

RESULT REVIEW

Honda Atlas Cars (Pakistan) Limited (HCAR) – 3QMY26

Tuesday, January 27, 2026

Honda Atlas Cars (Pakistan) Limited (HCAR) announced its 3QMY26 results, reporting a profit after tax (PAT) of PKR 655mn (EPS: PKR 4.59), down 12% QoQ but up 16% YoY. The QoQ decline in earnings was primarily driven by a sharp rise in finance costs and distribution & marketing expenses, which more than offset healthy revenue growth.

On a YoY basis, earnings improved on the back of strong topline growth, reflecting higher sales volumes amid improving demand conditions.

Key Financial Highlights:

- Revenue increased by 30% QoQ and 85% YoY to PKR 33.1bn, supported by strong volumetric recovery and improved pricing.
- Gross profit rose 30% QoQ and 52% YoY to PKR 2.50bn, while gross margins remained broadly stable as cost pressures persisted.
- Distribution & marketing expenses surged 51% QoQ and 207% YoY to PKR 451mn, weighing on operating profitability amid aggressive sales push.
- Other income declined 24% QoQ, limiting earnings support compared to the previous quarter.
- Finance cost jumped 76% QoQ and 157% YoY to PKR 553mn, primarily due to fresh short-term borrowings of PKR 13.8bn raised to meet working capital requirements.
- Profit before tax stood at PKR 1.20bn, up 7% QoQ and 9% YoY.
- Effective tax expense increased 44% QoQ, resulting in a QoQ decline in net earnings despite higher operating profits.

Financials (PKR '000)	3QMY26	2QMY26	QoQ	3QMY25	YoY
Revenue	33,103,165	25,418,299	30%	17,845,429	85%
Cost of revenue	(30,604,991)	(23,497,881)	30%	(16,202,475)	89%
Gross profit	2,498,174	1,920,418	30%	1,642,954	52%
Distribution and marketing exp.	(450,746)	(297,892)	51%	(146,963)	207%
Admin expense	(582,587)	(613,320)	-5%	(457,334)	27%
Other income	373,578	494,555	-24%	189,942	97%
Other expense	(82,550)	(66,890)	23%	(17,396)	375%
Finance cost	(553,173)	(314,666)	76%	(214,923)	157%
Profit before levy and taxation	1,202,696	1,122,205	7%	996,280	21%
Levy	0	0		109,007	-100%
Profit before taxation	1,202,696	1,122,205	7%	1,105,287	9%
Taxation	(547,228)	(380,030)	44%	(538,884)	2%
Profit for the year	655,468	742,175	-12%	566,403	16%
EPS	4.59	5.20		3.97	

Source: Company Financials, HMFS Research



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