

Automobile Assemblers

HCAR: 4QMY25 Management Call Takeaways

- Honda Atlas Cars (Pakistan) Limited held an investor briefing session to discuss the 4QMY25 financial results and provide key insights on the future outlook for the Company.
- During the year MY25, Sales increased from Rs 55.07 billion to Rs 78.07 billion, while gross profit margin improved from 8.2% to 8.5% due to enhanced efficiency, stable foreign exchange, and cost-control initiatives.
- Sales volume rose by 52.8%, from 10,534 units to 16,100 units. Production volume increased by 45.1%, from 10,709 units to 15,545 units compared to last year. Honda successfully launched the HR-V e:HEV model, receiving an encouraging initial market response.

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Key highlights from management conference call

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- Sales volume rose by 52.8%, from 10,534 units to 16,100 units. Production volume increased by 45.1%, from 10,709 units to 15,545 units compared to last year. The overall passenger car market witnessed a 67% year-on-year increase, signaling a strong revival in the automobile sector.
- Management anticipates sales growth of 40–50% during FY26. While discussions are ongoing with the government to create a more export-friendly environment, current policies remain unfavorable for significant export expansion. Nonetheless, the export of 38 units of Honda City 1.2L to Japan marked a historic milestone for the Company.
- Honda successfully launched the HR-V e:HEV model, receiving an encouraging initial market response. The company expects to sell around 400–500 units in the early phase.

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- The company mentioned that Localization levels have improved, reaching 74% for Honda City and over 60% for Civic and around 50% for HR-V variants. The current sales mix of Honda City 1.2L and 1.5L stands at 75% and 25%, respectively. While Honda City currently contributes approximately 60% to total sales, this is expected to decline to 55% as newly launched hybrid vehicles gain traction.
- The management expressed that recent tariff rationalization and the increase in used car imports will likely have minimal impact on Honda, as these measures primarily affect vehicles below 1000cc.
- The Management expects the HR-V HEV to deliver fuel efficiency above the industry average of 15 km/litre. Plans are underway to expand hybrid and electric vehicle (EV) assembly under the CKD regime in the coming years.
- Gross margins are expected to remain under pressure and will be largely dependent on exchange rate stability.
- The company has no intentions to enter the economical segment of 600cc cars, due to intense competition in that market.

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