REP # 048

Assemblers I HCAR I 9MMY25 I Preview

ADAM SECURITIES LIMITED

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HONDA

The Power of Dreams

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Revenue streams to rise c.69%YoY, augmented by c.3.4xYoY rise in volume

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- Honda Atlas Cars Ltd. (HCAR) to announce financial results for the 9MMY25. We believe the EPS to decline during 9MMY25 by c.7%YoY mainly on the c.75%YoY slump in other income, which is to tumble mainly on the divestment from ST investments during 9MMY24. It is to remember here that, the company has sold out all the ST investments during 3QMY24, which may have significant gap in improving other income for the 3QMY25.
- With recovering Sales Volume during FY25TD, in the wake of improving macros, along with the reduction in interest rates, turning the vehicle markup rates to customer-oriented, the sales volume of the company will likely to revive to c.69%YoY during 9MMY25 mainly on the revived aggregate demand for the sedan segments where the sales volume has witnessed to be surged by c.114%YoY during 9MMY25, resultantly producing the cumulative improvement in total sales volume of c.89%YoY.
- For the quarter ended Dec'24, we believe the EPS to robustly rise c.71%/c.206% QoQ/YoY during 3QMY25. The rise in Dec'24 will likely to be reflected from the remarkable rise in sales volume of c.12%/c.57% QoQ/YoY during 3QMY25 compared to the corresponding periods. The rise in volume may likely boost up the revenue streams by c.10%/c.48% QoQ/YoY during 3QMY25 ended Dec'24. The resultant rise in volume may likely revive Gross Profit by c.30%/c.55% QoQ/YoY during 3QMY25, thus, improving gross margins by c.1.3ppts/c.0.4ppts QoQ/YoY.
- During 3QMY25, we don't believe HACR to pay any DPS.

(PKRmn)	3QMY25F	QoQ	YoY	9MY25F	YoY
Sales	18,342	10.5%	47.6%	50,906	68.8%
COGS	16,752	9.0%	46.9%	47,086	69.7%
Gross Profit/(Loss)	**1,590**	**30.2%**	**54.9%**	**3,819**	**58.9%**
Financial Charges	160	-17.2%	-63.9%	641	5.5%
Other Income	91	7.8%	-68.3%	520	-75.1%
EBT/(LBT)	**771**	**80.7%**	**239.2%**	**1,578**	**-21.1%**
Tax	333	97.2%	295.3%	682	-34.2%
PAT/(LAT)	**439**	**69.9%**	**206.2%**	**896**	**-7.0%**
EBIT	**931**	**50.2%**	**38.9%**	**2,219**	**-14.9%**
ETR	**43.1%**	**9.1%**	**16.6%**	**43.2%**	**-16.6%**
EPS/(LPS)	**3.1**	**70.6%**	**206.2%**	**6.3**	**-7.0%**
DPS	**-**	**NA**	**NA**	**-**	**NA**
Sales Volume (Units)	**3,736**	**11.6%**	**57.3%**	**10,369**	**336.6%**
Margins %					
Gross	8.7%	1.3%	0.4%	7.5%	-0.5%
Profit	2.4%	0.8%	1.2%	1.8%	-1.4%
Operating	4.2%	1.6%	2.4%	0.0%	0.0%

Source: Financials, ASL Research

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