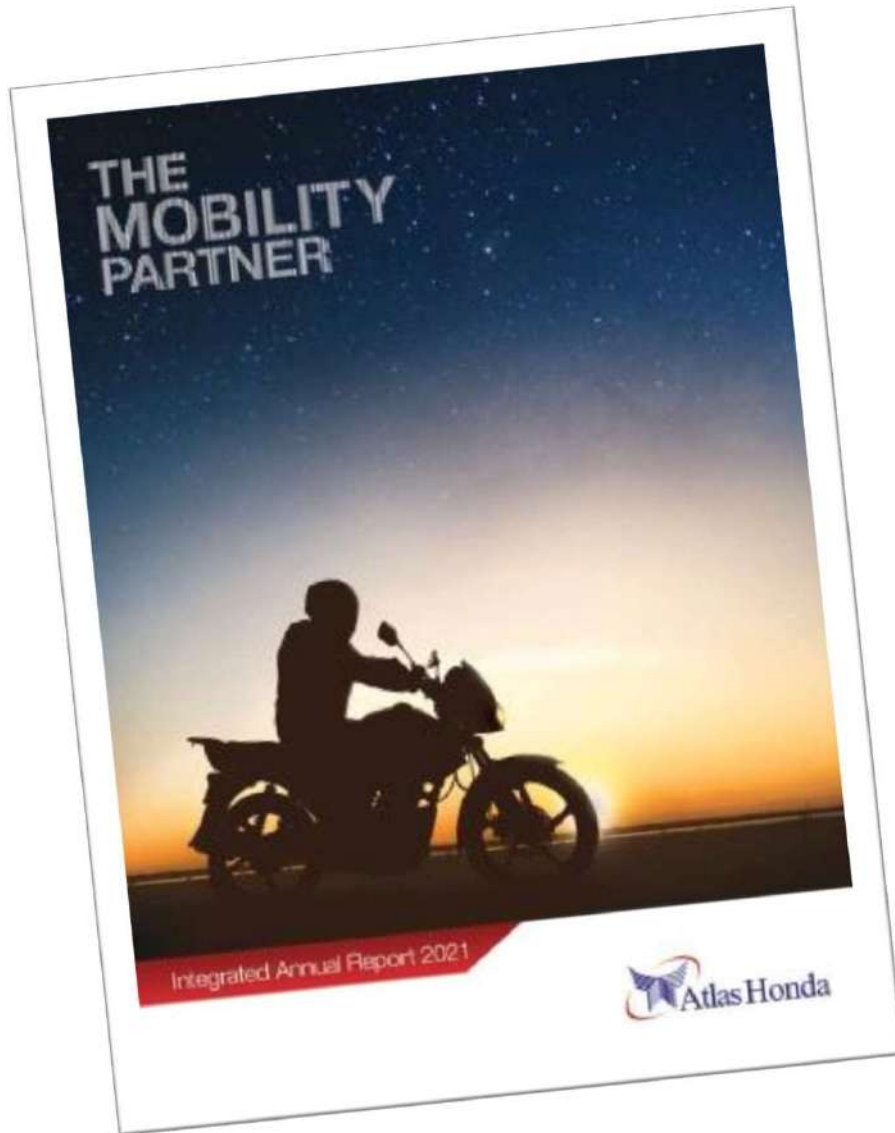


# ATLAS HONDA LIMITED

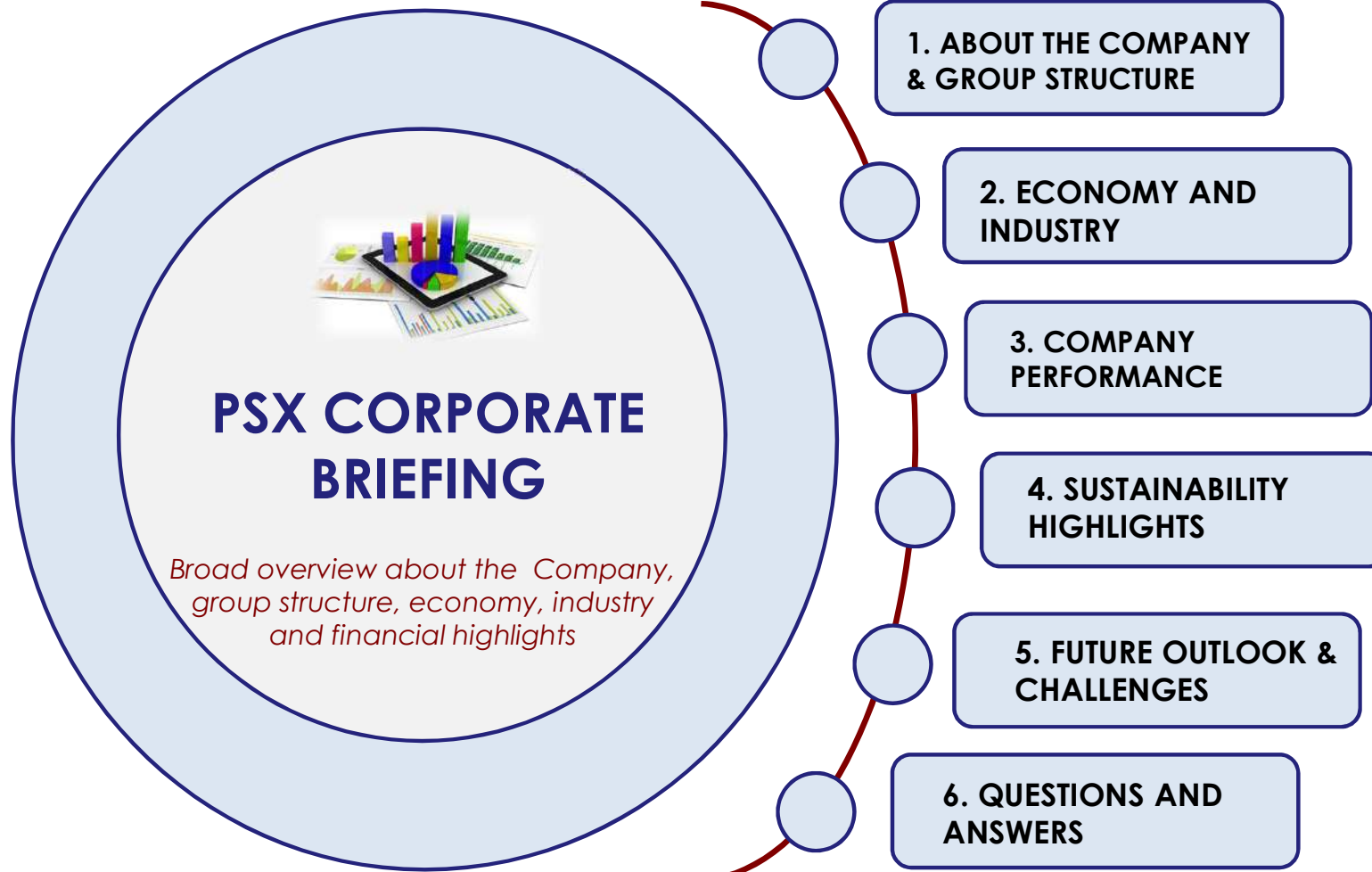
Financial Year Ended  
March 31, 2021

Corporate Briefing  
Session - 2021



Friday - July 16, 2021  
11:00 AM

## GLIMPSE OF THE SESSION



# 1. ABOUT THE COMPANY & GROUP STRUCTURE

# ABOUT THE COMPANY

## 1963-1970

Incorporation of Atlas Autos Limited and listing on stock exchange  
 Signing of technical collaboration agreement with Honda Motor Company Limited (HMC).  
 Commercial production commences with sanctioned annual capacity of 6,000 units.

## 1971-1980

Incorporation of Panjadarya Limited with plant facility at Sheikhpura.  
 Signing of second Technical Assistance agreement with HMC  
 Establishment of motorcycle Technical Training Centre in Lahore.

## 1981-1990

Panjadarya Limited commences commercial production.  
 Achieves localization level of 50%.  
 Start of "Ala Mayar Circle" - to welcome ideas for improvement in quality & manufacturing techniques.  
 The Company organizes the first ever vendor conference was organized.  
 Engine parts manufacturing plant is installed.  
 The Company celebrates its 25th year of incorporation.  
 Honda Motor Company acquires 10% equity in Atlas Autos.  
 Merger of Panjadarya Limited with Atlas Autos.

## 1991-2000

Change of name of the Company to "Atlas Honda Limited"  
 CG 125 engine parts manufacturing plant is installed at Sheikhpura plant  
 Signing of eight technical assistance agreements with Japanese Companies  
 First exports to Bangladesh, Nepal, Sri Lanka, Middle East and Central Asia

## 2001-2010

Introduction of "5S" Dealership – one stop shop for customers  
 Achieved localization level of 85%.  
 Achievement of record sales of 100,000 units.  
 Capacity expansion at Sheikhpura plant by establishing, state of the art, 500k synchronized Assembly Plant.  
 Implementation of SAP.

## 2011-2020

The Company surpasses 90% localization record  
 Sales landmarks of 500,000 and 1 million units sales crossed in 2011 & 2018  
 Celebration of completion of 50 years of incorporation  
 Equity investment in Atlas Hitec (Private) Limited  
 Received various awards by PSX, ICAP & ICMAP, SAFA, NFEH, ACCA & WWF  
 Announced the engine warranty period of three years



## GEOGRAPHICAL PRESENCE



- **Head Office** : Karachi
- **Registered Office** : Lahore
- **Production Facilities** :  
Karachi and Sheikhupura
- **Branch Offices and Customer Care Centers** :  
Lahore, Multan, Islamabad, Hyderabad, Faisalabad, Rahim Yar Khan
- **Showroom** : Karachi
- **Dealers Network** : Across Pakistan



## MANUFACTURING FACILITIES

### SHEIKHUPURA



- Start of Operations : May 1979
- Capacity : 1.2 million per year

### KARACHI



- Start of Operations : Sep 1965
- Capacity : 0.15 million per year

## SHAREHOLDING STRUCTURE



Atlas → **55.27%** (Shirazi Investment: 52.43% & Atlas Insurance: 2.84%)

### SHIRAZI INVESTMENTS (Group Holding Company)

Started operations in 1962 and is engaged in capital market, fund management, under-writing, real estate and venture capital investments.

The Company plays a key role in sponsoring the acquisition of Group projects.



**HONDA** → **35%**  
The Power of Dreams

Honda Motor Company Limited, is a Japanese public multinational conglomerate manufacturer of automobiles, motorcycles, and power equipment, headquartered in Minato, Tokyo, Japan.



Atlas Honda Limited is a joint venture between Atlas Group and Honda Motor Company Limited Japan

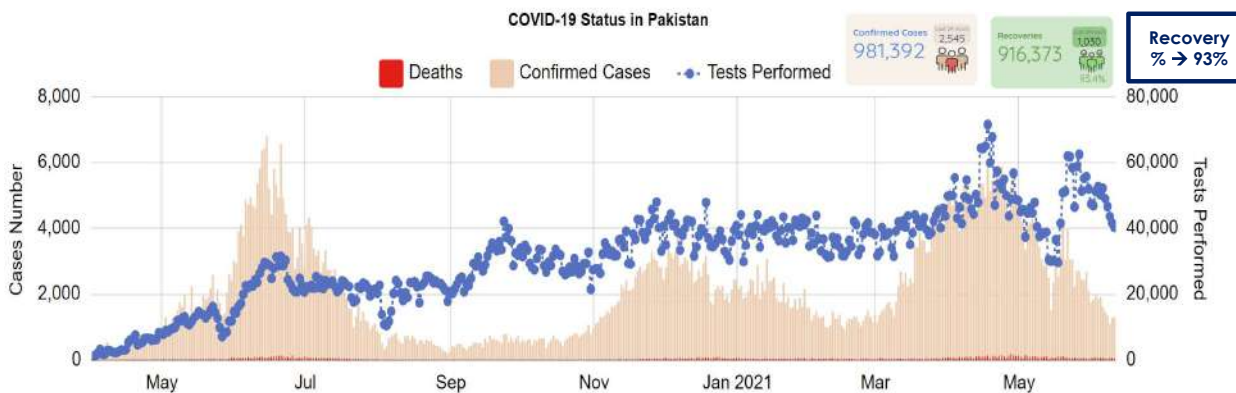
## 2. ECONOMY AND INDUSTRY



# MACRO-ECONOMIC ENVIRONMENT

## COVID 19 stats and economic impact

※ Data Source : Economic survey, Research, covid.gov.pk



## Socio-economic Indicators

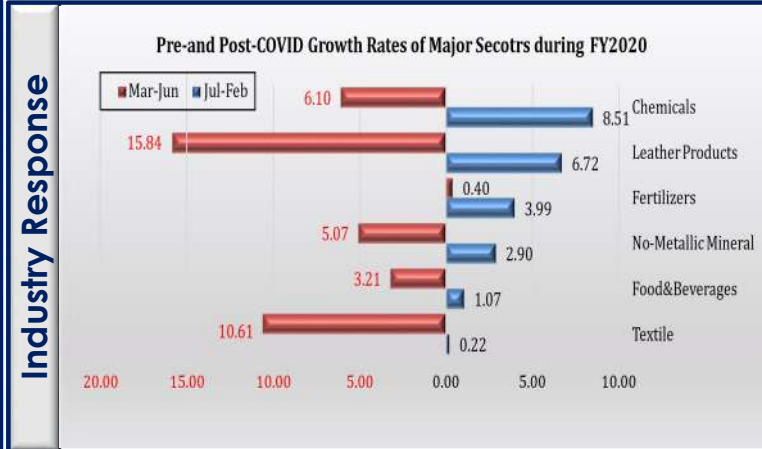
※ Data Source : WB, IMF, SBP, PBS

<b>GDP Growth</b> 2020 (0.4%) → <b>2021 3.9%</b> Agri ↑, LSM ↑, Services ↑	<b>Per Capita</b> 2020 \$1,361 → <b>2021 \$1,543</b> Agri + remittances
<b>CAD</b> 2020 1.1% → <b>2021 &lt; 1%</b> Import -- ; Exports ++	<b>Exchange Rate</b> 2020 168 → <b>2021 158</b> Remittance ↑, CA Surplus, RDA inflows, FX debt trap
<b>Interest Rate</b> 2020 7% → <b>2021 7%</b> Support internal economy	<b>Fiscal Deficit</b> 2020 9.2% → <b>2021 6.5%</b> Revenue mobilization
<b>Inflation Rate</b> 2020 10.7% → <b>2021 8.7%</b> Food prices + crisis	<b>Population</b> 2020 212m → <b>2021 215m</b> Market Size ↑, Higher population of youth

### Government Measures

#### Support Measures (\$10 bn package)

- ✓ **Monetary**
  - Rate 13.25% → 7%
  - TERF / Wage Loan
- ✓ **Fiscal**
  - Ehsaas Program (Rs. 203b + Rs. 260bn)
  - Tax refunds (Rs. 100b)
- ✓ **Administrative Management**
  - Co-ordination b/w army + govt
  - Smart Lockdown



**Economy witnessed a V-shaped recovery in FY21**

## AUTO-INDUSTRY PERFORMANCE

Vehicles Categories	Apr'20 – Mar'21 Sales Volume ('000)	Apr'19 – Mar'20 Sales Volume('000)	Change
Cars	123.4	132.6	▼ 7%
LCVs, Vans & Jeeps	8.4	5.1	▲ 65%
Pick-Ups	16.3	15.8	▲ 3%
Tractors	46.2	36.2	▲ 28%
Trucks	3.1	3.8	▼ 21%
Buses	0.5	0.8	▼ 28%
Three-Wheeler	48.4	48.8	▼ 1%
Motorcycle	1,578.1	1,579.6	= 0%
Grand Total	1,824.3	1,822.7	= 0%

In just 10 months operations the market reached at the last year's levels

# 3. COMPANY PERFORMANCE

## ANNUAL PERFORMANCE

Operating Highlights		Apr 20 - Mar 21	Apr 19 - Mar 20	Variance %
<b>Production</b>	Units	<b>1,063,703</b>	1,058,030	▲ 1%
<b>Sales</b>	Units	<b>1,066,114</b>	1,060,029	▲ 1%
<b>Revenue</b>	Rs. in Mn	<b>93,157</b>	84,776	▲ 10%
<b>Gross Profit</b>	Rs. in Mn	<b>6,880</b>	6,116	▲ 12%
<b>Gross Profit</b>	%	<b>7.4%</b>	7.2%	▲ 3%
<b>Profit Before Tax</b>	Rs. in Mn	<b>5,152</b>	4,412	▲ 17%
<b>Profit Before Tax</b>	%	<b>5.5%</b>	5.2%	▲ 6%
<b>Earning Per Share</b>	Rs.	<b>28.97</b>	24.81	▲ 17%
<b>Cash Dividend payout</b>	%	<b>60.4%</b>	60.5%	= 0%
<b>At the end of Period</b>				
<b>Total Assets</b>	Rs. in Mn	<b>43,030</b>	31,060	▲ 39%
<b>Shareholders Equity</b>	Rs. in Mn	<b>18,631</b>	16,580	▲ 12%
<b>Share Performance</b>				
<b>Price per Share</b>	Rs.	<b>460</b>	370	▲ 24%
<b>Market Capitalization</b>	Rs. in Mn	<b>60.33</b>	48.39	▲ 25%

# QUARTERLY ANALYSIS



# 4. SUSTAINABILITY HIGHLIGHTS



## SUSTAINABILITY HIGHLIGHTS



**Rs. 64.3 million donated**



**1,752 Hours spent on Employee Training**



**10,710 students attended safety lectures**



**135,000 Customers served with free services**



**3% reduction in water consumption (per bike)**



**8% Reduction in effluents and waste per bike**



**339 women trained for bike riding**



**1<sup>st</sup> prize by Punjab Horticulture Society in Land Landscape**



**Award by NFEH for CSR Report**

# COVID-19 RESPONSE STRATEGY

Our values, 'The Atlas Way' and 'Atlas Culture' were a beacon in helping us navigate through this uncharted period. Our ability to redefine working methodology enabled us to keep our manufacturing plants open and not lose any productivity, coupled with agility and adoption of new technology which enabled us to thrive in these challenging circumstances.

The efforts undertaken by the Company in response to the pandemic have been summarized as under:

## 1. Critical Incidence Cell (CIC)

CIC was formulated to continuously monitor situation and devise operating guidelines on various aspects of business including workplace management, operational management, IT management, wellbeing of employees & their families, community assistance, vendor management etc.

### Steps taken by CIC include:

- Monitoring of COVID-19 Statistics
- Developing of COVID-19 Protocols in line with Government advised SOP's



## 2. Inspection of Safety Measures

Our Health and Safety teams conduct regular audits of the workplace to ensure compliance with SOPs formulated. Further, external audits by government authorities were also conducted during the period wherein steps taken by the Company were widely appreciated.



## 3. Stakeholders Engagement

In the light of current situation, we remained digitally connected with our stakeholders – customers, employees, vendors and the community. We successfully navigated through digital challenges with support of strategic investments in IT infrastructure utilizing emerging technologies such as secure remote network platforms and cloud-based technologies.

## 4. Strengthening our IT Infrastructure:

Information Technology played a pivotal role in the operational success of our Company during the pandemic. Significant investment was made in improving our IT infrastructure in order to ensure uninterrupted remote connectivity to associates. Besides this IT security protocols were enhanced due to increase in data traffic during the pandemic.

# 5. FUTURE OUTLOOK AND CHALLENGES

# 6. QUESTIONS AND ANSWERS

**THANK YOU**