ATBA: FY26 Corporate Briefing Takeaways

Friday, October 23, 2026

Flashnote: Automobile Parts & Accessories– Atlas Battery Limited (ATBA)

- Atlas Battery Limited (ATBA), was incorporated in Oct 19, 1966 as a public Limited Company. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries & allied products. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds a 58.86% equity stake.
- The Company recorded revenue of PKR 34.9Bn in FY26, reflecting a marginal decline of 0.8%YoY. Gross profit dropped 25%YoY to PKR 2.96Bn, with gross margin at 8.5%, down from 11.3% in FY25, primarily due to higher input cost and geopolitical pressure. Exports were up 18.2%YoY to PKR 721Mn.
- The Company posted a Loss After Tax (LAT) of PKR 371Mn (LPS: PKR 10.59) in FY26, compared to the net profit of PKR 91Mn (EPS: PKR 2.60) in FY25. The negative turnaround was primarily driven by lower margins and higher distribution costs, while other income increased 2.4xYoY provided some support, but the minimum tax regime impacted the overall profitability.
- The company's sales mix remains heavily reliant on the Replacement Market (RM), which accounts for 95% of total sales volume, compared to just 5% from the OEM segment. Batteries designed for solar systems and energy backup applications contribute 55% to 60% of total sales.
- The Company expanded its portfolio by launching new Maintenance-Free (MF) and specialized battery models. These include the SMF-DIN 555 (40AH), Sealed MF 90 (70AH), Sealed MF 85 (70AH), Sealed MF 75 (45AH), SMF-DIN 888 (72AH), MF LN2 (60AH for HACPL), and Power Plus 5 (5AH).
- Following border closures with Afghanistan, the Company strategically redirected their export shipments toward Yemen, while targeting regional expansion across high-potential markets in Central Asia and the UAE.
- The Company faced severe macroeconomic and competitive headwinds. Favorable import tariffs and weakened consumer spending accelerated the shift toward low-cost battery brands, while raw material inflation and domestic price wars severely compressed margins.

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- The Management expects 2QFY27 to remain challenging due to the winter seasonal shift towards lighter battery models. The Management plans to commercially introduce its own line of Lithium-ion batteries in early 2027, while actively evaluating and researching Sodium-ion battery technology for future integration.

Important Disclosures

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Valuation Methodology

To arrive at our period end target prices, TSL uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: https://jamapunji.pk/

Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flow	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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