

# Flash Note

Tuesday, 25 May 2021

Automobile Assemblers

## Honda Atlas Card Limited (HCAR)

### Earnings increase by 2.63x/y to PKR 1.79bn (EPS: PKR 12.56) for MY21.; dividend announced at PKR 4.52/share

- Honda Atlas Card Limited (HCAR) announced its financial result for MY21, With earnings clocking in at PKR 1.79bn (EPS: PKR 12.56) as compared to the earnings of PKR 0.68bn (EPS: PKR 4.77), up by +2.6x/y. For the 4QMY21 alone, earnings massively increased to PKR 0.89bn (EPS: PKR 6.27) as against net loss of PKR 0.02bn (LPS: PKR 0.20) . In line with the trend the company announced cash dividend of PKR 4.52/share for MY21 as compared to PKR 1.0/share in the corresponding period last year.
- Net Sales of the Company during 4QMY21 jumped by 45%y/y to PKR 22.7bn supported by higher volumetric sales. As a result full year net sales increased by 22%y/y to PKR 67.3bn as the company attained 24k units..
- Gross margins for the 4QMY21 stood at 5.2%, down by 40bps y/y which we believe is attributed to increase in steel prices and low sales in high margin segment.
- Other expense dropped by 76%y/y to PKR 0.096bn during 4QMY21 compared to PKR 0.40bn in the same period last year likely in the absence of exchange loss.
- Other income increased by 21% y/y and 2.1x q/q owing to possible increase in shortterm investments and cash deposit, stemming from increase in advances.

#### Exhibit: HCAR Financial Highlights

PKRmn	4QMY21	4QMY20	YoY	3QMY21	QoQ	MY21	MFY20	YoY
Net Sales	22,774	15,655	45%	17,650	29%	67,362	55,046	22%
Gross Profit	1,181	880	34%	1,150	3%	3,776	4,091	-8%
S/M/D	593	259	129%	297	100%	1,561	1,407	11%
Other expenses	96	401	-76%	-10	n.m.	237	1,049	-77%
Other Income	517	428	21%	244	112%	918	639	44%
EBIT	1,009	647	56%	1,107	-9%	2,897	2,275	27%
Finance Cost	-24	150	n.m.	33.375	n.m.	116.159	727	-84%
PBT	1,033	497	108%	1,074	-4%	2,781	1,547	80%
PAT	896	(28.4)	n.m.	752	19%	1,793	682	163%
EPS (PKR)	6.27	(0.20)		5.26		12.56	4.77	
DPS (PKR)	4.52	-		-		4.52	1.00	

Source: IGI Research and Company Financials No of Shares: 143mn

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