

## AHL Alert: Autos

# Honda Atlas Cars (Pakistan) Limited

## Result Review: 1QMY25 EPS clocked-in at PKR 1.42

### 1QMY25: Profitability increased by 40% YoY, settling at 1.42/share.

Honda Atlas Cars (Pakistan) Limited (HCAR) announced its financial result for 1QMY25 today, posting a PAT of PKR 203mn (EPS: PKR 1.42), representing YoY increase of 40%. The YoY increase is attributed to better gross margins which were recorded significantly up by 1,020bps. On a sequential basis, the earnings declined by 85% QoQ.

### Result Highlights

- Net sales during 1QMY25 clocked in at PKR 15,970mn in contrast to PKR 3,771mn in SPLY, depicting an increase of 4.2x YoY primarily due to high customer purchasing power and low base effect caused by the plant shutdown in SPLY. On a sequential basis, the revenue declined by 36% QoQ amid decline in sales volumes by 35% QoQ to 3,285 units vis-à-vis 5,044 units.
- Gross margins in 1QMY25 arrived at 6.3% vis-à-vis -3.9% in 1QMY24, depicting a massive surge of 1020bps, mainly due to a stable PKR-USD parity.
- Other income declined by 62% YoY to clock in at PKR 344mn in 1QMY25, which is mainly because of reduction in cash and cash equivalent during the period under review.
- Finance cost surged by 6.6x YoY to clock in at PKR 287mn in 1QMY25 in contrast to PKR 44mn during SPLY, primarily due to increase in short term borrowings.
- The company booked effective taxation at 47% in 1QMY25 vis-à-vis 46% in SPLY.

### Exhibit: Financial Highlights

(PKR mn)	1QMY25a	1QMY24a	YoY	4QMY24a	QoQ
Net Revenue	15,970	3,771	324%	24,918	-36%
Gross Profit/ Loss	1,012	(148)	nm	2,104	-52%
<b>GM</b>	<b>6.3%</b>	<b>-3.9%</b>		<b>8.4%</b>	
Other Expenses	392	272	44%	427	-8%
Other Income	344	903	-62%	165	109%
Finance cost	287	44	557%	612	-53%
PBT	383	268	43%	753	-49%
Taxation	181	123	47%	(618)	nm
PAT/ LAT	203	145	40%	1,370	-85%
EPS (PKR)	1.42	1.02		9.60	
DPS (PKR)	-	-		6.50	-

Source (s): Company Financials, AHL Research

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