

# Flash Note

Monday, February 13, 2023



## Result announcement 2QFY23

### Automobile Assemblers

## Indus Motor Company Limited (INDU)

**Earnings:** Indus Motor Company Limited (INDU) announced its 2QFY23, financial result. The company reported earnings of PKR 1.3bn (PKR 16.9/share) compared to same period last year of PKR 4.7bn (PKR 60.4/share), down by 72%/y.

**Dividend/Payout:** The company announced a final cash dividend of PKR 10.2/share during the quarter, taking 1HFY23 total payout to PKR 18.4/share compared to PKR 64.5/share in 1HFY22.

**Operating Performance:** During the period under review, company reported net sales of PKR 49.6bn (down 29%/y). Moreover higher cost of goods, meant company's reported consecutive second quarter of gross loss of PKR 0.5bn or -1% gross margins, albeit overall loss was contained during the quarter compared to previous quarter. Similarly, company continue to post operating loss for third consecutive quarter to the tune of PKR 1.5bn (PKR 3.3bn in previous quarter). Other income amid rising interest rates jumped to PKR 3.4bn (up by 38%/y), which to an extent supported company's bottom line.

Exhibit: Financial highlights Indus Motor Company Limited (INDU)								
Financial Result for period: 2q23								
PKRbn	2q23	1q23	2022	4q22	3q22	2q22	1q22	2021
Net Sales	49.6	37.2	275.5	72.1	68.2	69.6	65.6	179.2
Gross Profit	(0.5)	(2.4)	18.3	0.8	5.2	5.3	7.1	16.7
Operating Profit	(1.4)	(3.2)	14.0	(0.8)	4.3	4.4	6.2	13.6
EBIT	(1.5)	(3.3)	12.6	(1.0)	3.9	4.0	5.7	12.8
Net Interest	3.4	5.1	12.8	5.2	3.2	2.5	2.0	5.4
Profit before Tax	1.9	1.8	25.4	4.2	7.1	6.4	7.7	18.2
Tax	0.6	0.5	9.7	3.8	1.9	1.7	2.3	5.4
Net Profit	1.3	1.3	15.7	0.4	5.1	4.7	5.4	12.8
<b>EPS</b>	16.9	16.5	<b>200.3</b>	5.7	65.1	60.4	69.0	<b>163.2</b>
<b>DPS</b>	10.20	8.20	<b>93.75</b>	3.25	26.00	30.00	34.50	<b>103.50</b>
Gross Margins	-1%	-6%	7%	1%	8%	8%	11%	9%
EBIT Margins	-3%	-9%	5%	-1%	6%	6%	9%	7%
Net Margins	3%	3%	6%	1%	8%	7%	8%	7%
Effective tax rate	31%	29%	38%	89%	28%	26%	29%	30%
Units	9,401	8,833	54,790	17,548	18,180	18,475	18,135	57,236
Source: IGI Research, Company Financials								
No. of Shares: 142.8mn								

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