2bn in 3QCY25, mainly due to a volumetric growth in sales following a recovery in construction industry and lower PTA prices improved profitability of LCI.

Textile Composite

The sector's profitability surged 151% YoY to PKR 4.2bn in 3QCY25, driven by a sharp decline in raw material costs including both local and imported cotton, along with a stronger focus on cost efficiency measures.

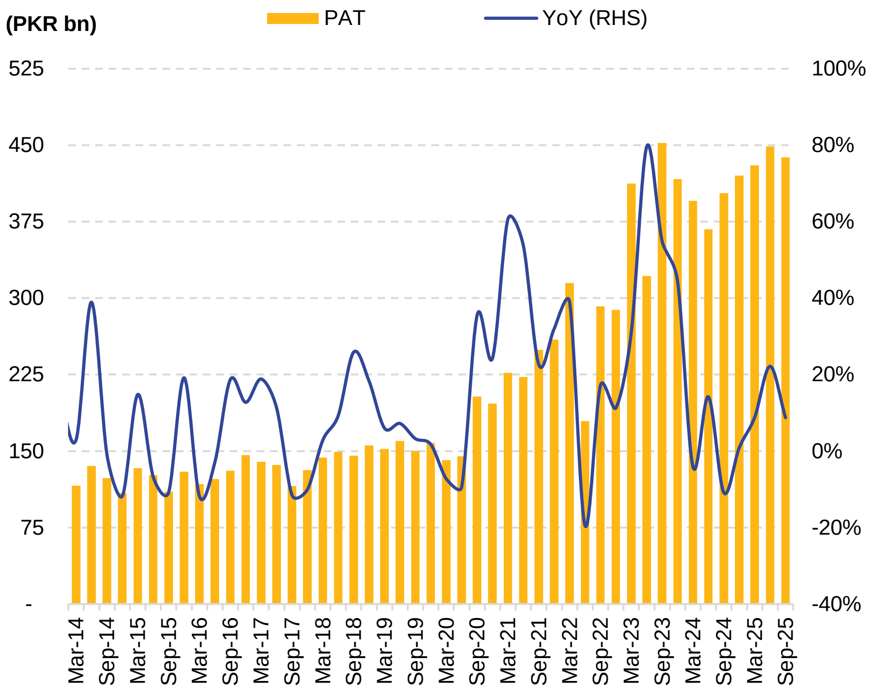
Power

Net profit declined by 49% YoY to PKR 12bn in 3QCY25, mainly reflecting the termination of Hubco's base plant PPA and payable adjustments by CPPA-G for Narowal Energy, NPL, and NCPL.

KSE-100 Index Profitability

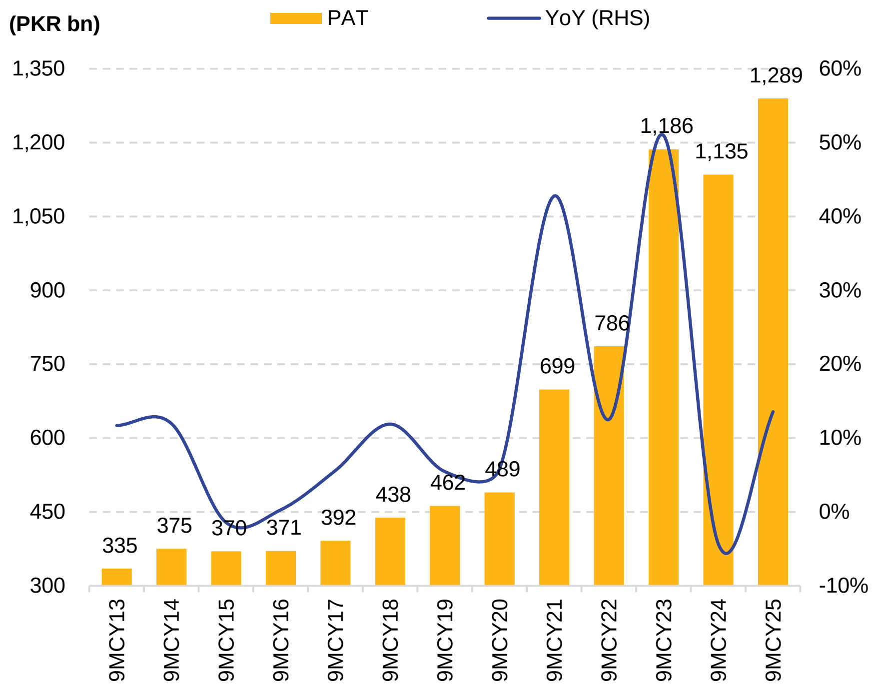
Historical trends

Exhibit: KSE100 Historical Profitability (Quarterly)



Source (s): Company financial, AHL Research

Exhibit: KSE100 Historical Profitability (9MCY)



Source (s): Company financial, AHL Research

KSE-100 Index Dividends

Pay out reached 43% in 9MCY25

- Dividends of KSE-100 companies increased by 9% YoY to PKR 552bn in 9MCY25.
- The pay out reached 43% in 9MCY25.

Commercial Banks

Sector dividend climbed up by 13.5% YoY to PKR 218bn amid higher profitability.

E&Ps

Dividends rose 14.5% YoY to PKR 105bn, led by higher OGDC payouts and MARI's June-only disbursement versus split payment last year.

Fertilizer

Dividends from the fertilizer sector rose by 43.8% YoY to PKR 63bn, led by higher payouts from FFC and FATIMA on the back of improved earnings.

Cements

Dividends from the cement sector rose 23.4% YoY to PKR 28bn, driven by higher profitability.

Power

Dividends from power sector decreased by 5.2% YoY to PKR 22bn during 9MCY25 due to lower earning following contract renegotiation.

Auto Assemblers

The sector's dividend increased by 53.7% YoY to PKR 29bn during 9MCY25, due to increase in dividend from INDU, SAZEW and ATLH due to increase in profitability.

KSE-100 Index Dividends

Pay out reached 43% in 9MCY25

Exhibit: Sector Wise KSE-100 Index Dividends

(PKR mn)	Weight	3QCY25	YoY	QoQ	9MCY25	YoY
KSE100 Index		**151,390**	**30%**	**-46%**	**552,370**	**9.0%**
Banks	28.4%	69,759	17%	-20%	217,564	13.5%
Fertilizer	11.9%	19,528	485%	-35%	62,597	43.8%
E&P	11.9%	20,495	12%	-70%	104,672	14.5%
Power	5.1%	6,486	347%	-57%	22,366	-5.2%
Food	1.7%	12,041	121%	-47%	40,111	47.4%
Auto Assem.	3.1%	10,623	39%	31%	28,622	53.7%
Cement	10.6%	5,963	25%	-66%	28,410	23.4%
Tobacco	0.4%	5,110	-33%	-33%	20,440	-36.0%
Insurance	0.6%	300	0%	-70%	1,600	12.3%
Others	26.5%	1,085	-86%	-96%	25,987	-52.1%

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 BOP, NBP, ATRL and PAEL.