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## SAZEW: 3QFY26 EPS clock in at PKR 106.5, up by 3% YoY, DPS PKR 20

**Sazgar Engineering Works Limited**

PSX: SAZEW | Bloomberg: SAZEW PA | Reuters: SAEW.PSX

- SAZEW announced its 3QFY26 results today, where the company reported an EPS of PKR 106.5, up by 3% YoY. This takes 9MFY26 EPS to PKR 246, up 16% YoY. Along with the result, the company announced an interim cash dividend of PKR 20/share. This takes 9MFY26 interim cash dividend to PKR 50/share.
- Net sales for 3QFY26 clocked in at PKR 47.3bn, reflecting 29% YoY and 39% QoQ increase. This is primarily driven by strong demand for four-wheelers, with sales clocking in at 5,420 units in 3QFY26, reflecting a 48% YoY growth and a 7% QoQ increase.
- Three-wheeler sales clocked in at 9,024 units in 3QFY26, increasing by 25% YoY and 78% QoQ.
- Gross margins for 3QFY26 clocked in at 26.8%, down by 6 ppts YoY.
- We maintain our 'BUY' recommendation on the stock based on our Dec'26 target price (TP) of PKR 2,850/share, which provides a capital upside of 28% along with a dividend yield of 3%.

### Key Data

PSX Ticker	SAZEW
Target Price (PKR)	2,850
Current Price (PKR)	2,233
Upside/(Downside) (%)	28%
Dividend Yield (%)	3%
Total Return (%)	31%
12-month High (PKR)	2,487
12-month Low (PKR)	1,060
Outstanding Shares (mn)	78.6
Market Cap (PKR mn)	132,265

Source: PSX, Akseer Research

Financial Estimates (PKR mn)	3QFY25	3QFY26	YoY	9MFY25	9MFY26	YoY
Sales	36,738	47,356	29%	81,434	115,202	41%
Cost of goods sold	24,768	34,661	40%	56,636	85,758	51%
<b>Gross profit</b>	<b>11,970</b>	<b>12,696</b>	<b>6%</b>	<b>24,799</b>	<b>29,444</b>	<b>19%</b>
Distribution and Marketing cost	1,065	1,737	63%	2,573	4,171	62%
Administrative expenses	189	279	47%	447	744	66%
<b>Operating expenses</b>	<b>1,253</b>	<b>2,016</b>	<b>61%</b>	<b>3,020</b>	<b>4,915</b>	<b>63%</b>
<b>Operating Profit</b>	<b>10,717</b>	<b>10,680</b>	<b>0%</b>	<b>21,779</b>	<b>24,529</b>	<b>13%</b>
Other Income	299	761	155%	1,035	1,984	92%
Other operating expense	759	766	1%	1,569	1,802	15%
<b>Operating profit before finance cost</b>	<b>10,256</b>	<b>10,674</b>	<b>4%</b>	<b>21,245</b>	<b>24,711</b>	<b>16%</b>
Finance cost	52	102	98%	201	301	50%
<b>Profit before taxation</b>	<b>10,205</b>	<b>10,572</b>	<b>4%</b>	<b>21,044</b>	<b>24,410</b>	<b>16%</b>
Taxation/Levies	3,975	4,134	4%	8,187	9,531	16%
<b>Profit after taxation</b>	<b>6,230</b>	<b>6,438</b>	<b>3%</b>	<b>12,856</b>	<b>14,879</b>	<b>16%</b>
EPS	103	106.5	3%	213	246	16%
DPS	12	20	67%	32	50	56%

Source: Company Accounts, Akseer Research

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Hold	Between -5% and +15%
Sell	Less than or equal to -5%

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