

# Flash Note

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Securities

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## Automobile Assemblers

### Pak Suzuki Motor Company Limited (PSMC)

**Earnings:** Pak Suzuki Motor Company Limited (PSMC) announced its 2QCY23, financial result. The company reported earnings of PKR 3.2bn (PKR 39.4/share) compared to same period last year of PKR 0.4bn (PKR 5.4/share), up by +7.3y/y. This brings total loss for 1HCY23 to PKR 9.7bn (PKR 117.6/share) compared to loss of PKR 0.02bn (PKR 0.2/share) in the same period last year.

**Dividend/Payout:** The Company did not announce any cash dividend along with the result. To note, the Company last announced dividend along with 4QCY21 financial result.

**Operating Performance:** During the period under review, company reported net sales of PKR 21.3bn (down 67%/y/y). Company reported gross profit of PKR 2.2bn or 10% gross margins, down by 24%/y/y compared to PKR 2.9bn or 4% gross margin in the similar period last year. Gross margins improved owing to higher vehicle prices and favorable exchange rate movement. Net interest income clocked in at PKR 3.4bn during 2QCY23 as Company report Finance income of PKR 2.7bn. Other income dropped by 30%/y/y likely owing to lower advances from customers. Effective tax rate stood at 28% during 2QCY23 compared to 68% in the same period last year.

Exhibit: Financial highlights Pak Suzuki Company Limited (PSMC)								
Financial Result for period: 2q23								
PKRbn	2q23	1q23	2022	4q22	3q22	2q22	1q22	2021
Net Sales	21.3	21.8	202.5	60.0	29.8	64.9	47.7	193.5
Gross Profit	2.2	2.0	11.7	5.9	1.6	2.9	1.3	14.9
Operating Profit	1.1	0.2	5.5	4.2	0.3	1.2	(0.1)	10.2
EBIT	1.1	0.2	5.5	4.2	0.3	1.1	(0.1)	9.6
Net Interest	3.4	(12.8)	(8.6)	(4.6)	(3.8)	0.2	(0.5)	3.9
Profit before Tax	4.5	(12.6)	(3.1)	(0.4)	(3.5)	1.4	(0.6)	13.5
Tax	1.3	0.3	3.2	3.4	(1.0)	1.0	(0.2)	4.0
Net Profit	3.2	(12.9)	(6.3)	(3.8)	(2.5)	0.4	(0.5)	9.5
<b>EPS / (LPS)</b>	<b>39.4</b>	<b>(156.9)</b>	<b>(77.0)</b>	<b>(46.5)</b>	<b>(30.2)</b>	<b>5.4</b>	<b>(5.6)</b>	<b>115.4</b>
<b>DPS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.5</b>
Gross Margins	10%	9%	6%	10%	5%	4%	3%	8%
EBIT Margins	5%	1%	3%	7%	1%	2%	0%	5%
Net Margins	15%	-59%	-3%	-6%	-8%	1%	-1%	5%
Effective tax rate	28%	n/a	n/a	n/a	n/a	68%	n/a	30%

Source: IGI Research, Company Financials

No. of Shares: 142.8mn

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