Day Break

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Technology and Communication

AIRLINK: 1QFY26 Management Call Takeaways

- Airlink Communications Limited (Airlink) held an investor briefing session to discuss the 1QFY26 financial results and provide key insights on the future outlook for the Company.
- The Company reported consolidated earnings of PKR 1.58 bn (EPS: PKR 4.01) for 1QFY26, reflecting an 88% y/y rise though down 16% q/q due to a high base effect. Net sales stood at PKR 24 bn, up 11% y/y and 30% q/q, largely driven by higher sales volumes following the supply chain normalization after disruptions in 4QFY25.
- Gross margins remained steady at 14%, supported by a stronger retail sales mix and revised pricing agreements with principals.
- Management expects to maintain similar margin levels going forward, emphasizing that profitability remains dependent on the sales mix, particularly the contribution from higher-end smartphone models.

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Key highlights from management conference call

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- AIRLINK aims to achieve PKR 140 bn in revenue for FY26, with a focus on sustaining profitability through margin stability and product diversification. The company expects a boost in earnings from tax exemptions once operations are shifted to the Sundar Green SEZ facility, which is nearing completion and expected to be operational by Dec 2025.

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- Management announced plans to launch Pakistan's first-ever Apple retail store by end-2025, alongside a Xiaomi outlet at Dolmen Mall, Lahore, to strengthen its retail footprint.

- The Company is also expanding into laptop and consumer electronics segments, the first batch of 10,000 Acer laptops is expected in November as part of a pilot project, with a target of 100,000 units (≈PKR 4 bn in revenue) in FY26. Additionally, TV sales are projected to contribute PKR 8 bn to topline during the year.

- The management disclosed that AIRLINK is in advanced stages of onboarding a new mobile brand for local manufacturing and distribution. Concurrently, it is collaborating with an international brand under NDA to expand into home appliances, including air conditioners, washing machines, and microwaves.

- On the automotive front, management clarified that the Xiaomi car launch in Pakistan has been delayed, as Xiaomi prioritized left-hand-drive production to meet high domestic Chinese demand. Management does not anticipate the launch in the near term.

- Discussions with the government regarding export permissions are ongoing which once approved, management expects a potential 200%+ increase in revenue from new markets.

- Alongside quarterly results, the company declared its first-ever interim dividend of PKR 2/share (50% payout ratio) and indicated plans to continue interim distributions, subject to board approval.

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