

# AIRLINK

## Strengthening Local and Global Ties: Pakistan's Mobile Manufacturing Revolution

Equity Research | Technology & Communication | Tuesday, 1 October, 2024

Founded in 2014, AIRLINK is a leading player in Pakistan's technology sector, specializing in mobile phone distribution and assembly. The company holds distribution rights for major brands, including Samsung, Huawei, TCL, Tecno, ITEL, Realme, and Xiaomi, and partners with MP, the Apple Authorized Distributor for Pakistan. AIRLINK operates a state-of-the-art assembly facility in Lahore with an annual capacity of 8 million handsets and a TV production unit for 120K to 180K sets. The company also collaborates with Xiaomi on Smart TVs and Acer on laptops and tablets. With over 16 hubs, 1,100+ wholesalers, 4,000+ retailers, and 13 flagship outlets, AIRLINK has a strong presence in key regions.

### Government's Initiative to Strengthen Local Production:

The government's initiative to boost local mobile phone assembly has successfully met 93% of domestic demand in 2023. The DIRBS and import duties have curtailed smuggling and enhanced the affordability of locally assembled phones. This success positions Airlink, a leading assembler, to capitalize on the growing trend of local production, with utilization increasing from 26% in 2023 to 56% in FY24, and expected to increase further in coming years.

### Collaborative Ventures:

Airlink has forged partnerships with Xiaomi for smartphone assembly and GNEXT for Apple product distribution, driving significant growth and expanding access to premium markets. Additionally, it plans to manufacture Xiaomi Smart TVs and Acer laptops while exploring opportunities in the electric vehicle market.

### Valuation:

AIRLINK is currently trading at a projected FY25 price-to-earnings (P/E) ratio of 7.6x, reflecting a 24% discount compared to its three-year average P/E of 10.0x since its IPO. Based on this valuation, we forecast a price target of Rs 170 for the company. This assessment suggests a compelling investment opportunity, particularly in light of AIRLINK's historical performance.

### Technical Analysis:

Airlink has been in a strong uptrend since FY24, consistently forming higher highs. The stock is currently trading above its 50-day moving average (50-DMA), reflecting bullish momentum. Key support is identified at Rs 128, while immediate resistance stands at Rs 136. A breakout above Rs 136 could signal a move towards its all-time high of Rs 152. If the current trend continues, Airlink is well-positioned to reach its target price of Rs 170 by June 2025.

### Key Statistics

Symbol	AIRLINK
Jun- 25 TP	170.00
LDCP	130.16
Upside (%)	30.61
FY24 EPS	11.70
FY25E EPS	17.00
Forward PE (x)	7.66
Free Float (mn)	99
Market Cap. (Rs.mn)	51,448

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### DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>CAGR</b>	Compound Annual Growth Rate	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>LDCP</b>	Last Day Closing Price

### VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model

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