

HCAR | INDU | SAZEW | MTL

REP- 300

HCAR: Company to post earnings of PKR 17.79/share in 9MMY26

Honda Atlas Cars Pakistan Limited (HCAR) is scheduled to announce its financial results for 9MMY26 on 27th Jan'26. We expect the company to report a PAT of PKR 2,541mn (EPS: PKR 17.79), representing a sharp increase of 147% YoY, compared to PKR 1,027mn (EPS: PKR 7.19) in 9MMY25.

Net sales are projected to reach PKR 88,285mn, up 75% YoY, driven by a 69% YoY rise in volumetric sales to 17,559 units, coupled with the impact of two new product launches, including the HRV Hybrid in Aug'25 and the Honda City 1.5L ASPIRE S CVT in Sep'25. Other income is expected to increase by 93% YoY to PKR 1,192mn, primarily on the back of higher cash and cash equivalents.

On a quarterly basis, the bottom line is expected to clock in at PKR 970mn (EPS: PKR 6.79) in 3QMY26, compared to PKR 566mn (EPS: PKR 3.97) in SPLY, reflecting a 71% YoY growth. During the quarter, topline is anticipated to grow by 104% YoY, mainly due to a 92% YoY increase in unit sales to 7,159 units (Civic/City: 6,345 units; BRV/HRV: 814 units).

Exhibit: Financial Highlights

(PKR mn)	9MMY26e	9MMY25	YoY	3QMY26e	3QMY25	YoY	QoQ
Net Sales	88,285	50,413	75%	36,405	17,845	104%	-30%
Gross Profit	7,362	3,875	90%	3,167	1,643	93%	-14%
Gross Margins	8.34%	7.69%		8.70%	9.21%		22%
Operating Profit	4,192	2,001	110%	1,862	1,039	79%	3%
Other Income	1,192	619	93%	144	190	-24%	-62%
Finance Cost	810	695	16%	292	215	36%	-32%
PAT	2,541	1,027	147%	970	566	71%	-24%
EPS (PKR)	17.8	7.2		6.8	4.0		

Source (s): Company Financials, AHL Research

SAZEW: Earnings expected to reach PKR 152.9/share in 1HFY26e

Sazgar Engineering Works Limited (SAZEW) is scheduled to announce its financial results for 1HFY26 on 27th Jan'26. We expect the company to report a PAT of PKR 9,244mn (EPS: PKR 152.9), reflecting a strong 40% YoY increase from PKR 6,625mn (EPS: PKR 109.6) in SPLY. On a quarterly basis, SAZEW is projected to record a PAT of PKR 4,827mn (EPS: PKR 79.9) in 2QFY26, compared to PKR 2,408mn (EPS: PKR 39.8) in the corresponding period last year. The improvement in profitability is primarily driven by a sharp increase in Haval volumes to 3,653 units (+110% YoY), along with deliveries of the Haval PHEV during 2QFY26. However, gross margins are expected to decline to 24.42% in 2QFY26, mainly due to the absence of concessionary duties on the Haval PHEV. Additionally, other income is anticipated to surge by 154% YoY, supported by higher cash and cash equivalents. Alongside the results, the company is expected to announce a cash dividend of PKR 16.5/share, (PKR 31.50/share in 1HFY26).

Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	70,745	44,695	58%	36,921	18,363	101%	9%
Gross Profit	17,537	12,827	37%	9,016	5,206	73%	6%
Gross Margins	24.79%	28.70%		24.42%	28.35%		
Operating Profit	15,089	11,060	36%	7,738	4,303	80%	5%
Other Income	1,358	736	85%	845	333	154%	64%
PAT	9,244	6,625	40%	4,827	2,408	100%	9%
EPS (PKR)	152.9	109.6		79.9	39.8		
DPS (PKR)	31.5	20.0		16.5	10.0		

Source (s): Company Financials, AHL Research

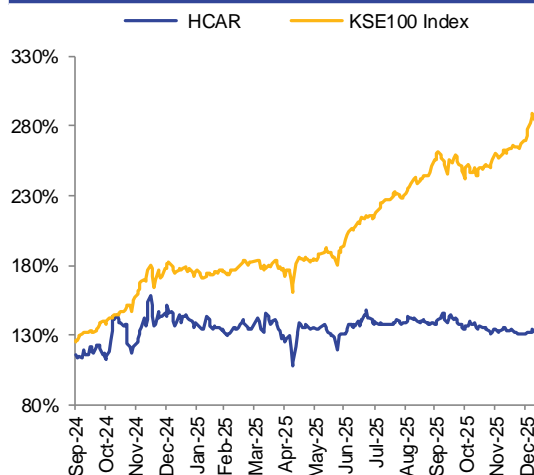
HCAR

Last Closing 266.25

PSX Code HCAR

Bloomberg Code HCAR PA

Relative Performance



Source (s): PSX, AHL Research

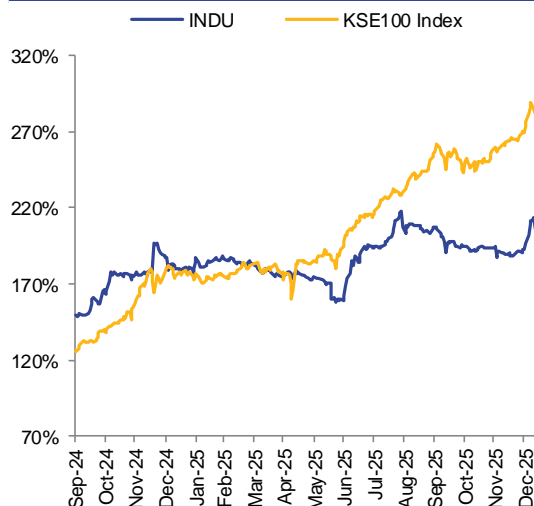
INDU

Last Closing 2108.23

PSX Code INDU

Bloomberg Code INDU PA

Relative Performance



Source (s): PSX, AHL Research

Menka Kirpalani

menka.kumari@arifhabibltd.com

D: +92 21 382 80264

www.arifhabibltd.com

INDU: Earnings to clock-in at PKR 170.48/share in 1HFY26e

Indus Motor Company Limited (INDU) is expected to announce its financial results for 1HFY26 in the near term. The company is projected to report a net profit of PKR 13,400mn (EPS: PKR 170.48), reflecting a strong YoY increase of 35%. On a quarterly basis, INDU is expected to post a PAT of PKR 6,680mn (EPS: PKR 85.0) in 2QFY26, compared to PKR 4,867mn (EPS: PKR 61.9) in 2QFY25. This represents a notable YoY growth, mainly attributable to a 67% YoY increase in total sales volumes to 10,674 units. The volumetric expansion is led by higher sales of Yaris, Corolla, and Corolla Cross, which collectively accounted for 9,094 units, while Fortuner and Hilux contributed 1,580 units during the quarter. Other income is expected to decline by 23% YoY, primarily due to lower interest rates. Alongside the financial results, the company is expected to announce a cash dividend of PKR 45.0/share, (PKR 102/share in 1HFY26).

Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	121,941	84,879	44%	60,203	43,276	39%	-2%
Gross Profit	20,942	11,691	79%	10,400	6,112	70%	-1%
Gross Margins	17.17%	13.77%		17.28%	14.12%		
Operating Profit	17,877	8,901	101%	8,887	4,569	95%	-1%
Other Income	5,762	8,184	-30%	2,862	3,727	-23%	-1%
PAT	13,400	9,957	35%	6,680	4,867	37%	-1%
EPS (PKR)	170.5	126.7		85.0	61.9		
DPS (PKR)	102.0	76.0		45.0	37.0		

Source (s): Company Financials, AHL Research

MTL: Profitability expected to arrive at PKR 13.4/share in 1HFY26e

Millat Tractors Limited (MTL) is expected to announce its financial results for 1HFY26 shortly, wherein we estimate net profit to stand at PKR 2,677mn (EPS: PKR 13.4), reflecting a 27% YoY decline. The drop in profitability is primarily attributable to lower volumetric sales at 8,512 units (-16% YoY). On a quarterly basis, earnings are expected to clock in at PKR 2,164mn (EPS: PKR 10.8) in 2QFY26 versus PKR 3,041mn (EPS: PKR 15.9) in 2QFY25, translating into a 29% YoY contraction.

Despite lower sales volumes, topline is expected to register a 22% YoY increase, driven by the distribution of higher-priced medium and high horsepower tractors under the Punjab government's tractor scheme. Gross margins are expected to improve to 28.2% from 25.5%, mainly due to stable PKR-USD parity. Other income is projected to decline sharply by 81% YoY to PKR 31mn in 2QFY26. Meanwhile, finance cost is expected to rise by 7% YoY, owing to higher short-term borrowings. Additionally, we expect the company to announce a cash dividend of PKR 15.00/share in 2QFY26.

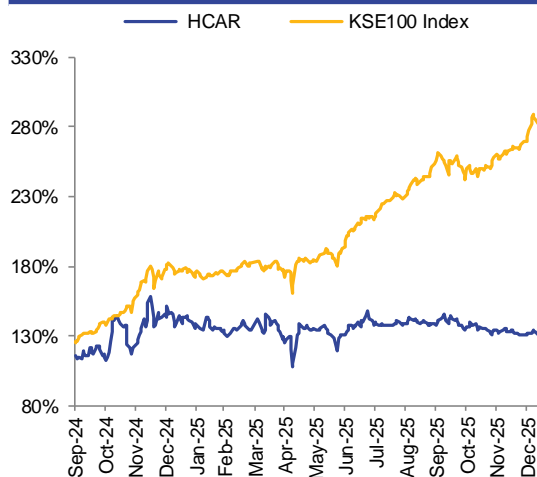
Exhibit: Financial Highlights

(PKR mn)	1HFY26e	1HFY25	YoY	2QFY26e	2QFY25	YoY	QoQ
Net Sales	31,261	27,494	14%	23,715	19,497	22%	214%
Gross Profit	8,741	7,297	20%	6,688	4,971	35%	226%
Gross Margins	27.96%	26.54%		28.20%	25.50%		
Other Income	63	266	-76%	31	164	-81%	-3%
Finance Cost	1,054	1,173	-10%	583	545	7%	24%
PAT	2,677	3,645	-27%	2,164	3,041	-29%	321%
EPS (PKR)*	13.4	19.0		10.8	15.9		
DPS (PKR)	15.0	45.0		15.0	-		

Source (s): Company Financials, AHL Research

SAZEW

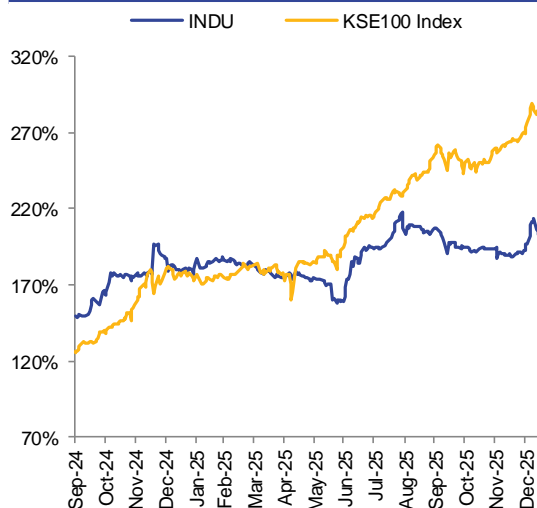
Last Closing	1,744.63
PSX Code	SAZEW
Bloomberg Code	SAZEW PA

Relative Performance

Source (s): PSX, AHL Research

MTL

Last Closing	529.87
PSX Code	MTL
Bloomberg Code	MTL PA

Relative Performance

Source (s): PSX, AHL Research

Menka Kirpalanimenka.kumari@arifhabibltd.com

D: +92 21 382 80264

www.arifhabibltd.com

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2026 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -5% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -5% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks

The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

Disclaimer: This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.