

Flash Note

Friday, 27 October 2017

Automobile Assembler

INDU: 1QFY18 Earnings up by +19%YoY to PKR 46.17/share owing to strong volumetric growth

- Indus Motor Company Limited (INDU) announced its financial result for 1QFY18 with earnings clocking in at PKR 3.63bn (EPS: PKR 46.17) up by +19%YoY as compared to PKR 3.05bn (EPS PKR 38.77) in the same period last year.
- The company also announced a cash dividend of PKR 30/share in-line with the payout ratio of 65%
- Overall net sales jumped by +21%YoY to PKR 31.2bn during the period supported by healthy sales of Corolla's new facelift model and Fortuner.
- Gross margins during the quarter crossed 17%, up by 121bps YoY owing to healthy sales in high margin segment.
- Distribution costs leaped up by +53%YoY to PKR311mn as compared to PKR 204mn in the same period last year.

Exhibit:

INDU Result Highlights

PKRmn (Period end=Jun)	1QFY18	1QFY17	YoY	4QFY17	QoQ
Net Sales	31,220	25,752	21%	27,928	12%
Cost Of Sales	25,777	21,573	19%	23,314	11%
Gross Profit	5,443	4,178	30%	4,614	18%
Selling & Dist.	311	204	53%	386	-19%
Admin.	279	221	27%	302	-8%
Operating Profit	4,850	3,752	29%	3,842	26%
Other Income	856	874	-2%	1,070	-20%
EBIT	5,321	4,308	24%	4,585	16%
Finance Cost	153	11	n.m.	164	-7%
Profit Before Tax	5,168	4,296	20%	4,421	17%
Taxation	1,539	1,249	23%	1,654	-7%
Profit After Tax	3,629	3,047	19%	2,767	31%

EPS (PKR)	46.17	38.77		35.21
DPS (PKR)	30.00	25.00		35.00

KEY RATIOS

Units sold (kUnits)	15.09	14.39	5%	14.17	6%
Gross Margins	17%	16%		17%	
Effective Tax Rate	30%	29%		37%	

SOURCE: IGI Research, Company accounts, PSX notifications

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