

Pakistan IT Sector

Monthly Exports

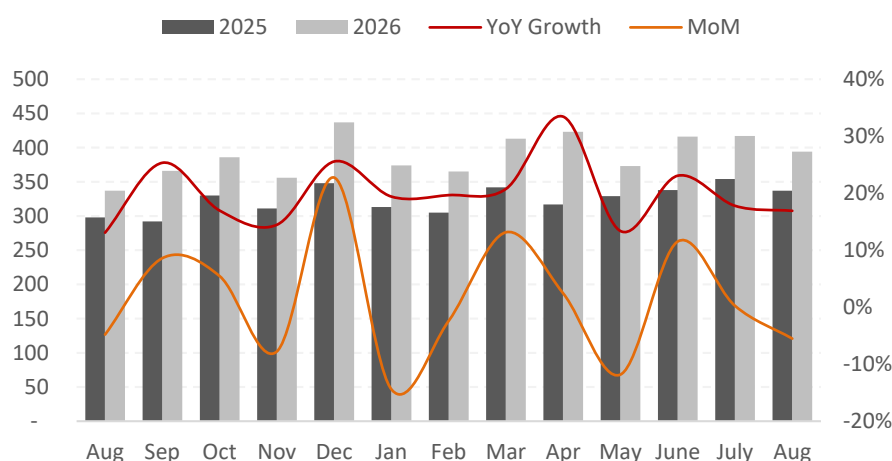
Thursday, September 17, 2026

Based on figures released by SBP, Pakistan's IT exports grew by 17% YoY to tick at USD 394 mn in Aug'26. Cumulatively, exports increased by 20% in 8MCY26, rising from USD 2.6 bn to USD 3.2 bn.

Key Highlights

- Net (Exports-Imports) IT Exports for Aug-26 increased by 16% YoY to USD 336 mn.
- Average monthly exports in FY26 stood at USD 383 mn, up from USD 313 mn in the same period last year.
- On a MoM basis, IT exports decreased 6% MoM to USD 394 mn from USD 417 mn, the monthly decline primarily reflects a normalization from the exceptionally strong Jul-26 performance, which recorded the second-highest monthly export level on record.

IT Exports - (USD Mn)



Source: SBP, BMA Research

- IT Export as a percentage of Service Exports for Aug-26 stands at 45.2%.
- Export growth was driven by the increasing expansion of Pakistani IT firms into MENAP and European markets.
- Additionally, the relative stability of the rupee against the US dollar incentivized exporters to bring back a higher portion of their foreign earnings, further boosting monthly inflows.
- Sector momentum was further strengthened by supportive policies, including the Equity Investment Abroad (EIA) scheme, which permits exporters to retain up to 50% of their foreign currency earnings (increased from 35%) for overseas investments, thereby encouraging profit repatriation and enabling international expansion.
- The Ministry of IT had set an IT exports target of USD 5 bn for FY26. However, the industry expected IT exports to reach approximately USD 4.5 bn, while actual IT exports stood at USD 4.6 bn for FY26.

BMA Research

BMA Capital Management Ltd.

E-mail: research@bmacapital.com

Tel: 111-262-111 Ext. 2056

Disclaimer

This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by BMA Capital Management Limited from publicly available information and sources that BMA Capital Management Limited believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of BMA Capital Management Limited gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of BMA Capital Management Limited has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of BMA Capital Management Limited. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of BMA Capital Management and/or their respective principals, directors, officers and employees may own, have positions or effect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

BMA Capital Management Limited and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. BMA Research Policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis.

Stock Rating

Investors should carefully read the definitions of all rating used within every research reports. In addition, research reports carry an analyst's independent view and investors should ensure careful reading of the entire research reports and not infer its contents from the rating ascribed by the analyst. Ratings should not be used or relied upon as investment advice. An investor's decision to buy, hold or sell a stock should depend on said individual's circumstances and other considerations. BMA Capital Limited uses a three tier rating system: i) Buy, ii) Neutral and iii) Underperform (new rating system effective Jan 1'18) with our rating being based on total stock returns versus BMA's index target return for the year. A table presenting BMA's rating definitions is given below:

Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)