

Pakistan Autos | Jul-Sep 2026 Quarter Preview

Key Themes & Sector Context

Volume Recovery Underway — Industry passenger car volumes clocked in at 50,480 units in 1QFY27, down 19% QoQ from 62,416 units in 4QFY26, driven by inflationary pressures and a delayed auto policy.

Motorcycles Stay Resilient — 2W volumes led by ATLH clocked in at 542,158 units for 1QFY27, up 2% QoQ, underpinned by CD70 commuter demand; oil price trajectory remains a key determinant for 2-wheeler sales alongside EV adoption.

Margins Steady — GP margins across the auto universe are expected to remain stable QoQ on PKR stability while some players experience a drop as competitive intensity rises.

Tractors Under Pressure — Tractor sales saw a 52% drop QoQ to 4,109 units; this was driven by reduced disbursements under the tractor scheme.

Rate Cycle Tailwind — SBP policy rate at 11.5% supports auto financing recovery; moving forward the next MPC decision will have a significant impact on medium term demand for the sector, any rate hikes are expected to significantly decrease demand for financing.

PAMA Universe Volumes (Units)

Company		1QFY27	4QFY26	QoQ	1QFY26	YoY
 Atlas Honda	ATLH	470,399	465,212	1%	366,711	28%
 GHANDHARA INDUSTRIES LIMITED	GHNI	1,525	1,536	-1%	1,035	47%
 TOYOTA INDUS MOTOR COMPANY LTD.	INDU	13,260	11,333	17%	9,889	34%
 SAZGAR	SAZEW(4W)	3,137	6,548	-52%	3,550	-12%
 HONDA	HCAR	7,401	7,918	-7%	4,880	52%
 MILLAT TRACTORS LIMITED	MTL	2,889	5,784	-50%	2,177	33%
 AGTL	AGTL	1,220	2,715	-55%	804	52%

Source: PAMA, Chase Research

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Summary EPS & DPS Estimates (PKR)

Company		EPS Sep-26E	EPS Jun-26	QoQ	EPS Sep-25	YoY	DPS Sep-26E
	ATLH	44.03	48.48	-9%	38.77	14%	55.00
	GHNI	46.21	38.99	19%	36.98	25%	0.00
	INDU	69.46	77.70	-11%	85.49	-19%	42.00
	SAZEW	67.86	144.36	-53%	73.07	-7%	10.00
	HCAR	4.07	17.41	-77%	5.20	-22%	0.00
	MTL	5.10	5.11	0%	1.46	249%	0.00
	AGTL	2.48	13.29	-81%	-3.89	N/A	0.00



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Coverage Estimates | INDU · ATLH · GHNI | Jul-Sep 2026



INDU | Indus Motor Company



PKR Mn	1QFY27E	4QFY26A	QoQ	1QFY26A
Net Sales	75,925	66,777	14%	61,738
Gross Profit	8,352	6,893	21%	10,541
Gross Margin	11%	10%		17%
Operating Profit	6,701	6,093	10%	8,990
Other Income	3,213	4,846	-34%	2,900
PAT	5,459	6,107	-11%	6,719
EPS	69.46	77.70	-11%	85.49
DPS	42.00	47.00	-11%	51.00

Commentary:

TTME EPS: 308.47

Despite 17% QoQ volumetric growth, discounts and a less favorable sales mix is expected to cause EPS to decline 11% QoQ. Moving forward, policy rates and macroeconomic environment will determine whether sales slow down or continue to accelerate in FY27.



GHNI | Ghandhara Industries



PKR Mn	1QFY27E	4QFY26A	QoQ	1QFY26A
Net Sales	17,538	17,828	-2%	11,924
Gross Profit	3,858	3,869	0%	2,848
Gross Margin	22%	22%		24%
Operating Profit	3,148	2,662	18%	2,418
Other Income	200	497	-60%	274
PAT	1,969	1,661	19%	1,576
EPS	46.21	38.99	19%	36.98
DPS	0.00	12.00		0.00

Commentary:

TTME EPS: 171.80

Moving forward, the war in the middle east is has clouded the outlook for further growth in sales volumes. We expect that sustained low oil prices will enable further sales growth.

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Coverage Estimates | INDU · ATLH · GHNI | Jul-Sep 2026



ATLH | Atlas Honda Limited



PKR Mn	2QMY27E	1QMY27A	QoQ	2QMY26A
Net Sales	81,623	81,537	0%	63,056
Gross Profit	9,387	9,372	0%	8,040
Gross Margin	12%	11%		13%
Operating Profit	7,301	7,428	-2%	6,461
Other Income	1,800	2,679	-33%	1,808
PAT	5,463	6,016	-9%	4,810
EPS	44.03	48.48	-9%	38.77
DPS	55.00	0.00		46.00

Commentary:

We expect net sales to remain flat QoQ. TTM EPS is expected to reach PKR 185.21. Moving forward, momentum in sales is expected to continue while cost pressures from global commodities are offset by improving sales mix thereby ensuring margin stability.

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