SECTOR STUDY | 28 FEBRUARY 2026

Together. Creating Value.

Media

Research Team

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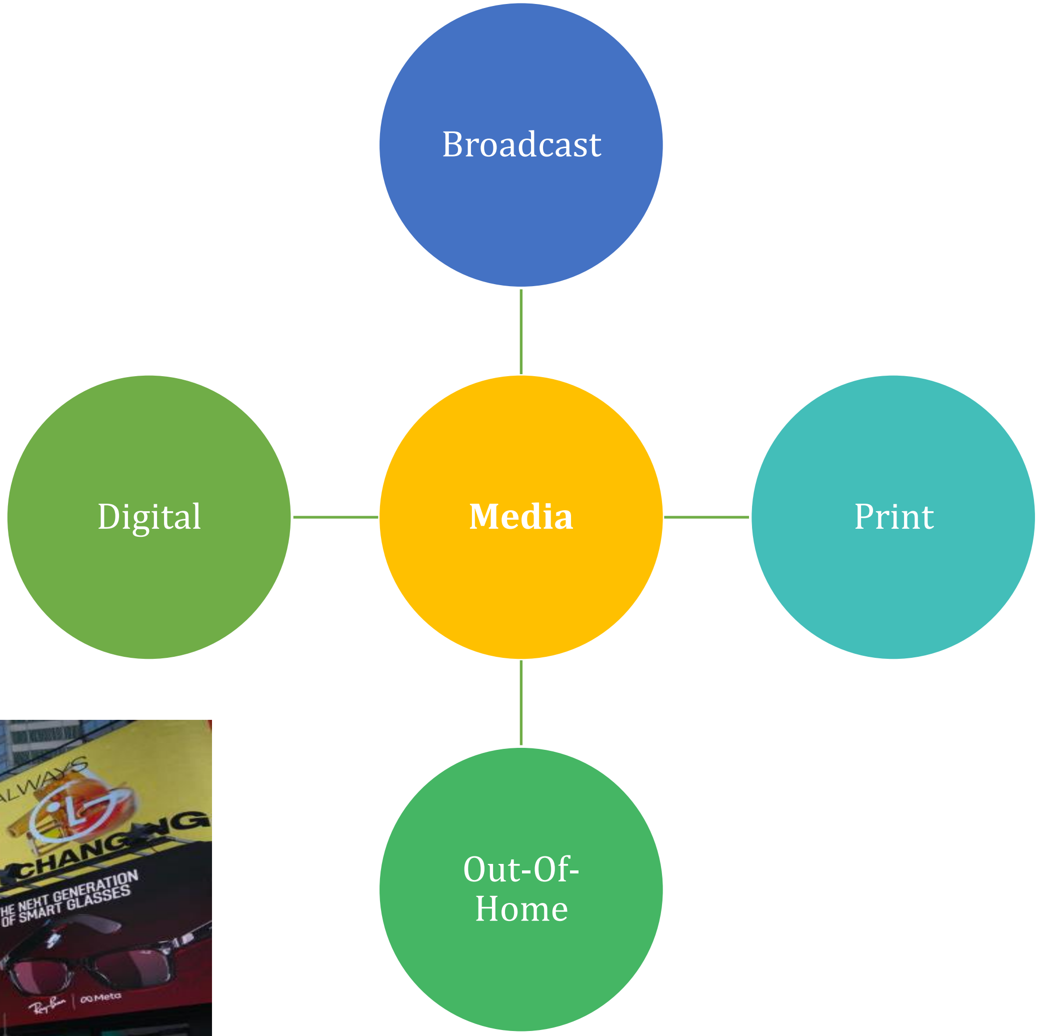
Introduction

- The Sector includes organizations that are involved in the production, publication and distribution of various types of content. This content can be for informative, entertainment or promotional and can be relayed to consumers on a range of platforms.
- The broad categories of Media are presented in the adjacent diagram. In practice, many Media companies operate across multiple categories, reflecting the convergence of platforms. For example, news organizations often complement traditional newspaper publishing with digital offerings such as websites and e-papers. A growing platform has been digital steaming.
- Media Buying is the strategic process of planning, negotiating, and purchasing advertising space across traditional and digital channels to reach a defined target audience at the optimal time and cost. It focuses on maximizing campaign effectiveness, efficiency, and return on investment through data-driven channel selection and placement.



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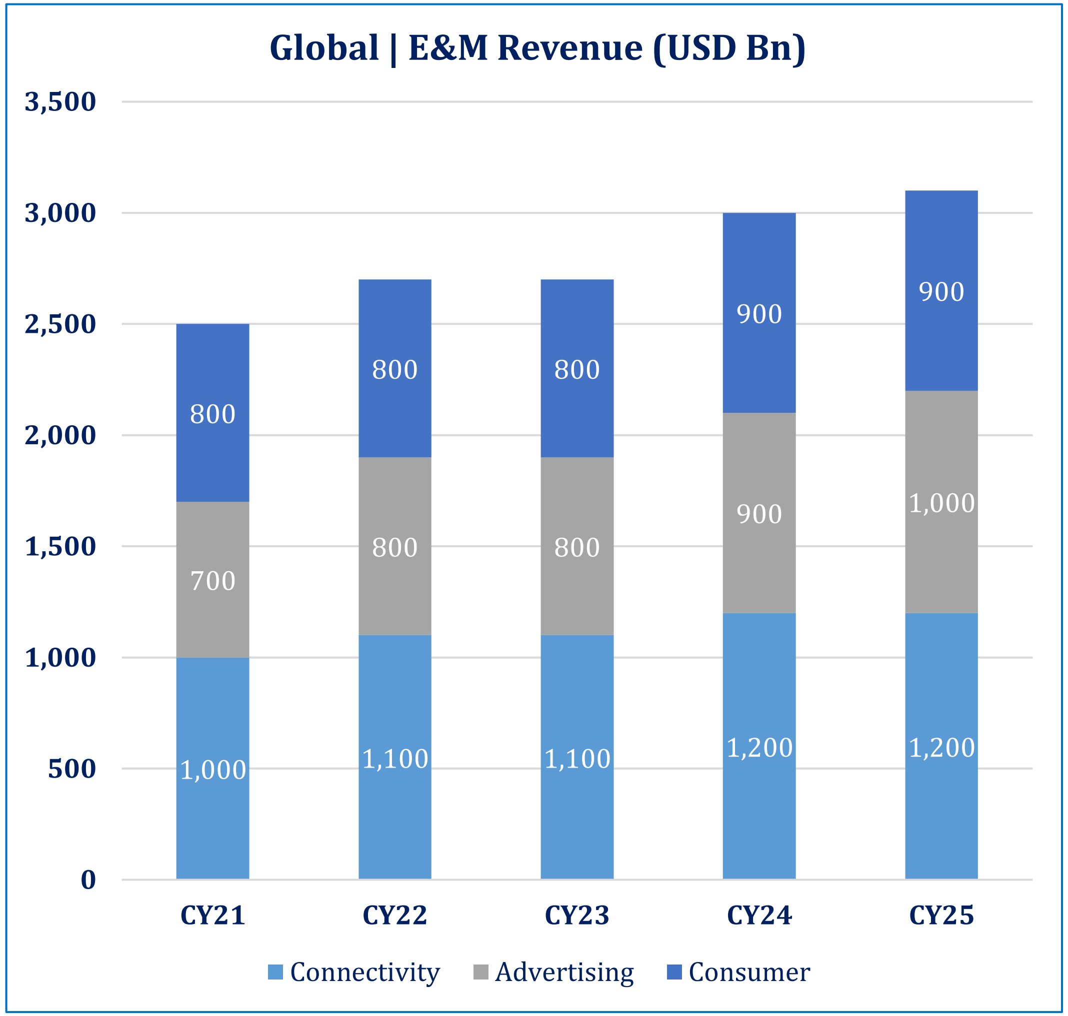
Global | Overview

- In CY25, global revenue of the Entertainment and Media (E&M) Industry was up ~3.3% YoY and recorded at USD~3.1Tn (CY24: ~3.0Tn).
- Global advertising revenue is forecast to grow at a CAGR of ~3.7% between CY25-29 to USD~3.5Tn. Internet advertising is expected to grow at higher pace as advertisers across the globe transition to meet their target audience on digital platforms.
- In CY25, the connectivity category, what people pay for fixed and mobile services, recorded at USD~1.2Tn, formed ~38.7% of the global advertising spend. It is expected to stay the largest contributor by CY29 as people will remain willing to spend more to ensure they have access to all that the industry has to offer.
- Advertising, meanwhile, surpassed consumer spending in CY25 at USD~1.0Tn (CY24: USD~0.9Tn). Consumer spending represents the money consumers pay out-of-pocket for media and entertainment consumption. It is expected that the gap between the two will grow, as advertising spending is projected to increase at a much faster rate (~6.1% CAGR) compared to consumer spending (~2.0% CAGR) during the forecast period.
- Emerging markets such as China (~6.1% CAGR) and India (~7.5% CAGR) are driving E&M growth, while OTT (Over-The-Top) video revenue is set to rise from USD~ 291Bn in CY24 to USD~318.5Bn in CY29.



Source: PwC

Media

Local | Overview

- Until FY02, television and radio in Pakistan were mostly state-run. That year, PEMRA was created to allow private TV channels and FM radio stations to operate commercially.
- As of FY25, the Pakistan Electronic Media Regulatory Authority (PEMRA) has issued ~242 licenses for FM Radio, ~3,650 Cable TV licenses and ~139 Satellite TV Licenses.
- A total of USD~4.0-5.0Bn are estimated to have been invested in the country's electronic media sector throughout the course of the years.
- In FY25, the size of Media Sector, in terms of advertisement revenue, stood at PKR~101.2Bn, down ~11.7% YoY (SPLY: PKR~114.6Bn).
- As of FY25, Television viewership in Pakistan remains a central activity with ~59% of the population watching regularly, though ownership of the devices currently stands at ~46%. Traditional access is being challenged as only ~22% of viewers use cable and ~11% use satellite, while digital platforms have become the primary gateway for many.

Snapshot	Unit	FY24	FY25
Advertising Revenue	**PKR Bn**	114.6	101.2*
YoY Growth	**%**	14.4%	-11.7%
Authority	Pakistan Electronic Media Regulatory Authority (**PEMRA**)		
Total Licenses issued by PEMRA till date			
Satellite TV	**No.**	140	139
Cable TV	**No.**	3,775	3,650
FM Radio	**No.**	239	242
Others	**No.**	70	76
No. of Television set holders	**Mn**	25.2	26.1
PEMRA Contribution to National Exchequer	**PKR '000'**	2,750	2,130**

Advertising Revenue for FY25 has been prorated.9MFY25 Contribution to National Exchequer in the form of Federal Consolidated Fund. PEMRA's main source of income comprises collection of advance tax from the licensees at the time of issuance of licenses and their renewal and fee or penalty collections.*

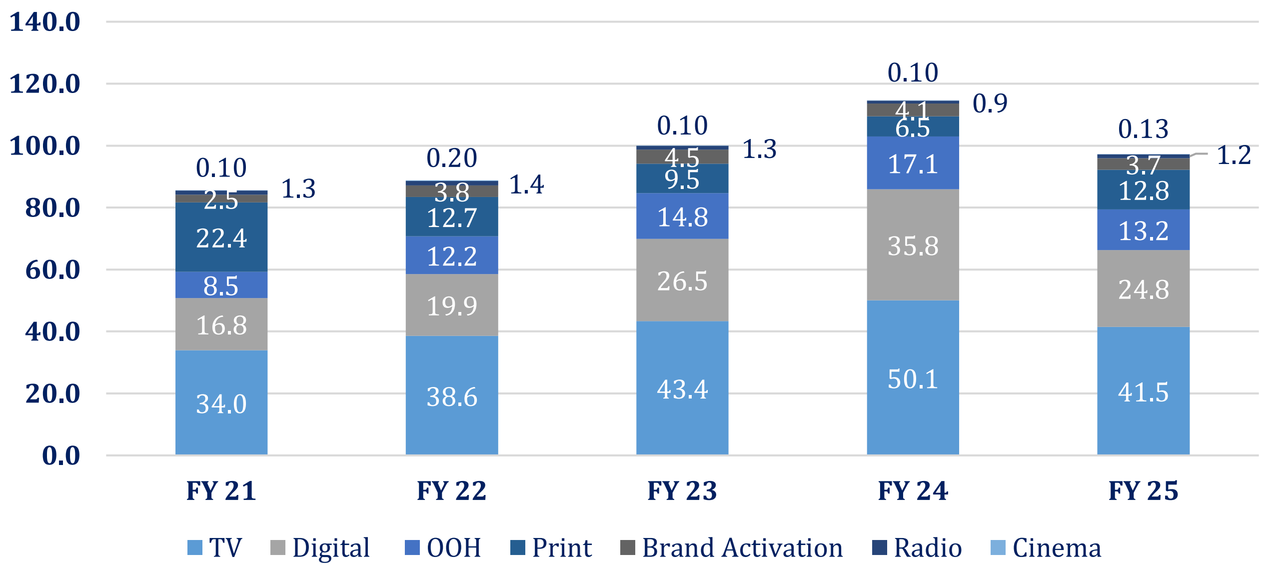
Source: Aurora, PES, PEMRA

Media

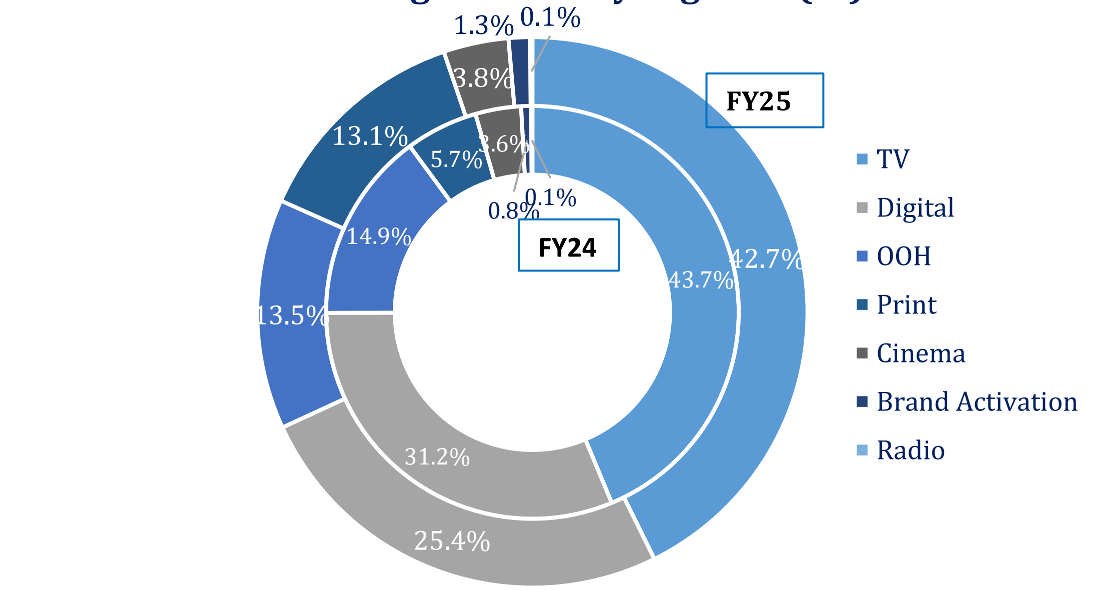
Local | Advertising Revenue

- Advertising revenue is the largest revenue stream for the Sector. During FY25, the sector's total advertising revenue declined by ~11.7% YoY from PKR~114.6Bn in FY24 to PKR~101.2Bn in the period.
- In FY25, Television (TV) remained the largest segment, recording ad revenue at PKR ~41.5Bn, forming ~42.7% of the total advertising spend (SPLY: PKR~50.1Bn; ~43.7%). Meanwhile, digital was recorded at the second spot with PKR ~24.8Bn (~25.4%) in revenue (FY24: PKR~35.8Bn; ~31.2% share). During FY21-25, these segments grew at CAGR of ~4.1% and ~8.1%, respectively.
- For the period, Out-of-Home (OOH), Print, Brand Activation, Radio and Cinema cumulatively made up ~31.9% of the advertising revenue (FY24: ~25.1%).

Advertising Revenue Breakup (PKR Bn)



Advertising Revenue by Segment (%)



Note: Data for FY25 is prorated.

Source: Aurora

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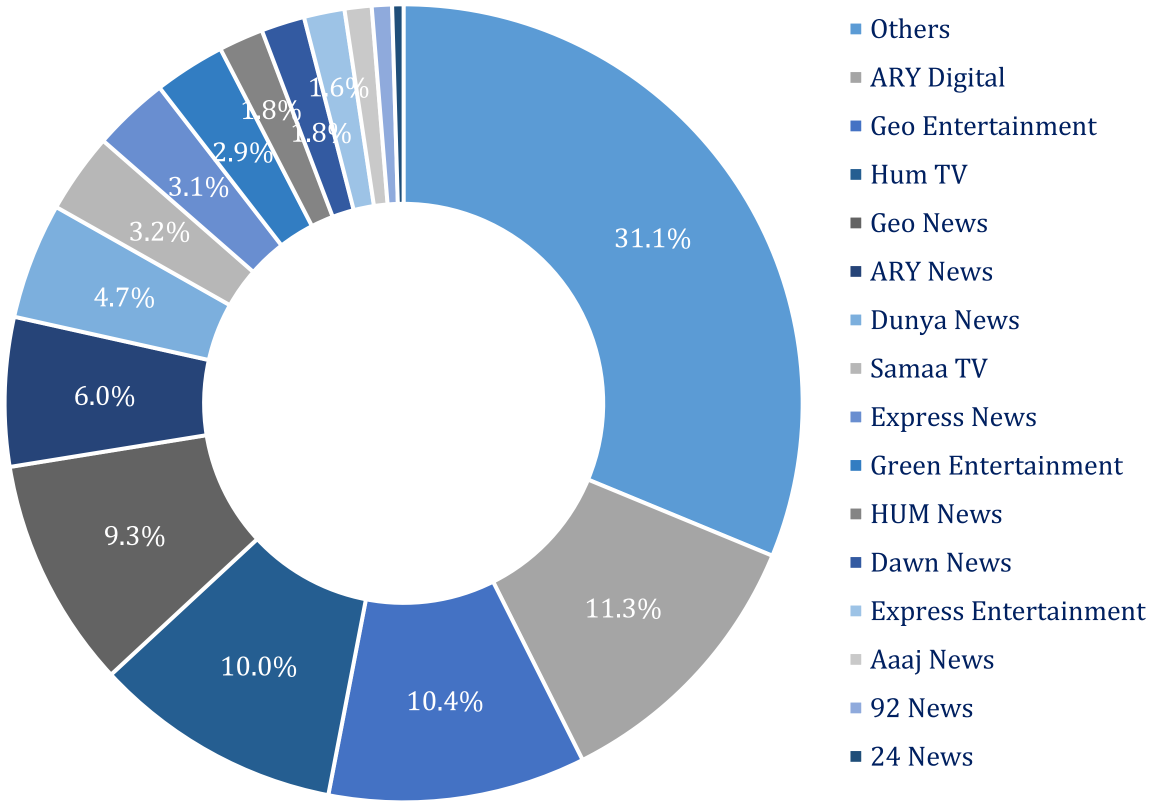
Advertising Revenue | Television Channels

- As compared to previous period, the rankings of the channels remained unchanged in FY25.
- The total TV advertising revenue was PKR ~41.5Bn in FY25 (FY24: PKR~50.1Bn). The segment was dominated by top 10 TV channels (depicted in the chart) as they made up ~62.7% of the total revenue (FY24: ~60.51%).
- In FY25, ARY Digital, Geo Entertainment, HUM TV & Geo News advertising revenues were recorded at PKR~5.2Bn, PKR~4.8Bn, PKR~4.6Bn and PKR~4.3Bn decreasing by ~3.7%, ~3.3%, ~5.6% and ~7.6% YoY, respectively.
- ARY News, however, registered an increase of ~0.4% YoY to PKR~2.7Bn in advertisement revenue. Moreover, Pakistan Television Corporation Limited (PTV) remains the only public sector broadcasting channel, which telecasts national and international programs in metro cities as well as far flung areas of the country.

Channel-wise Television Advertising Revenue (%) | FY25



Note: *Data for FY25 is prorated.*

Source: Aurora

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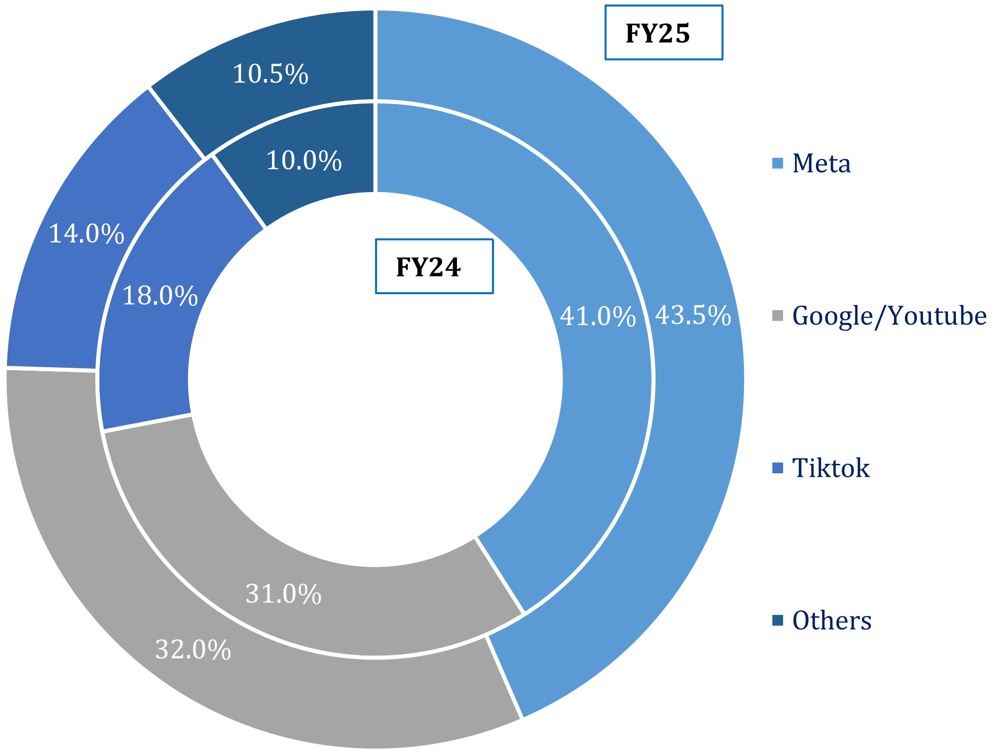
Advertising Revenue | Digital Media

- In terms of revenue earned from advertisements, Meta formed the major chunk at ~43.5%, with Google/ YouTube trailing at ~32.0% share, and TikTok forming just ~14.0% share in FY25.
- Pakistan's 3G/4G mobile broadband user base reached ~152.1Mn by Dec'25, with Next Generation Mobile Service (NGMS) penetration around ~60% of the population, The total cellular subscriptions surpassed ~200Mn in Pakistan, highlighting strong trend of adopting mobile internet services.
- Broadband penetration climbed to ~60.8% as at end-Dec'25, supported by expanding network coverage, while data services continue to make up a growing proportion of telecommunications revenue.
- For FY25, the real unique social media users in Pakistan exceeded ~51.6Mn, with platforms like YouTube (~96.6Mn), Facebook (~101.6Mn), TikTok (~90.3Mn), WhatsApp (~91.7Mn), and Instagram (~49.9Mn) all showing robust engagement signaling strong digital audience growth.

Digital Advertisement Expenditure (%)



Note: *Data for FY25 is prorated.*

Source: Aurora, PTA

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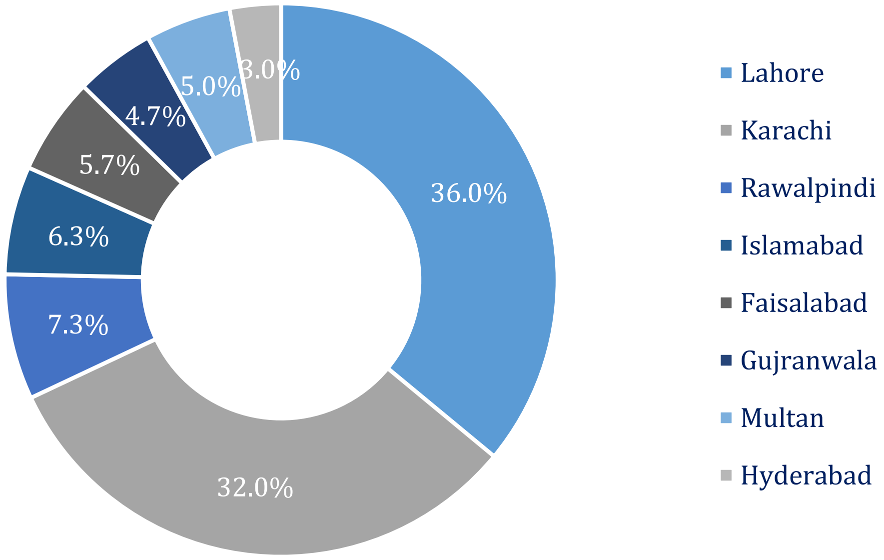
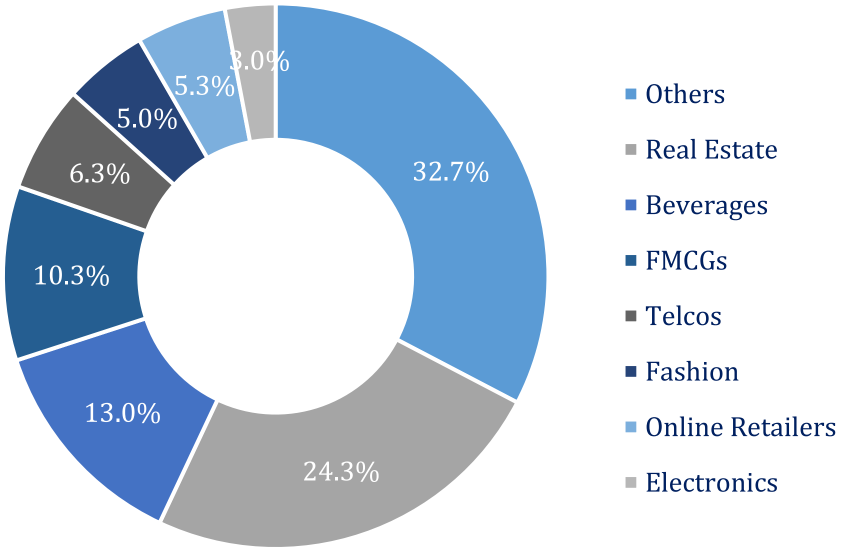
Advertising Revenue | Out-Of-Home

- In FY25, total Out-Of-Home revenue declined by ~14.0% YoY, falling from PKR~17.1Bn to PKR~13.2Bn.
- City-wise market shares for Lahore, Karachi, Rawalpindi, Islamabad, and Faisalabad stood at ~36.0%, ~32.0%, ~7.3%, ~6.3%, and ~5.7%, respectively, during the year. The individual OOH revenues stood at PKR~5.3Bn, PKR~4.7Bn, PKR~1.0Bn, PKR~0.9Bn, and PKR~0.8Bn, respectively, for the said top five cities.
- With respect to sectors contributing to OOH revenues, Real Estate formed ~24.3%, while Beverages and FMCGs accounted for ~13.0% and ~10.3%. Telcos, Fashion, Online Retailers & Electronics cumulatively contributed ~19.6% of the total OOH Revenue.

City- wise OOH Revenue (%) | FY25



Product-wise OOH Revenue (%) | FY25



Note: *Data for FY25 is prorated.*

Source: Aurora

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Business Risk | Television

- **Traditional Media:** As mobile phone usage and access to internet services increases among the population, traditional media such as TV, print and radio, faces significant threat from the digital medium which is increasing in popularity. Moreover, as consumers switch to digital platforms so do the advertisers who want to reach their respective target audiences.
- **Growing Share of Digital Media:** Despite there being a shift towards digital media, risk factors pertaining to this segment includes internet availability, target audience selection, shorter advertisement durations and frequent emergence of new social media applications.
- **Censorship:** The segment also faces stringent scrutiny of its content from the regulator and must ensure that guidelines regarding content are met to avoid censure or penalties in the form of fines etc. As the content is distributed on public platforms, it is also open to criticism from the general public who may lodge complaints with the regulator if they find the content objectionable.

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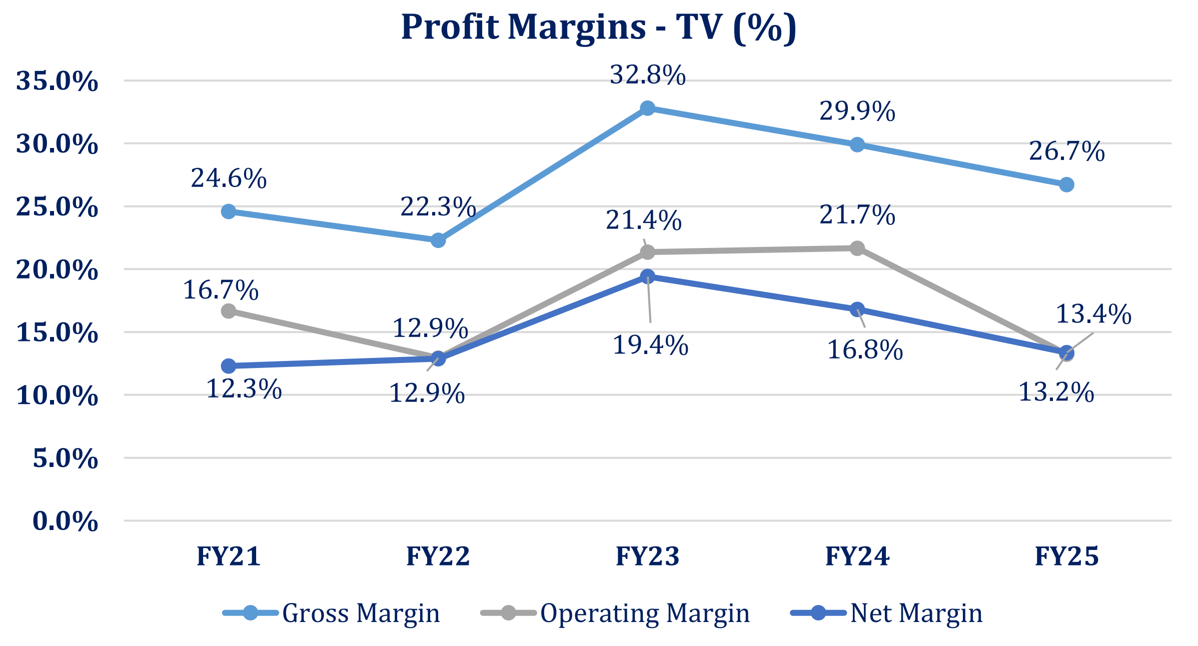
Business Risk | Media Buying

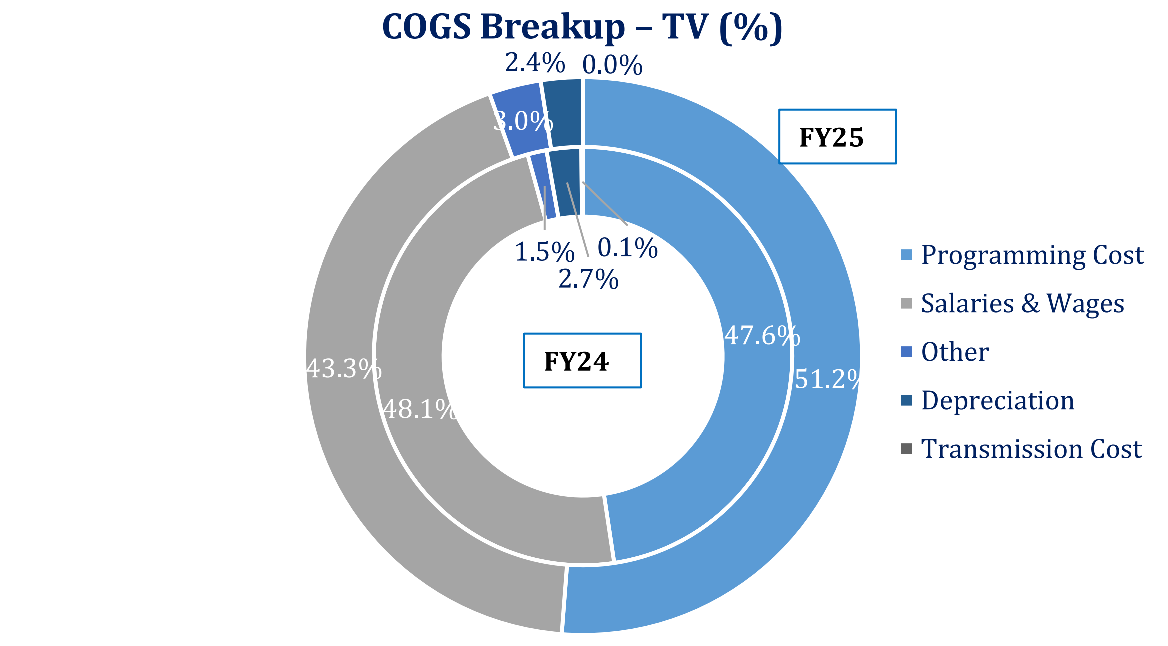
- **High level of competition:** There are a large number of media agencies operating in Pakistan for media buying making it highly competitive. Players have to maintain their market shares without compromising on quality, which can squeeze margins. Meanwhile, keeping up with changing demographics and trends is important to uphold high viewership.
- **In-House Media Buying:** A growing trend is for large players in consumer goods industry to establish in-house media buying departments as it allows them to have greater control over cost and closer communication with marketing departments. However, this trend erodes the market share of independent media buying agencies.

Margins & Cost Structure | Television

- FY25 witnessed a 19.2% YoY decline in the segment's topline due to broad-based weakness across advertising, subscription, production, and digital revenues. Meanwhile, production costs rose by ~11%, compressing gross margins to ~26.7% (FY24: ~29.9%). Lower revenues, cost pressures, and reduced other income collectively weighed on operating and net margins during the period. Operating and net margins narrowed to ~13.4% and ~13.2%, respectively, during FY25 (FY24: ~21.7% and ~16.8%).

- The largest component within direct costs comprises the programming costs, including both in-house and outsourced program costs, which accounted for ~51.2% of total direct costs in FY25 (SPLY: ~47.6%). In addition, the salaries and wages expenses also constituted a significant ~43.3% of total direct costs for the segment (SPLY: ~48.1%).





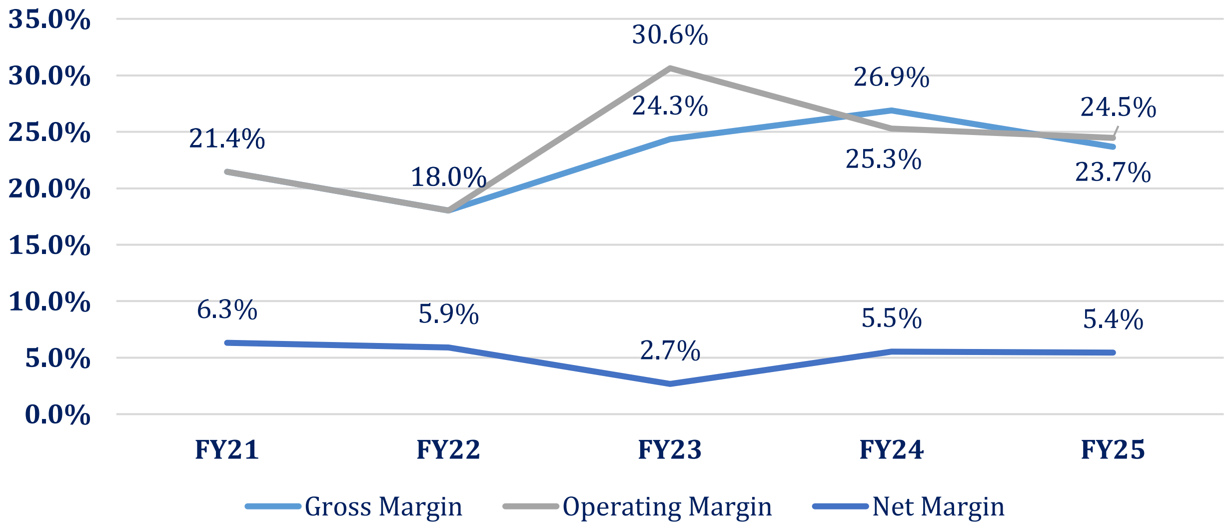
Note: *Margins and cost breakup figures are representative of 2 segment player.*

Source: PACRA Database

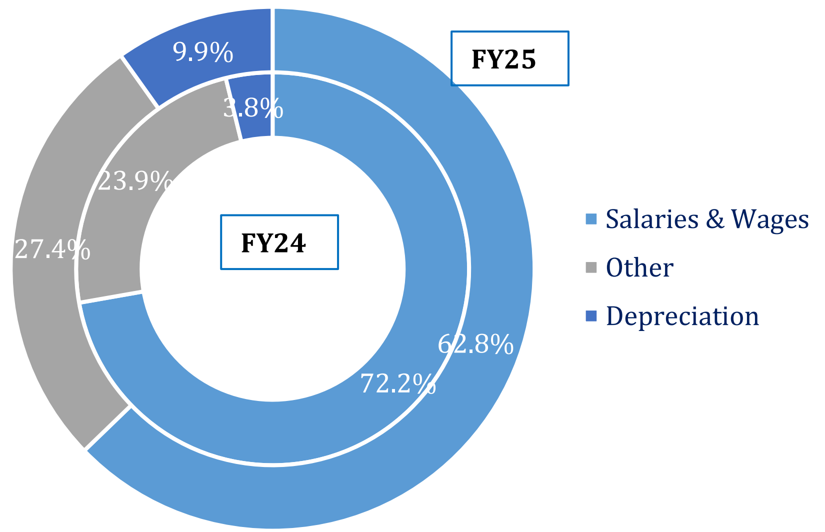
Margins & Cost Structure | Media Buying

- The gross profit margins of Media Buying agencies have been relatively volatile in recent years as the players are reliant on advertising budgets of clients, which fluctuate due to various factors. Based on the Media Buying segment's business model, gross and operating margins are largely similar. The Media Buying agencies operate on early payments and bulk discounts that they receive from TV channels, in addition to charging service fees.
- The segment's gross and operating margins declined from ~26.9% and ~25.3% in FY24 to ~23.7% and ~24.5%, respectively, in FY25, largely driven by a ~10.3% YoY contraction in revenue. Net margins remained largely stable, easing slightly to ~5.4% in FY25 compared to ~5.5% in FY24. Meanwhile, finance costs stayed elevated during the year, reflecting persistent higher leverage levels.
- The largest component within operational costs for the segment comprises salaries and wages, which amounted to ~62.8% of total costs in FY25 (SPLY: ~72.2%).

Profit Margins - Media Buying (%)



COGS Breakup – Media Buying (%)



Note: Margins and cost breakup figures are representative of 1 segment player.

Source: PACRA Database

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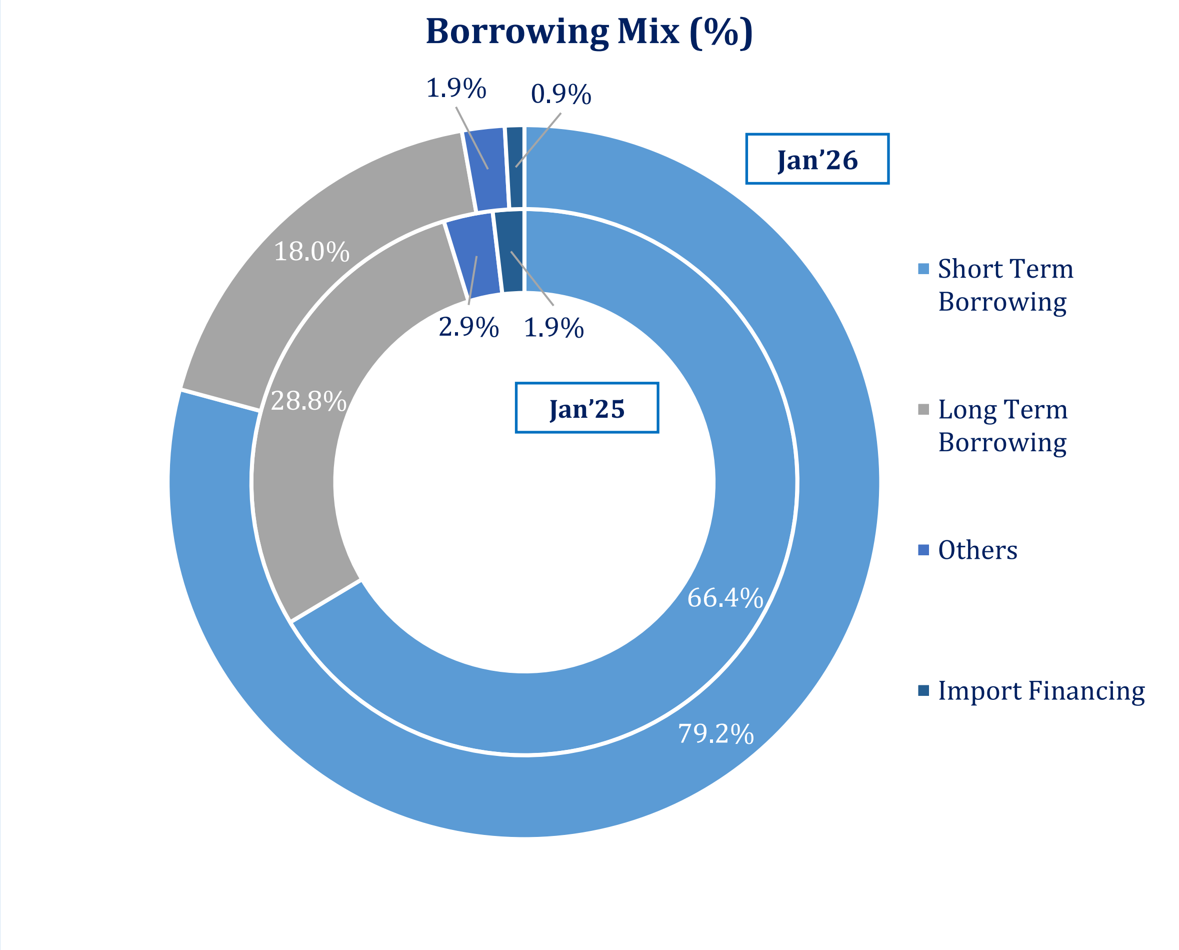
Financial Risk | Borrowings

- The total borrowing of the Sector stood at PKR ~39.9Bn at End-Jan'26 (SPLY: PKR ~28.2Bn), depicting an increase of ~41.4% YoY.
- The largest component of the borrowing mix during the period under review was the short-term borrowings, which stood at PKR ~31.6Bn and comprised ~79.2% of the total borrowings (End-Jan'25: PKR ~18.8Bn).
- Meanwhile, long-term borrowings were PKR ~7.2Bn and comprised ~18.0% of total borrowing (SPLY: PKR ~8.1Bn).
- Meanwhile, import financing remained minimal and stood at PKR~0.4Bn (End-Jan'26: PKR~0.5Bn), down ~33.1% YoY as of End-Jan'26, and held ~1.9% share in the total borrowing mix during the period.



Note: SBP Classifications: "Printing and Reproduction of Recorded Media", "Motion picture, Video and Television Program Production, Sound Recording and Music Publishing Activities, Programming and Broadcasting Activities'. Leverage figures are representative of respective segment players. 6

Source: SBP

Media

Regulatory Framework

- Pakistan's Media Sector is regulated by the Pakistan Electronic Media Regulatory Authority (PEMRA) which was established through the promulgation of PEMRA Ordinance in 2002, later passed as an Act of Parliament in 2007.
- PEMRA's mandate consists of four main objectives:
  - To improve the standards of information, education and entertainment
  - To improve access of the people to mass media at the local and community level
  - To enlarge the choice available to the people in media for news, current affairs, art, culture, sports and other areas of interest.
  - To ensure accountability, transparency and good governance by optimizing the free flow of information.
- Media organizations are required to abide by the Electronic Media (Programs & Advertisement) Code of Conduct, 2015 as notified by the Ministry of Information & Broadcasting. As per the code of conduct, at least 365 show-cause notices were issued to various channels until July 2021, while action was also taken against 28 advertisements and dramas.
- As per the PEMRA 2023 Amendment Bill, a substitution of section 29 has been enacted with PEMRA being able to impose fine up to PKR~10.0Mn on a licensee who contravenes any of the provisions of the Ordinance or the rules or regulations or the code of conduct or the terms and conditions of the license.
- The Sector is represented by a number of organizations which includes All Pakistan Newspapers Society, Pakistan Broadcasters Association and Digital Media Association of Pakistan.

Source: PEMRA

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Duty Structure

- By imposing the following taxes, the government aims to strike a balance between fostering creative diversity and prioritizing local talent and productions within the national entertainment landscape.

Description	Advance Tax		Sales Tax	
	FY25	FY26	FY25	FY26
Foreign produced TV drama serial or play	PKR~1Mn/episode	PKR~1Mn/episode	-	
Foreign produced TV play (single episode)	PKR~3Mn	PKR~3Mn	-	-
Advertisement starring foreign actor	PKR~0.1Mn/second	PKR~0.1Mn/second	-	-
Provision of advertising services, excluding print and electronic media, to non-residents	-	-	-	-
Person providing advertisement services	-	-	16%	16%

Note: *Data sourced from Jun'25 Amendments in ITO 2001 and STA 1990.*

Source: FBR

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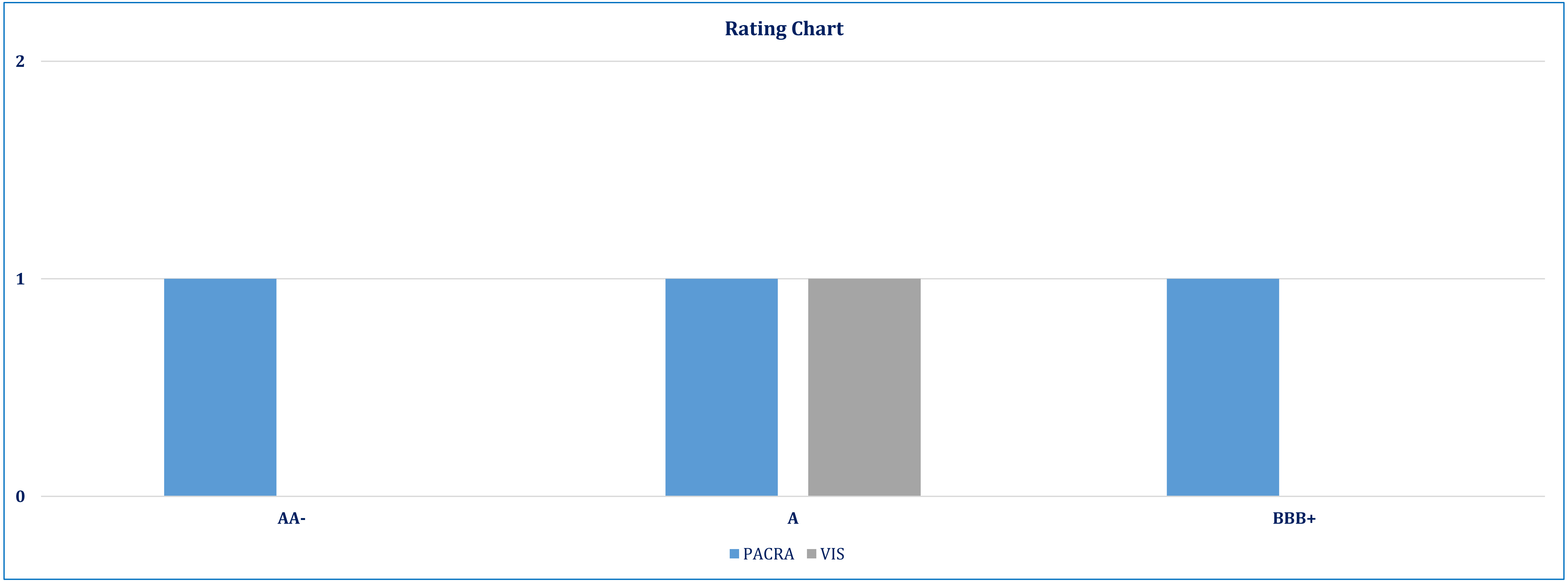
Rating Chart

- PACRA rates three entities in the media sector, one is a media buying house and the other two a television network.



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SWOT Analysis

Strengths

- Increasing smart phones usage, internet connectivity, and social media usage amongst consumers.
- Presence of multiple industry representatives such as All Pakistan Newspapers Society, Pakistan Broadcasters Association and Digital Media Association of Pakistan.
- Strong regulatory framework.

Weaknesses

- Concentration of revenue in the advertising segment
- Reduction in newspaper subscriptions and average TV viewership.
- Competitive market, impacting margins.

Threats

- Changing viewership trends and content requirements.
- Increasing Cybersecurity issues with rise of digital platforms.
- Misuse of platforms.

Opportunities

- Growth opportunities in digital platforms.
- Ample room for locally produced content in film and television industries that cater to significant proportion of youth in the country.

Media

Outlook: Stable

- In FY25, Pakistan's GDP (nominal) stood at PKR~113.9Tn (FY24: PKR~105.4Tn), increasing, in real terms, by ~3.1% YoY (FY24: ~2.6% YoY) and is projected to grow by ~3.2% in FY26, according to the IMF. The 1QFY26 data show a ~3.7% YoY real growth rate as compared to ~1.6% YoY in 1QFY25,showing an improvement in economic activity as compared to the SPLY.
- In FY25, the size of Media Sector, in terms of advertisement revenue, stood at PKR~101.9Bn, inched up ~1.7% on YoY basis (SPLY: PKR~100.2Bn). Meanwhile, the number of registered Television set holders in the country was ~26.1Mn as of End-Dec'25 (SPLY: ~25.2Mn). In FY25, Television (TV) remained the largest segment, recording ad revenue at PKR~51.5Bn, forming ~42.7% of the total advertising spend (SPLY: PKR~40.1Bn; ~43.7%). Meanwhile, the digital segment was recorded at the second spot with PKR~24.8Bn (~25.4%) in revenue (SPLY: PKR~35.8Bn; ~31.2% share).
- The Sector broadly has two sub-segments, TV and Media Buying. For the TV segment, all profit margin trends showed downward trend in FY25 owing to lower revenues and higher finance costs due to elevated leverage. Going forward, interest rates are expected to remain on the lower end, supporting the segment's average net margins, however, with the growing presence of social media and streaming platforms, advertising revenues through this conventional platform is likely to exhibit rangebound growth. For the Media Buying segment, margins at gross exhibited decline in FY25. The media buying agencies operate on early payments and bulk discounts which they receive from TV channels, in addition to charging service fees.
- The total borrowing of the Sector stood at PKR~39.9Bn at the end of Jan'26, depicting an increase of ~41.4% YoY. Average leveraging for the TV segment recorded at ~3.8% while that for media buying stood at ~51.5% in FY25. Going forward, the shift from television and print to digital media advertisement is growing at a fast pace, which may pose a risk to the television channels and intermediary advertising agents. As of FY25, there were ~96.6Mn YouTube users, accounting for ~30.0% of the population. Facebook, TikTok, and Instagram, meanwhile, recorded total number of users at ~101.6Mn, ~90.3Mn, and ~49.9Mn, respectively. Despite the growing share of digital segment among the masses, it is not without challenges. These might include viewer privacy, regulatory framework and/ or censorship. The evolving dynamics, therefore, across sector players, reflected in their overall performance, remains to be seen.
- Increasing penetration of smart phone, internet usage and social media penetration bodes well for platform augmentation and potential revenue. Content creation and managing competitive landscape would remain key challenges for the sector.

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