

Flash Note

Monday, August 28, 2023

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Automobile Assemblers

Indus Motor Company Limited (INDU)

Earnings: Indus Motor Company Limited (INDU) announced its 4QFY23, financial result. The company reported earnings of PKR 3.8bn (PKR 48.6/share) compared to same period last year of PKR 0.5bn (PKR 6.5/share), up by +7.5xy/y. This brings total loss for FY23 to PKR 9.7bn (PKR 123.0/share) compared to PKR 15.8bn (PKR 201.0/share) in the same period last year.

Dividend/Payout: The Company announced cash dividend of PKR 29.0/share along with the result bringing total cash payout to PKR 71.8/share for FY23.

Operating Performance: During the period under review, company reported net sales of PKR 42.7bn (down 41%/y/y). Company reported gross profit of PKR 7.7bn or 4% gross margins, up by +9.3xy/y compared to PKR 0.8bn or 1% gross margin in the similar period last year. Gross margins improved owing to higher vehicle prices and favorable exchange rate movement. Other income clocked in at PKR 2.5bn during 4QFY23 down by 51%/y/y likely owing to lower advances from customers. Finance Cost dropped by 38%/y/y during 4QFY23. Effective tax rate stood at 53% during 4QFY23 compared to 88% in the same period last year bringing total effective tax rate for FY23 to 42% (FY22: 38%).

Exhibit: Financial highlights Indus Motor Company Limited (INDU)										
Financial Result for period: 4q23										
PKRbn	2023	4q23	3q23	2q22	1q22	2022	4q22	3q22	2q21	1q21
Net Sales	177.7	42.7	48.2	49.6	37.2	275.5	72.1	68.2	69.6	65.6
Gross Profit	7.9	7.7	3.0	(0.5)	(2.4)	18.4	0.8	5.2	5.3	7.1
Operating Profit	4.0	6.5	2.0	(1.4)	(3.2)	14.1	(0.7)	4.3	4.4	6.2
EBIT	2.8	5.7	1.8	(1.5)	(3.3)	12.6	(0.9)	3.9	4.0	5.7
Net Interest	14.0	2.5	3.0	3.4	5.1	12.8	5.2	3.2	2.5	2.0
Profit before Tax	16.8	8.2	4.8	1.9	1.8	25.5	4.3	7.1	6.4	7.7
Tax	7.1	4.4	1.6	0.6	0.5	9.7	3.8	1.9	1.7	2.3
Net Profit	9.7	3.8	3.2	1.3	1.3	15.8	0.5	5.1	4.7	5.4
EPS / (LPS)	123.0	48.6	40.9	16.9	16.5	201.0	6.5	65.1	60.4	69.0
DPS	71.80	29.00	24.40	10.20	8.20	93.75	3.25	26.00	30.00	34.50
Gross Margins	4%	18%	6%	-1%	-6%	7%	1%	8%	8%	11%
EBIT Margins	2%	13%	4%	-3%	-9%	5%	-1%	6%	6%	9%
Net Margins	5%	9%	7%	3%	3%	6%	1%	8%	7%	8%
Effective tax rate	42%	53%	34%	31%	29%	38%	88%	28%	26%	29%

Source: IGI Research, Company Financials

No. of Shares: 142.8mn

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