

Sector

Automobile Assembler

Chase Research

research@chasesecurities.com
+92-21-35293054-60

Symbol: ATLH

Current Price: **PKR 268.00**

Market Cap (PKR bn): **33.26**

Total Shares (mn): **124.09**

Free Float (mn): **12.41**

52 Week High: **PKR 377.00**

52 Week Low: **PKR 238.13**

Atlas Honda Limited (ATLH)

Atlas Honda Limited reported a gross profit of PKR 9.7 billion in CY23, representing a 2.15% YoY decline compared to PKR 9.9 billion in the same period last year (SPLY).

The Company's profit for CY23 stood at PKR 5 billion (EPS: PKR 40.3), down from PKR 5.5 billion (EPS: PKR 45.03) in the previous year. The cash dividend payout remained stable at 60% in CY23.

The Company's revenue showed a solid growth of 2.7% YoY, reaching PKR 135 billion for the year, compared to PKR 132 billion last year. Similarly, Profit Before Tax (PBT) increased to PKR 8.1 billion in CY23, a 3.6% YoY growth from PKR 7.8 billion in the same period last year.

During the year, the Company's current liabilities increased to PKR 46 billion from PKR 25 bn in CY 22 due to royalty payments to Japan.

Similarly, the Company's expenses for the year amounted to PKR 2.15 billion, a significant increase compared to PKR 629.26 million in the previous year. The Company experienced a growth in tax payments, with a 38.7% YoY increase to PKR 3.09 billion in CY23.

However, the total assets of the Company rose to PKR 70 billion, a significant 47.7% YoY increase compared to PKR 47 billion last year. The shareholder's equity also grew by 8.3% YoY.

The management attributed the highest level of equity in CY23, amounting to PKR 22.8 billion, to continuous investments in localization and business model reform (BMR).

The sustainable margins of the Company were largely supported by increased sales over the past five years.

In terms of sustainability, the Company achieved a 2.5% reduction in water consumption per bike and a 6.4% reduction in effluents and waste per bike.

The Company acknowledged the impact of unrestrained inflation on urban consumers, which affected their purchasing power. In contrast, rural consumers benefited from their dollar-linked incomes.

The Company emphasized the challenges it faced in the sale of EV bikes, such as limited supply of lithium batteries and higher prices. The highest-selling EV bike is priced at \$2000.

Looking ahead, the Company remains optimistic about solid growth driven by sustainable increase in localization. However, it anticipates an impact on profitability from the imposition of super tax in the next year. The volumetric growth is expected to remain stable in the coming calendar year.

Important Disclosures

Disclaimer:

This report has been prepared by Chase Securities Pakistan (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation or any offer to buy. While reasonable care has been taken to ensure that the information contained in this report is not untrue or misleading at the time of its publication, Chase Securities makes no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Chase Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report Chase Securities as a firm may have business relationships, including investment banking relationships with the companies referred to in this report This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report and Chase Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents At the same time, it should be noted that investments in capital markets are also subject to market risks This report may not be reproduced, distributed or published by any recipient for any purpose.