Sazgar Engineering Works Limited (SAZEW)

1QFY27 EPS posted at PkR 66.77/sh, down by 9% YoY

Tuesday, October 27, 2026



- Sazgar Engineering Works Limited reported a profit after tax (PAT) of PKR 4,036mn in 1QFY27, translating into earnings per share (EPS) of PKR 66.77. This represents a 9% YoY decline from PKR 4,417mn (EPS: PKR 73.07) recorded in the same period last year (SPLY), alongside a sharper 54% QoQ contraction.
- The company's topline remained resilient, with revenue increasing by 23% YoY to PKR 41,711mn, compared to PKR 33,825mn in 1QFY26. This growth was primarily driven by a favorable sales mix, with a higher contribution from premium hybrid and plug-in hybrid electric vehicle (PHEV) variants, including the Haval H6 PHEV, Tank 500 PHEV, and Tank 500 HEV. The stronger product mix supported revenue growth despite a decline in passenger vehicle sales volumes to 3,137 units, against 3,557 units in the SPLY and 6,549 units in the previous quarter.
- Meanwhile, the three-wheeler segment continued to demonstrate strong momentum, with sales rising to 7,735 units in 1QFY27, up from 5,346 units in 1QFY26 and 7,408 units in the preceding quarter.
- Despite topline growth and a favorable product mix, profitability remained under pressure, as gross margins contracted to 20.4% from 25.2% in the SPLY. The margin compression, coupled with lower passenger vehicle volumes, contributed to the 9% YoY decline in earnings. Furthermore, distribution expenses surged by 72% YoY during the quarter, primarily reflecting elevated fuel costs and higher sales volumes in the three-wheeler segment.
- Alongside the results, the company announced a cash dividend of PKR 5.00 per share, maintaining a shareholder payout despite the year-on-year decline in earnings.

Sazgar Engineering Works Ltd. -(PSX: SAZEW) Earnings Snapshot

(PKR mn)	1QFY27	1QFY26	YoY	4QFY26	QoQ
Net Sales	41,711	33,825	23%	76,513	-45%
COGS	33,197	25,303	31%	59,482	-44%
Gross Profit	8,514	8,521	0%	17,031	-50%
Gross Margins	**20.4%**	**25.2%**		**22.3%**	
S&D	1,662	964	72%	2,022	-18%
Operating Profit	6,634	7,351	-10%	14,776	-55%
Other Income	629	514	22%	667	-6%
PBT	6,443	7,243	-11%	14,236	-55%
Tax	2,407	2,826	-15%	5,510	-56%
PAT	4,036	4,417	-9%	8,726	-54%
EPS (PKR)	**66.77**	**73.07**		**144.36**	
DPS (PKR)	**5.00**	**15.00**		**20.00**	

Source (s): Company Financials, BMA Capital

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Old rating system

Valuation Methodology

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

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)