Sazgar Engineering Works Limited (SAZEW)

Robust growth and strong brand equity unlocks upside potential

Thursday, November 13, 2025

Initiating coverage with a BUY: We initiate coverage on Sazgar Engineering Works Limited (SAZEW) with a **BUY** rating. Our **June 2026 target price** for the stock stands at **PKR 2,626/share**, offering a **potential upside of 51%.** Our investment thesis is underpinned by the following key drivers: (i) ongoing infrastructure and capacity expansion in the 4-wheeler segment, (ii) strengthening brand appeal of "HAVAL", (iii) launch of new 4-wheeler models (iv) higher margin than peers despite stabilization, (v) strategic push into the EV and PHEV segments and, (vi) market leadership and export growth in the 3-wheeler segment.

SAZEW's transformation from a niche 3-wheeler assembler to a mainstream SUV and HEV player has been nothing short of remarkable. Backed by targeted policy support under Automobile Industry Development and Export Policy (AIDEP 2021-26), the company has delivered a stellar **5-year CAGR of 257%** in bottom-line growth. With concessionary duties still in effect and auto demand showing signs of recovery, profitability is projected to remain robust, **reaching PKR 17.0bn (PkR 281.6/sh)** in FY26. While the expiry of AIDEP incentives after FY26 is expected to weigh on earnings, with PAT anticipated to decline by 6% to PKR 16.0bn in FY27, we believe SAZEW's evolved product mix and early positioning in the SUV and hybrid space will allow for earnings momentum and long-term value creation.

Strengthening brand appeal of "HAVAL"

SAZEW has strategically positioned HAVAL as a frontrunner in Pakistan's hybrid SUV market, starting with the country's first locally assembled HEV in 2022. This early move allowed the brand to tap into rising demand for fuel efficient, tech forward vehicles, **resulting in over 21,800 units sold to date**. Building on this success, the launch of the H6 PHEV in August 2025, priced at approximately PKR 12.90mn and offering 360hp with a 1,000km range, has positioned HAVAL at the forefront of the plug-in hybrid segment. With a growing dealership network of over 20 outlets and a strong digital presence driven by influencer collaborations and targeted online outreach, HAVAL continues to expand its urban reach and brand equity. Its appeal among buyers seeking premium yet practical mobility reinforces its dominance in a rapidly evolving automotive landscape.

Ongoing infrastructure and capacity expansion in the 4-wheeler segment

SAZEW is gearing up for a major leap in its four-wheeler operations with a PKR 11.5bn investment, aimed at doubling its annual production capacity to 48,000 units by March 2026. The expansion will raise daily output from 60 to 100 units, supported by new assembly lines, upgraded paint facilities, expanded warehousing, and a 5.7 MW solar power system. This growth is being funded entirely through internal cash flows, reflecting confidence in the company's long-term strategy. With the upcoming New Energy Vehicle policy expected to offer incentives like tariff cuts and tax relief, SAZEW is positioning itself to scale efficiently, reduce costs through localization, and capture greater market share in the evolving automotive landscape.

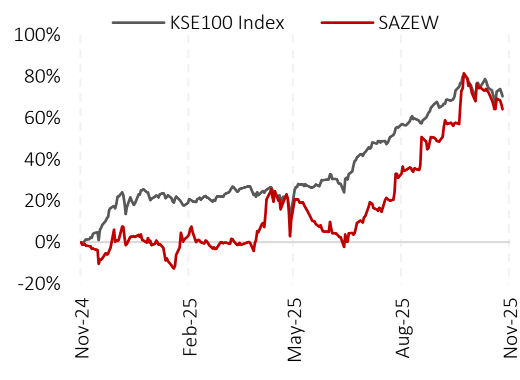
SAZEW	FY23	FY24	FY25	FY26E	FY27F	FY28F
EPS (PkR)	16.5	131.3	270.3	281.6	264.6	329.1
DPS (PkR)	4.0	20.0	52.0	56.9	47.8	56.0
PE (x)	3.1	6.3	4.2	6.5	6.9	5.6
PB (x)	1.1	1.7	2.7	3.1	2.3	1.7
Yield (%)	7%	7%	5%	3%	3%	3%
ROE (%)	41%	122%	97%	56%	36%	34%

Source: Company Accounts, BMA Research

SAZEW Investment Overview	
KATS Code	SAZEW
Bloomberg Code	SAZEW PA
Market Price	PkR 1,744
Target Price	PkR 2,626
Upside	51%
1-Yr High/ Low	PkR 2,050/947
Free float	35.00%
Share outstanding (mn)	60.45

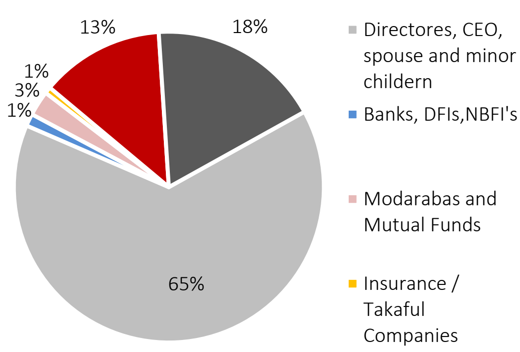
Source: PSX, BMA Research

KSE100 Index vs. SAZEW



Source: PSX, BMA Research

SAZEW Shareholding



Source: Company Accounts, BMA Research

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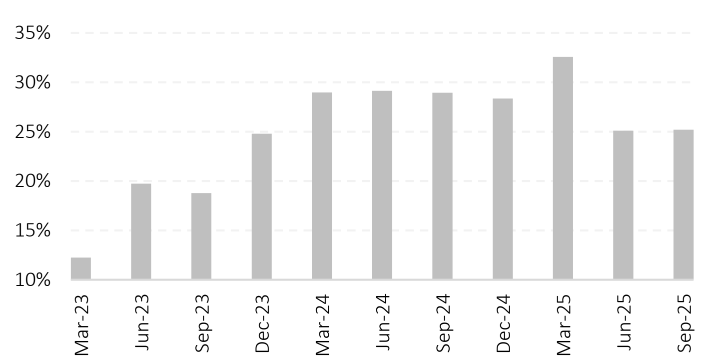
Launch of new four-wheeler models – TANK-500 & Cannon Alpha

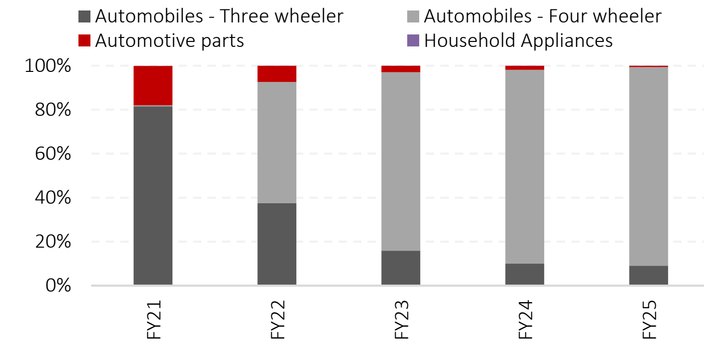
SAZEW is set to expand its lineup with the launch of two new plug-in hybrid models **(TANK 500 and Cannon Alpha)** by March 2026, both assembled locally in CKD format to optimize costs and pricing. The TANK 500 enters the luxury SUV space with a 2.0L turbocharged hybrid engine, 4x4 capability, and a city fuel average of 10 kilometers per liter, offering a 62% price advantage over the Toyota Land Cruiser. Meanwhile, the Cannon Alpha targets the hybrid pickup segment with an expected price of PKR 19.3mn, designed to meet the needs of both commercial users and lifestyle buyers. Together, these models introduce advanced drivetrain technology and fuel efficiency to segments traditionally dominated by diesel imports, reshaping consumer expectations and expanding the range of electrified options in Pakistan's auto market.

Gross Margin Trend



Source: Company Accounts, BMA Research

Revenue Mix



Source: Company Accounts, BMA Research

Strategic push into the EV and PHEV segments

Sazgar's move into electrified mobility reflects Pakistan's broader policy goals, which aim for significant EV adoption by 2030. With limited charging infrastructure, plug in hybrids offer a practical bridge, combining electric range with petrol backup. Their affordability and efficiency make them a smart choice for consumers navigating the transition to cleaner transport.

Elevated margins to stabilize but remain higher than peers

SAZEW reported a **gross margin of 25% in 1QFY26**, maintaining its lead over INDU and HCAR, which posted 17% and 9%, respectively. While margins have come off from last year's peak of 29%, the company continues to outperform the sector, supported by its focused presence in the SUV segment and operational discipline. With the New Electric Vehicle levy now in effect and AIDEP incentives set to expire in FY26, margins are expected to normalize to 20% over the medium term. Even at these levels, SAZEW's profitability remains stronger than peers, and its positioning in a relatively less price-sensitive segment provides **resilience against demand volatility and pricing pressure**.

Market leadership and export growth in three-wheeler

SAZEW maintained its dominance in the three-wheeler segment with FY25 volumes reaching 24,700 units, marking a 58% YoY increase. Market share rose from 30% in FY20 to over 71% in FY25, supported by consistent product quality and a strong portfolio. On the export front, sales have grown at a 5-year CAGR of 15% and volumes expanded at an 18% CAGR, with new markets like the Philippines, Mexico, and Afghanistan set to join its existing footprint across 25 countries. This expansion supports revenue diversification and reinforces SAZEW's leadership in affordable urban mobility.

Valuation

We have used a Discounted Cash Flow (DCF) valuation methodology to calculate the fair value of the company. We have assumed a risk-free rate of 12%, and an equity risk premium of 6% and a beta of 1.12. Using a terminal growth rate of 3.0%, our **June 2026 target price arrives at PKR 2,626/share**, offering a **potential upside of 45%.**

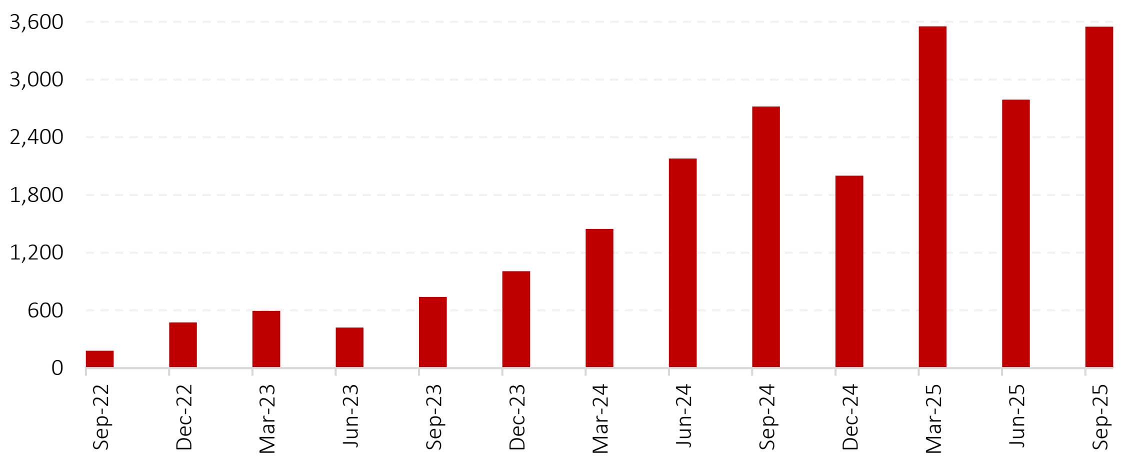
Key risks

(i) Lower than estimated sales, (ii) currency fluctuations, (iii) increase in inflation, (iv) regulatory changes and (v) surge in market competition.

Strengthening brand appeal of "HAVAL"

HAVAL's rise in the hybrid SUV market: SAZEW reshaped Pakistan's SUV landscape by launching the country's first locally assembled hybrid electric vehicle (HEV) in late 2022, well ahead of its peers. This early entry allowed SAZEW to capture unmet demand in the premium SUV space, where consumer appetite for fuel-efficient, tech-forward vehicles was rising but underserved. HAVAL's success wasn't just about timing, it reflected SAZEW's ability to deliver global-quality products at competitive prices, backed by strong after-sales support and brand visibility. Even as rivals like Toyota, Hyundai, and MG have since entered the HEV segment, HAVAL continues to outperform, with over 21,800 units sold to date, signaling deep market penetration and brand loyalty in a fast-evolving category. Looking forward, sales are expected to maintain strong momentum, with monthly volumes likely to surpass **1,100 units on average throughout FY26.**

HAVAL's Sales Volume Trend (Units)



Source: PAMA and BMA Research

H6 PHEV: Elevating HAVAL's electrified lineup: Building on this momentum, SAZEW launched the HAVAL H6 Plug in Hybrid Electric Vehicle (PHEV) in August 2025, marking a significant step forward in its electrification strategy. Offered at an ex-factory price of PKR 12.90mn, the H6 PHEV features a Hi4 1.5L turbocharged engine with all-wheel drive, delivering up to 360 horsepower and a combined range exceeding 1,000 kilometers. This launch positions HAVAL at the forefront of Pakistan's plug in hybrid SUV segment, directly competing with MG HS PHEV and recently entrant JAECOO J7 PHEV in October 2025. While the HAVAL H6 has already established itself as a strong contender in the mid-size SUV market, only time will tell how the JAECOO J7 PHEV will perform and secure its place in the market.

Strengthening brand equity and urban reach: Beyond sales figures, HAVAL's growing brand equity is reflected in its expanding customer base and rising visibility across digital and retail channels. SAZEW has grown its dealership footprint to over 20 outlets nationwide, including flagship showrooms in Karachi, Lahore, and Islamabad, ensuring strong physical presence in key urban markets. On the digital front, HAVAL has launched impactful campaigns such as **"Go with more"** and **"Drive the Future"**, along with promotions led by influencers on Instagram and YouTube. These efforts have significantly boosted brand awareness and consumer engagement. The company has also invested in after sales service infrastructure and localized marketing efforts, which have helped build trust and familiarity with the brand. Moreover, HAVAL's positioning as a tech forward, fuel efficient SUV resonates strongly with urban buyers seeking a premium yet practical mobility solution. This alignment with evolving consumer aspirations continues to reinforce HAVAL's status as a leading name in the hybrid SUV space.

Comparison of HAVAL H6 PHEV with Other PHEV Competitors

Description	SAZEW HAVAL H6 PHEV	MG HS PHEV	JAECOO J7 PHEV
Price (PKR mn)	12.90	9.90	9.99
Body Type	SUV	SUV	SUV
Engine Type	PHEV	PHEV	PHEV
Displacement (cc)	1,497	1,498	1,499
LxWxH (mm)	4,703 x 1,886 x 1,730	4,610 x 1,875 x 1,685	4,500 x 1,865 x 1,670
Kerb Weight (KG)	1,770	1,775	2,210
Fuel Tank Capacity (L)	37	55	60
Horsepower	360 HP	267 HP	342 HP
Torque (Nm)	480	760	525
Gearbox	1 - speed	10 - speed	1 - speed
Mileage (City)	56 KM/L	52 KM/L	16 KM/L
Mileage (Highway)	14 KM/L	15 KM/L	20 KM/L
Max Speed	200 KM/H	190 KM/H	180 KM/H
Seating Capacity	5 persons	5 persons	5 persons
No. of Cylinders	4	4	4
No. of Airbags	6	6	8
Sunroof	✓	×	✓

Source: Pak-Wheels, BMA Research

	Sales (PKR mn)		Units Sold	
	Three-Wheeler	Four-Wheeler	Three-Wheeler	Four-Wheeler
FY21	3,286	22	15,665	-
FY22	3,857	5,660	15,683	467
FY23	2,889	14,755	9,381	1,826
FY24	5,778	50,807	15,014	5,374
FY25	9,825	98,167	25,786	10,889

Source: Company Account, BMA Research

Ongoing infrastructure and capacity expansion in the four-wheeler segment

SAZEW has announced a PKR 11.5bn investment plan to double its four-wheeler production capacity from 24,000 to 48,000 units annually by March 2026. Current output stands at approximately 60 units per day, translating to a monthly run rate of approximately 1,320 units. Post-expansion, the company expects to reach 100 units per day, equivalent to 2,200 units per month. Planned infrastructure upgrades include new manufacturing and assembly lines, expansion of the paint shop, warehousing development, and installation of a 5.7 MW solar power system. Management has indicated that the project will be funded through **internally generated cash flows**.

The initiative is aligned with expected regulatory incentives under the New Energy Vehicle (NEV) policy, which may include tariff reductions and tax relief on localized components. SAZEW's investment is expected to improve operational efficiency and cost competitiveness through higher localization and scale. These factors are likely to translate into stronger volume growth and improved asset utilization.

Launch of new four-wheeler models – TANK-500 & Cannon Alpha

SAZEW is set to launch two new plug-in hybrid electric vehicles (PHEVs), the TANK-500 and Cannon Alpha by Mar26, both in CKD format. This marks the company's entry into Pakistan's premium SUV and pickup segments, expanding its footprint in the electrified vehicle market. The CKD strategy enables cost efficiencies through reduced duties and supports competitive pricing. These launches align with SAZEW's broader NEV roadmap and complement its existing hybrid offerings, positioning the company to capture early-mover advantage in high-margin categories with limited domestic competition.

Tank 500 HEV competitive Snapshot: The TANK 500 HEV represents SAZEW's entry into the full-size luxury SUV segment, combining a 2.0L turbocharged engine with a plug-in hybrid drivetrain and 4x4 capability. Designed for high income urban buyers, the model offers a mix of performance, off road versatility, and fuel efficiency. While the Toyota Land Cruiser remains the dominant player in this category, it lacks a hybrid variant, giving the TANK 500 a clear technological edge. Priced at PKR 45mn ex-factory, the TANK 500 is offered at a 62% discount to the Land Cruiser, positioning it as a value driven alternative for buyers seeking premium features with a cheaper price tag.

In addition to pricing, the TANK 500 delivers superior fuel economy, with a city driving average of 10 kilometers per liter, double that of the Land Cruiser's 5 kilometers per liter. Its hybrid powertrain also enables quicker acceleration and smoother torque delivery, enhancing the driving experience across both urban and rugged terrains. These attributes, combined with localized assembly and expected NEV policy incentives, make the TANK 500 a strategically differentiated product. It is well positioned to capture market share in a segment traditionally dominated by high cost, fuel intensive imports, while supporting SAZEW's margin expansion and brand elevation.

Comparison of Tank 500 HEV with other Players

Description	SAZEW Tank 500 HEV	INDU Land Cruiser 300
Price (PKR mn)	45.00	120.00
Body Type	SUV	SUV
Engine Type	Hybrid	Petrol
Displacement (cc)	1,998	3,445
LxWxH (mm)	5,078 x 1,934 x 1,905	4,985 x 1,980 x 1,905
Kerb Weight (KG)	2,810	3,230
Fuel Tank Capacity (L)	75	110
Horsepower	346 HP	409 HP
Torque (Nm)	648	650
Gearbox	9 - speed	10 - speed
Mileage (City)	10 KM/L	5 KM/L
Mileage (Highway)	15 KM/L	8 KM/L
Max Speed	200 KM/H	240 KM/H
Seating Capacity	7 persons	7 persons
No. of Cylinders	6	4
No. of Airbags	6	13

Source: Pak-Wheels, BMA Research

Cannon Alpha PHEV Competitive snapshot: The Cannon Alpha is SAZEW's upcoming hybrid pickup, designed to serve both commercial fleet operators and lifestyle buyers. It enters a segment with limited electrified options, where most competitors such as the JAC T9, Isuzu D Max, and Toyota Revo rely on conventional diesel drivetrains. The BYD Shark 6, a plug-in hybrid pickup, is currently the only electrified rival in this space. However, SAZEW's localized CKD strategy allows the Cannon Alpha to be offered at a more competitive price point, with an expected ex-factory price of approximately PKR 19.3mn.

This pricing positions the Cannon Alpha to serve light commercial vehicle users across urban and semi urban markets, offering a compelling mix of affordability, fuel efficiency, and off-road capability. Its hybrid drivetrain delivers lower fuel costs and reduced emissions, making it a differentiated and forward looking alternative in a traditionally diesel dominated segment. The launch is expected to broaden SAZEW's product portfolio, support earnings growth, and enhance competitiveness in Pakistan's evolving pickup and LCV landscape.

Comparison of Cannon Alpha with Other Players

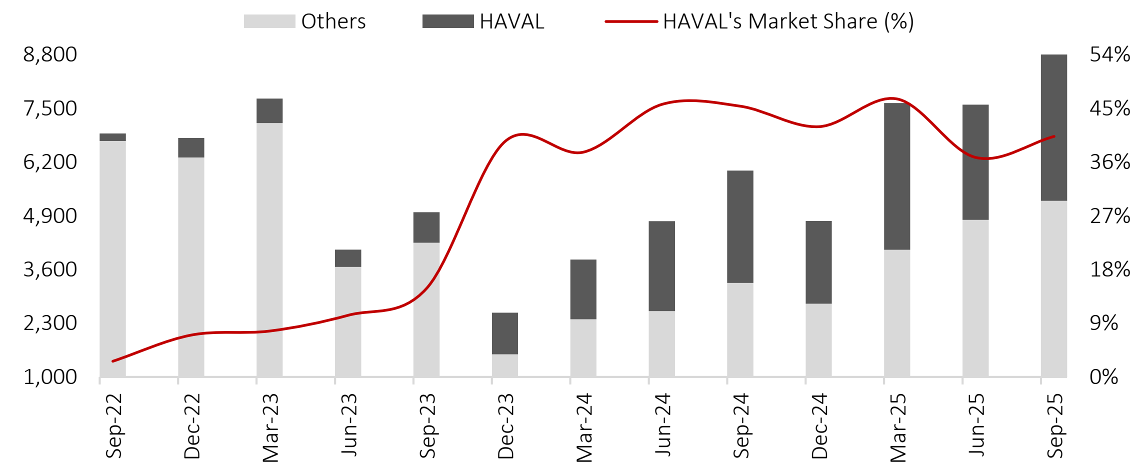
Description	SAZEW Cannon Alpha	INDU Hilux Revo	BYD Shark 6
Price (PKR mn)	19.30	14.87	19.95
Body Type	Double Cabin	Double Cabin	Double Cabin
Engine Type	Hybrid	Diesel	Hybrid
Displacement (cc)	1,998	2,755	1,497
LxWxH (mm)	5,445 x 1,991 x 1,924	5,325 x 1,855 x 1,815	5,457 x 1,971 x 1,925
Kerb Weight (KG)	-	2,060	2,710
Fuel Tank Capacity (L)	80	80	60
Horsepower	402 HP	201 HP	-
Torque (Nm)	648	500	-
Gearbox	-	6 - speed	1 - speed
Mileage (City)	-	9 KM/L	30 KM/L
Mileage (Highway)	-	11 KM/L	13 KM/L
Max Speed	-	200 KM/H	180 KM/H
Seating Capacity	5 persons	5 persons	5 persons
No. of Cylinders	-	4	4
No. of Airbags	7	3	7

Source: Pak-Wheels, BMA Research

Strategic push into the EV and PHEV segments

Sazgar's strategic focus on electrified mobility aligns with Pakistan's long term policy vision. According to the Pakistan Institute of Development Economics (PIDE), the country aims for 10% of all new four-wheeler and 25% of new two and three-wheeler to be electric by 2030, rising to 50% and 75%, respectively by 2040. To support these goals, PIDE recommends lowering customs duties on electric vehicle components to stimulate local production and setting export targets of 10% for electric vehicles and 5% for auto parts by 2030, with a long-term ambition of reaching 50% exports by 2040. However, with fewer than 50 public charging stations nationwide, full electrification remains a challenge. This is where plug in hybrids offer a practical bridge, combining electric range for daily commutes with petrol backup for longer drives, effectively addressing range anxiety. The minimal pricing gap between hybrid and plug in hybrid models further strengthens their appeal, making plug in hybrids a more accessible and efficient choice for Pakistani consumers. By leaning into this segment, Sazgar is not just responding to current limitations, it is shaping the next phase of Pakistan's automotive evolution, where electrification is driven by practicality, not just policy.

HAVAL's Market Share in the SUV Segment

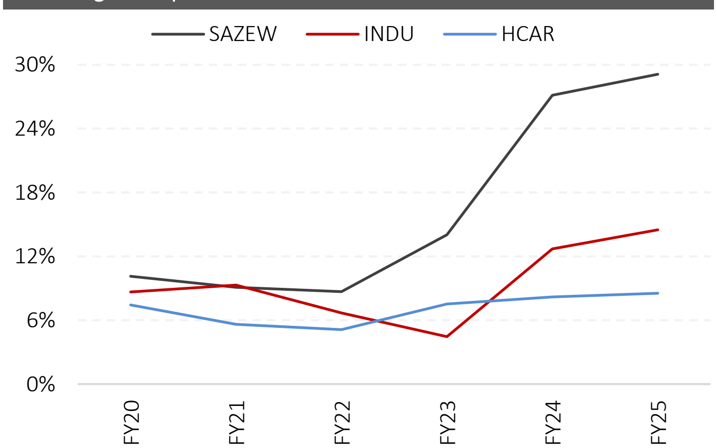


Source: PAMA and BMA Research

Elevated margins to stabilize but still remain higher than peers

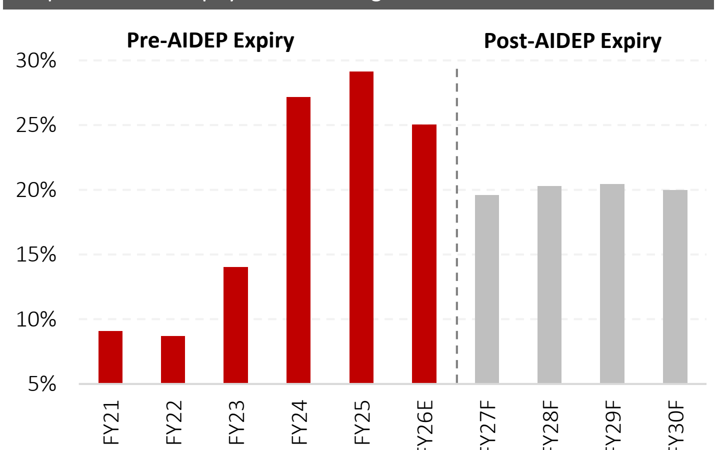
SAZEW reported a gross margin of 25% in 1QFY26, significantly ahead of INDU at 17% and HCAR at 9%. Although margins have eased from the FY25 peak of 29 %, the company continues to outperform due to its SUV-focused portfolio and operational discipline. With the New Electric Vehicle levy now active and AIDEP incentives expiring in FY26, margins are expected to normalize to 20%. Even at these levels, it's well above industry averages, supported by SAZEW's presence in a less price sensitive segment.

GP Margin Comparison With Peers



Source: Company Accounts, BMA Research

Impact of AIDEP Expiry on Gross Margins



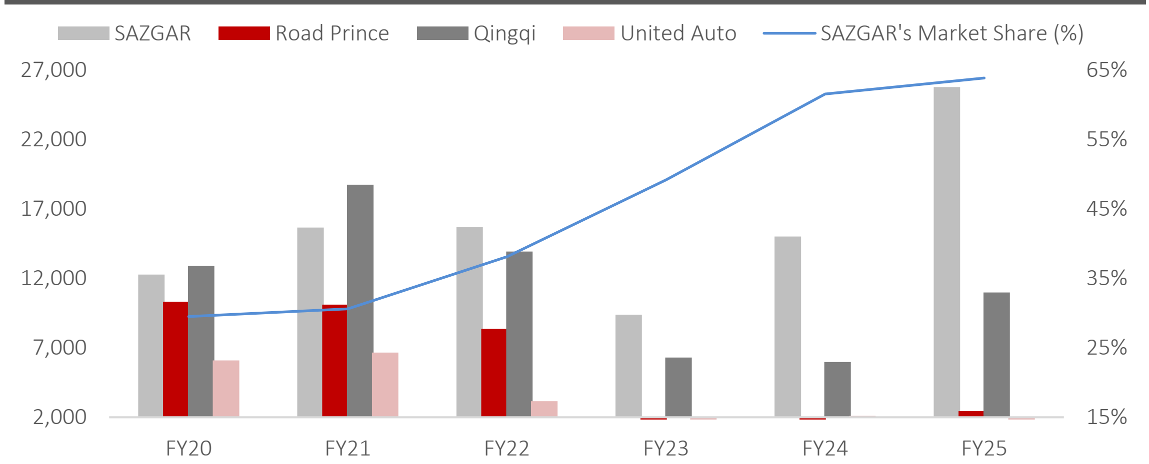
Source: Company Accounts, BMA Research

Market leadership and export growth in three-wheeler

SAZEW's grip on the three-wheeler market remains unmatched, with FY25 volumes reaching 24,700 units, a 58% YoY surge, driven by easing inflation and a more stable macro backdrop. The company commands a dominant 70% market share, with expectations to hold steady around 60-65%, going forward. This leadership has been built over years through consistent product quality, brand strength, and a deep portfolio that has helped SAZEW grow its share from just 30% in FY20 to over 70% in FY25. Sales have grown at a **5-year CAGR of 15%,** supported by new model introductions and improving demand dynamics.

SAZEW is actively expanding its export footprint for three-wheeler, with plans to enter new markets including the Philippines, Mexico, and Afghanistan, building on its existing presence in 25 countries, including Japan. These regions offer strong potential for affordable urban mobility solutions, aligning well with SAZEW's product strengths. The company's export volumes have already **grown at a 5-year CAGR of 18.0%**, and this next wave of expansion could further diversify revenue streams and reduce reliance on domestic demand. While four-wheeler exports remain off the table due to pricing gaps and lack of subsidies, SAZEW's disciplined focus on viable markets and segments reinforces its strategic clarity and long-term growth potential.

SAZEW's Market Share in the Three-Wheeler Segment



Source: PAMA and BMA Research

Valuation

We have used Discounted Cash Flow (DCF) valuation methodology to calculate the fair value of the company. We have assumed a risk-free rate of 12%, and an equity risk premium of 6% and a beta of 1.12. Using a terminal growth rate of 3.0%, our Jun26 target price arrives at **PKR 2,626/share, offering a potential upside of 51%.**

The stock is currently trading at FY26E PE of 6.4x and FY27F PE of 6.9x, as compared to its 5-year average PE of 35.9x, representing a discount of 82% and 81%, respectively.

Key risks

Currency fluctuations: SAZEW's reliance on imported CKD kits from China makes it vulnerable to exchange rate swings. Every dip in the Pakistani rupee translates into higher input costs, but with limited pricing flexibility in a cost-conscious market, the company often absorbs the hit, compressing margins.

Increase in inflation and interest rate: Increase in inflation and interest rate poses a substantial risk. Higher inflation erodes the purchasing power of consumers and aggressive interest rate increase would lead to expensive auto-financing options, potentially decreasing overall market demand. Additionally, inflation drives up the cost of raw materials, labor, and other operational expenses, further squeezing profit margins and putting additional pressure on the company's bottom line.

Regulatory changes: Policy shifts, especially hikes in duties or taxes on raw materials and finished goods, can quickly erode margins.

Surge in market competition: The SUV segment is heating up. New entrants, aggressive hybrid rollouts, and evolving consumer preferences are reshaping the landscape. SAZEW must defend its turf not just with volume, but with innovation and brand strength.

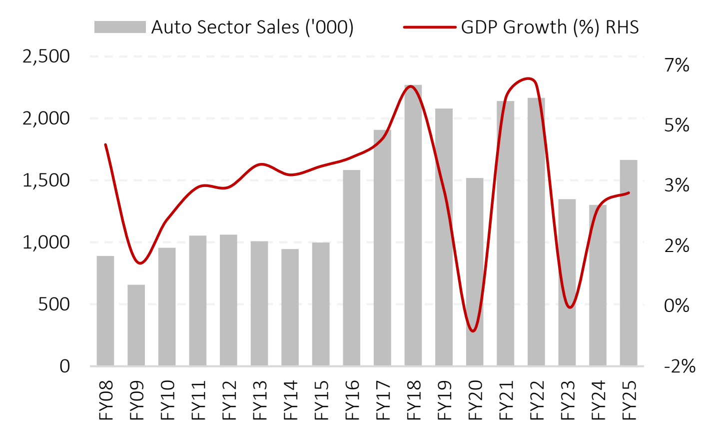
Supply chain disruptions: Poor availability of raw materials causes significant supply chain disruptions leading to stall production and delay deliveries. In a market where timing is everything, even minor setbacks can ripple into missed targets and lost momentum.

Automobile sector

Pakistan's automobile sector stands as a vital pillar of the country's industrial framework, contributing significantly to employment, technological progress, and infrastructure development. Recent policy shifts encouraging local manufacturing and electric vehicle adoption have injected fresh momentum into the industry. Despite years of economic headwinds and import restrictions, the sector shows strong recovery potential. In FY25, the sector recorded a remarkable 43% YoY growth, driven by improved macroeconomic conditions, rising consumer confidence, and policy support.

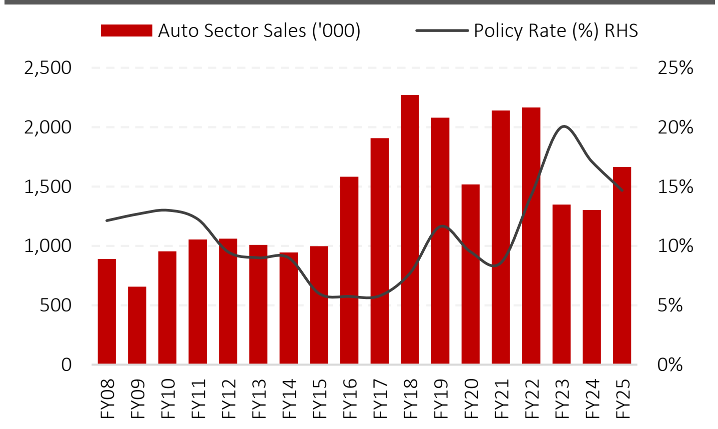
Auto financing has emerged as a key enabler of vehicle ownership, particularly for middle- and lower-income groups. With interest rates easing to 11%, financing volumes are climbing again after a prolonged slump. Outstanding auto loans, which had dropped sharply over the past two years, are now showing signs of recovery. If the State Bank of Pakistan raises the financing cap from PKR 3mn to PKR 6mn, as speculated, it could unlock further demand and make vehicles more accessible. Meanwhile, the competitive landscape has shifted dramatically since the Auto Policy 2016–21, with new entrants and a surge in SUV and EV offerings reshaping consumer preferences. The upcoming EV policy is expected to accelerate this transition, attracting global brands eager to tap into Pakistan's evolving mobility market.

Auto Sector Performance vs. GDP Growth



Source: PAMA, PBS and BMA Research

Auto Sector Performance vs. Policy Rate



Source: PAMA, SBP and BMA Research

About company

Sazgar Engineering Works Limited (SAZEW), incorporated in 1991 and listed in 1994, is a leading player in Pakistan's automotive industry. The company operates across multiple segments, including three-wheelers, four-wheelers and auto parts. Initially dominant in the three-wheeler market with over 70% share, SAZEW diversified into four-wheelers in 2021 by introducing Chinese brands BAIC and Great Wall Motors (GWM), followed by the launch of HAVAL SUVs and hybrids in 2022.

By 2022, SAZEW began CKD assembly for localized SUV production and later expanded into HEVs and PHEVs to meet demand for fuel-efficient vehicles. Its Lahore-based facility serves as the main production hub, supported by 50 plus three-wheeler agents and 20 plus four-wheeler dealerships nationwide. With a focus on localization, product diversification, and exports to markets like Japan, the Philippines, Mexico, and Afghanistan, SAZEW is well-positioned in Pakistan's evolving auto landscape.

Sazgar Engineering Works Limited (SAZEW) - Financial Projections

Income Statement	FY24A	FY25A	FY26E	FY27F	FY28F
Net Sales	57,642	108,694	132,444	161,382	188,032
Cost of Sales	41,996	77,052	99,278	129,777	149,909
Gross Profit	15,646	31,642	33,166	31,605	38,122
Distribution Expenses	1,811	3,474	3,754	3,829	3,905
Admin Expenses	383	561	672	717	764
Other Income	832	1,355	1,494	1,539	1,585
Other Charges	1,000	1,993	2,076	2,118	2,160
Finance Cost	169	230	256	261	266
Profit before taxation	13,115	26,739	27,903	26,219	32,612
Taxation	5,180	10,403	10,882	10,225	12,719
Profit After Taxation	7,936	16,336	17,021	15,993	19,893
EPS	**131.3**	**270.3**	**281.6**	**264.6**	**329.1**
DPS	**20.0**	**52.0**	**56.9**	**47.8**	**56.0**
Balance Sheet					
Non-Current Asset	4,608	8,024	9,297	10,878	12,799
Current Asset	24,618	33,711	54,297	72,748	92,078
Total Assets	29,226	41,735	63,593	83,626	104,877
Equity	10,104	23,707	37,290	50,396	66,902
Non-Current Liabilities	876	943	943	943	943
Current Liabilities	18,246	17,085	25,361	32,287	37,032
Total Equity & Liabilities	**29,226**	**41,735**	**63,593**	**83,626**	**104,877**
Ratios					
Gross Margin	27%	29%	25%	20%	20%
EBITDA Margin	24%	26%	22%	17%	18%
Net Margin	14%	15%	13%	10%	11%
ROE	122%	97%	56%	36%	34%
ROA	43%	46%	32%	22%	21%
P/E	6.3	4.2	6.5	6.9	5.6
P/S	0.3	0.6	0.9	0.7	0.6
EV/EBITDA	0.7	1.7	2.9	2.6	1.7

Source: Company Accounts, PSX, BMA Research

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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.)