

**Automobile Assembler: Honda Atlas Cars (Pakistan) Limited****Analyst Briefing Takeaways****REP-300****Analyst Briefing**

The management of Honda Atlas Cars (Pakistan) Limited (HCAR) held an analyst briefing session on 16<sup>th</sup> Jul'25 to discuss the company's performance and future outlook.

**Brief Takeaways**

- To recall, the company announced its financial result for MY25, posting a PAT of PKR 2,709mn (EPS: PKR 18.97), representing YoY increase of 16%. During 4QMY25 the profitability of the company was recorded at PKR 1,682mn (EPS: PKR 11.78), up by 23% YoY. Alongside the result, the company announced an final cash dividend of PKR 8.0/share in 4QMY25 taking the payout to PKR 8.0/share in MY25.
- The HR-V Hybrid was launched on 14th Jul'25, and test drive units are now available nationwide. The initial customer response has been positive and the company expects to sell 400–500 units monthly.
- Regarding the impact of used car imports, Honda clarified that the majority (~90%) of these imports fall under the 1000cc category and do not directly impact the Honda City segment. The company is awaiting further clarity from an expected government policy update in September and will assess the implications accordingly.
- With respect to localization levels, Honda disclosed that City has a localization level of 74%, Civic 64%, BR-V 52%, and the HR-V Hybrid 61%.
- Around 75% of Honda City sales are for the 1.2L variant, and 25% are for the 1.5L variant.
- Regarding the export of vehicles, Honda confirmed that 38 units of the Honda City 1.2L were exported to Japan. However, the company emphasized that due to the current lack of export-supportive government policies and high input costs, Pakistan faces significant challenges in competing with other Asian subsidiaries. Discussions with the government are ongoing, but large-scale exports remain constrained for now.
- Addressing increased competition from Chinese and Korean OEMs, Honda acknowledged the rise in market players but emphasized that the advantages these new entrants received under the Greenfield incentives will end in Jun'26. Post-policy expiry, Honda anticipates a level playing field and remains confident that its superior product quality, customer trust, and after-sales service will help retain and grow market share.
- In terms of future product plans, Honda confirmed that it is globally working on various technologies, including EVs, hybrids, and DHTBs (dual hybrid technology vehicles). While there is currently no fixed plan to introduce DHTBs in Pakistan, the company is open to expanding into this segment based on market evolution.
- Honda has a network of 62 dealers across 23 cities, comprising 3S (Sales, Service, Spare Parts), 2S (Service, Spare Parts), and 1S (Spare Parts only) dealerships.
- In MY25, the effective taxation stood at 17.27%, supported by tax benefits availed during the year, which contributed significantly to the growth in net profit.
- Looking ahead, management anticipates a YoY increase of approximately 40–50% in the company's sales volumes during MY26.

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### Analyst Briefing Takeaways

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