

AHL Alert: Autos

Honda Atlas Cars (Pakistan) Limited

Result Review: Earnings arrive at PKR 16.34/share in MY24

MY24: Profitability surged by 9x YoY, settling at PKR 16.34/share.

Honda Atlas Cars (Pakistan) Limited (HCAR) announced its financial result for MY24 today, posting a PAT of PKR 2,334mn (EPS: PKR 16.34), up by 9x YoY. During 4QMY24, the net profit of the company clocked in at PKR 1,370mn (EPS: PKR 9.59) compared to net loss of PKR 824mn (LPS: PKR 5.77) in 4QMY23. Alongside the result, the company announced a cash dividend of PKR 6.50/share.

Result Highlights

- Net sales during MY24 clocked in at PKR 55,071mn in contrast to PKR 95,087mn in SPLY, depicting a decline of 42% YoY primarily due to reduced customer purchasing power. On a quarterly basis, the topline went up by 12% YoY to record at PKR 24.9bn. On a sequential basis, the revenue swelled up by 101% QoQ amid surge in sales volumes by 112% QoQ to 5,044 units vis-à-vis 2,375 units, which is attributable to the new-year effect.
- During MY24 gross margin arrived at 8.2%, in contrast to 7.5% during SPLY mainly due to a stable PKR-USD parity. On a quarterly basis, the gross margins settled at 8.4% during 4QMY24 compared to 12.5% in SPLY, amid cost-push inflationary pressures and currency depreciation.
- Other income declined by 3% YoY to clock in at PKR 2,252mn in MY24, which is mainly because of decrease in cash and cash equivalent. While, on quarterly basis, it plummeted by 76% YoY due to the same aforementioned reason.
- Other expenses declined by 92% YoY to clock in at PKR 394mn in MY24, primarily due to the absence of significant exchange losses.
- The company booked effective taxation at 15% in MY24 vis-à-vis 87% in SPLY.

Exhibit: Financial Highlights

(PKR mn)	MY24a	MY23a	YoY	4QMY24a	4QMY23a	YoY	QoQ
Net Revenue	55,071	95,087	-42%	24,918	22,344	12%	101%
Gross Profit	4,508	7,161	-37%	2,104	2,782	-24%	105%
GM	8.2%	7.5%		8.4%	12.5%		
Admin Expense	1,480	1,322	12%	427	339	26%	7%
Other Income	2,252	2,322	-3%	165	683	-76%	-43%
Other Expense	394	4,930	-92%	97	3,384	-97%	56%
PBT	2,753	1,983	39%	752	(451)	nm	231%
Taxation	419	1,723	-76%	(618)	373	nm	nm
PAT	2,334	260	797%	1,370	(824)	nm	856%
EPS (PKR)	16.34	1.82		9.59	(5.77)		
DPS (PKR)	6.50	-		6.50	-	-	-

Source (s): Company Financials, AHL Research

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