Day Break

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HINO: MY25 Management Call Takeaways

- Hinopak Motors Limited (HINO) held a corporate briefing session to discuss the MY25 financial results and provide key insights on the future outlook for the Company.
- The company posted a strong financial recovery in MY25. Turnover rose by 36%y/y to PKR 10.3bn, supported by higher volumes and improved pricing. Gross profit increased to PKR 1.3bn, lifting margins to 12.5% from 11.9% last year. After-tax profit stood at PKR 162mn (EPS: PKR 6.53), a notable turnaround from the net loss of PKR 131mn (LPS: PKR 5.29) in MY24.
- During the first quarter of MY26, revenues reached PKR 3.9bn, with gross margins expanding sharply to around 21%. This was driven by institutional sales of medium and heavy-duty trucks, which command higher profitability compared to the light truck segment.

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Key highlights from Corporate Briefing

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- Inventories climbed to PKR 5.8bn, largely reflecting preparations for new model launches, while PKR 76 million was invested in capital upgrades to support operational efficiency.

- During the first quarter of MY26, revenues reached PKR 3.9bn, with gross margins expanding sharply to around 21%. This was driven by institutional sales of medium and heavy-duty trucks, which command higher profitability compared to the light truck segment. However, management cautioned that this margin surge is temporary, as the sales mix is expected to shift back toward light commercial vehicles, which carry lower margins.

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- Market dynamics are increasingly shifting toward light-weight trucks, spurred by the growth of urban logistics. To capture this trend, HINO relaunched its LCV lineup with revised pricing and upgraded UNR-compliant safety features. While LCVs generate lower profitability, the Company aims to sustain margins by balancing its portfolio with continued institutional sales of medium and heavy vehicles alongside its renewed LCV offering.

- Industry-wide, the overall market grew by 71%y/y, rising from 2,527 units in Mar-24 to 4,330 units in Mar-25. Improved exchange rate stability and favorable pricing supported Company's performance, though high finance costs of PKR 247mn from short-term borrowings weighed on profitability.

- Looking ahead, management stressed that consistent government policies, political stability, and easing of import costs remain critical for industry growth. Despite the challenges, HINO remains cautiously optimistic, with a focus on sustainable expansion and operational readiness.

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