ILP & NATF: 1QFY27 Earnings Preview

- We present 1QFY27 earnings expectations for Interloop Limited (ILP) and National Foods Ltd (NATF).
- ILP is scheduled to announce its 1QFY27 results today, where we expect the company to post EPS of Rs2.38, implying 19% YoY growth. Strong revenue growth from Apparels and Denim segments remain the key driver for growth, however, drop in hosiery exports and appreciation of Pak Rupee are expected to limit bottom-line growth this quarter. 1QFY27 would be the first quarter with zero super tax for ILP.
- NATF BOD will be meeting on 26th Oct 2026, to approve its 1QFY27 results. We expect NATF to report 20% YoY decline in its Standalone EPS to Rs3.59 and a consolidated EPS of Rs3.80. We also expect NATF to announce interim DPS of Rs3.00. The drop in the company's earnings is likely to result from drop in exports, and increasing freight and energy cost which would be gradually-passed on.

ILP: EPS growth led by strong apparel sales & tax benefits

Interloop Limited (ILP) is scheduled to announce its 1QFY27 results today. We expect EPS of Rs2.38, up 19% YoY. Revenue is expected to grow 7% YoY, reflecting 18% growth to US$170mn, partly offset by 2% average currency appreciation and an expected Rs210mn exchange loss on export receivables.

Apparels and Denim are likely to remain the key growth drivers, supported by capacity expansion and an improved product mix. Meanwhile, Hosiery exports are expected to decline in line with historical 1Q seasonality and subdued global demand for textile made-ups.

We expect a QoQ improvement in margins, driven by higher operating levels at the Apparels plant and the gradual pass-through of rising input costs. However, margins may decline slightly YoY due to a shift in segment mix, with a lower contribution from the higher-margin Hosiery business.

1QFY27 will mark the first quarter without super tax, providing an additional boost to earnings.

ILP – Key Stats from Earnings preview

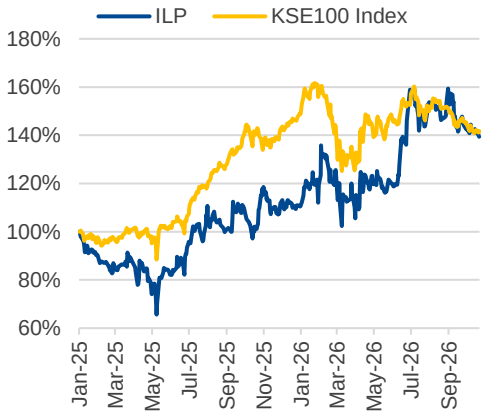
(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27E	QoQΔ	YoYΔ
Net Sales	43,774	43,644	39,872	55,553	46,812	-16%	7%
Gross Profit	10,183	10,435	9,987	10,320	13,092	27%	29%
PAT	**2,797**	**3,471**	**3,074**	**3,812**	**3,330**	**-13%**	**19%**
EPS (Rs)	**2.00**	**2.48**	**2.19**	**2.72**	**2.38**	**-13%**	**19%**
Gross margin	23.3%	23.9%	25.0%	18.6%	22.6%	4.0%	-0.6%

Source: Company accounts, JS Research

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Bloomberg Code: ILP PA
Target Price: Rs137.00
Market Price: Rs93.05
Market Cap: Rs130bn, US$471mn
1-yr ADTO: 0.9mn shares, Rs79mn, US$0.3mn
1-yr High / Low: Rs108.67 / 69.78

Price performance relative to KSE100



Source: PSX, JS Research

NATF: Sequential increase in margins

National Foods Limited (NATF) is scheduled to announce its 1QFY27 results on Monday, 26 October 2026. We expect EPS of Rs3.59 on a standalone basis and Rs3.80 on a consolidated basis. We also expect an interim dividend of Rs3.00/share, compared with Rs18.00/share last year, which included a one-off dividend of Rs15.00/share following the sale of a subsidiary.

Following the sale of its majority stake in A1 Bags & Supplies, the company will no longer recognize income from subsidiaries/discontinued operations. The proceeds are currently invested in a diversified portfolio rather than fixed-income instruments, potentially limiting the regularity of quarterly earnings from these investments.

On a standalone basis, we expect earnings to decline 20% YoY, driven primarily by lower exports to the Middle East and Afghanistan and a contraction in gross margins to 35% amid higher freight costs due to the US-Iran war. However, management remains confident of fully passing on the cost increases in the next quarter while maintaining annual gross margins at FY26 levels.

2ppt cut in super tax, is also likely to marginally benefit NATF for its Karachi-based operations (30% of the total production mix).

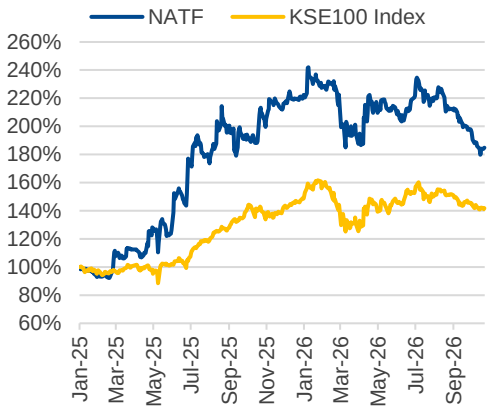
NATF – Key Stats from Earnings preview

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27E	QoQΔ	YoYΔ
Standalone							
Net Sales	10,039	11,981	16,115	11,763	10,737	-9%	7%
Gross Profit	3,822	4,661	6,331	3,975	3,758	-5%	-2%
PAT	1,047	1,488	2,663	457	837	83%	-20%
EPS (Rs)	4.49	6.38	11.43	1.96	3.59	83%	-20%
DPS (Rs)	18.00	3.00	4.00	5.00	3.00	-40%	-83%
Consolidated (Rs)							
EPS - Overall	**5.59**	**91.69**	**11.39**	**2.76**	**3.80**	**38%**	**-32%**
EPS - continued op.	**2.02**	**7.92**	**11.58**	**2.11**	**3.80**	**80%**	**88%**

Source: Company accounts, JS Research

Bloomberg Code: NATF PA
Target Price: Rs522.00
Market Price: Rs317.82
Market Cap: Rs74bn, US$268mn
1-yr ADTO: 0.2mn shares, Rs63mn, US$0.2mn
1-yr High / Low: Rs431.32 / 314.30

Price performance relative to KSE100



Source: PSX, JS Research

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