



# 2024 Analyst Briefing 28<sup>th</sup> October, 2024



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# 2024 Analyst Briefing

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# 2024 Analyst Briefing

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## CREDIT RATING UPGRADE BY PACRA



Latest Rating announced on 01-Aug-2024

| Action     | Maintain |
|------------|----------|
| Long Term  | A+       |
| Short Term | A1       |
| Outlook    | Stable   |



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## PRODUCTS

- Tractors
- Motorcycle
- Passenger Car
- SUV / Crossovers
- Off The Road (OTR)
- Light Truck
- Truck / Bus (Bias)
- Rickshaw



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## CUSTOMERS



**HONDA**



**TOYOTA**



**SUZUKI**



**HYUNDAI**



Movement that inspires



**HINO**



**SUZU**



**FUSO**



Dewan Farooque Motors Limited



**NEW HOLLAND**



**MASSEY FERGUSON**



**DFSK**



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## BUSINESS HIGHLIGHTS

|                            | (Rs. in M) | 2024   | 2023   | Change |
|----------------------------|------------|--------|--------|--------|
| Net Sales                  |            | 20,538 | 15,019 | 37%    |
| Gross Profit               |            | 3,278  | 2,292  | 43%    |
| Gross Margin               |            | 16.0%  | 15.3%  |        |
| Finance Cost               |            | 1680   | 1292   | 30%    |
| Profit / (Loss) Before Tax |            | 496    | (194)  | 356%   |
| Profit / (Loss) After Tax  |            | 229    | (167)  | 237%   |
| EBITDA                     |            | 2,701  | 1,615  | 67%    |







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## PAYOUT

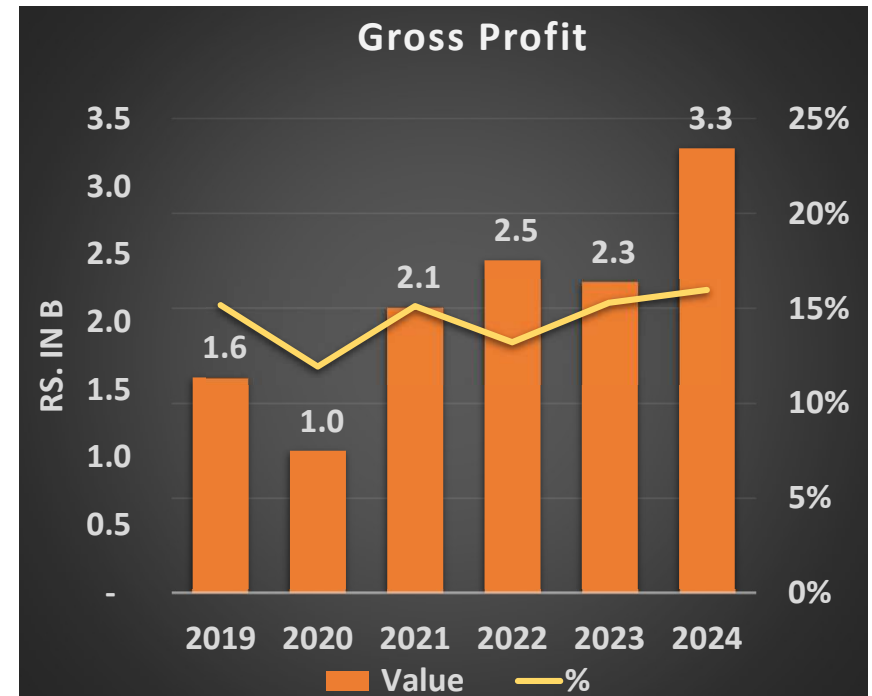
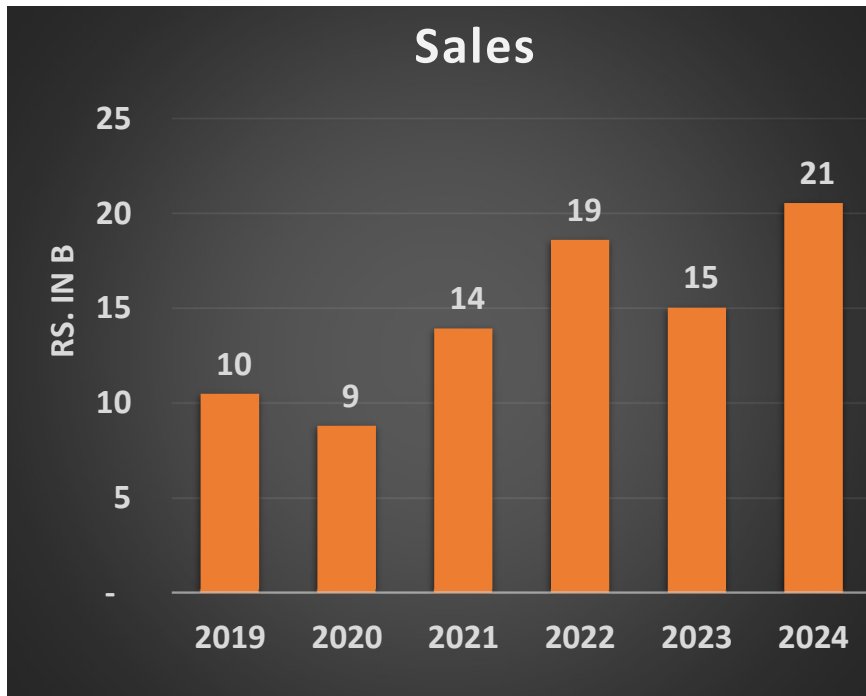
| Distribution  | 2024   | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---------------|--------|------|------|------|------|------|------|
| Cash Dividend | 18.7%* | -    | 30%  | -    | 5%   | -    | 60%  |
| Bonus         | -      | -    | -    | -    | -    | 20%  | 70%  |

\* Proposed dividend to be approved by shareholders



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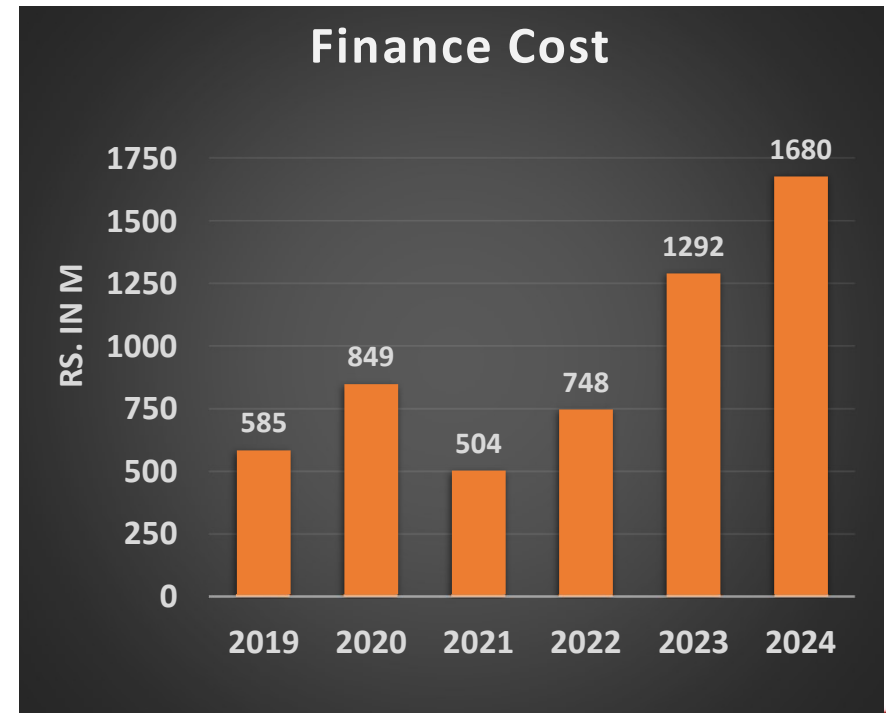
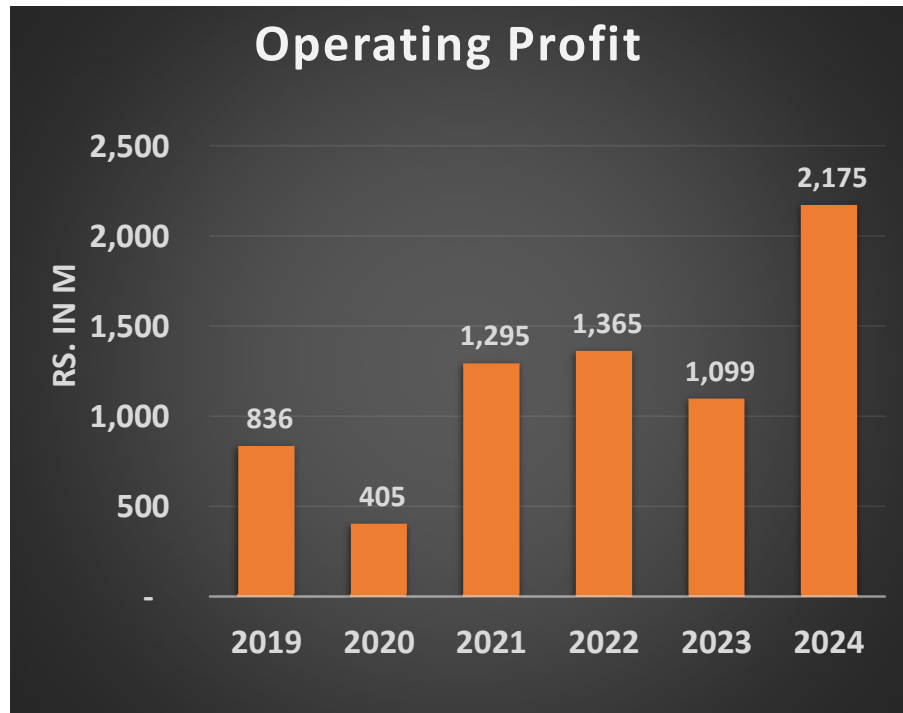
## BUSINESS HIGHLIGHTS





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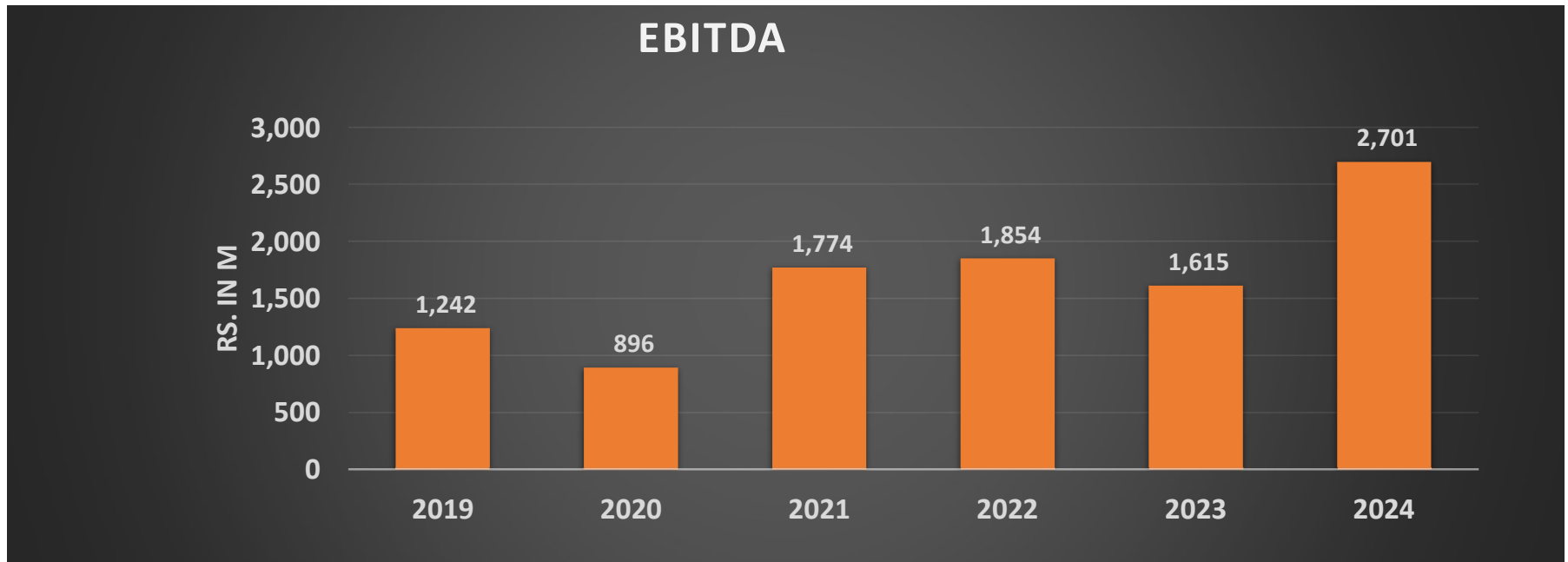
## BUSINESS HIGHLIGHTS





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## BUSINESS HIGHLIGHTS





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## BUSINESS HIGHLIGHTS

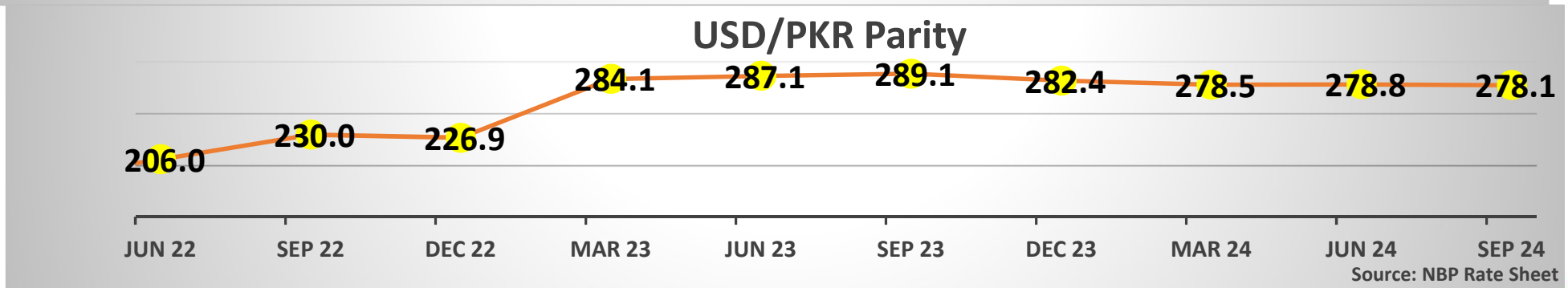
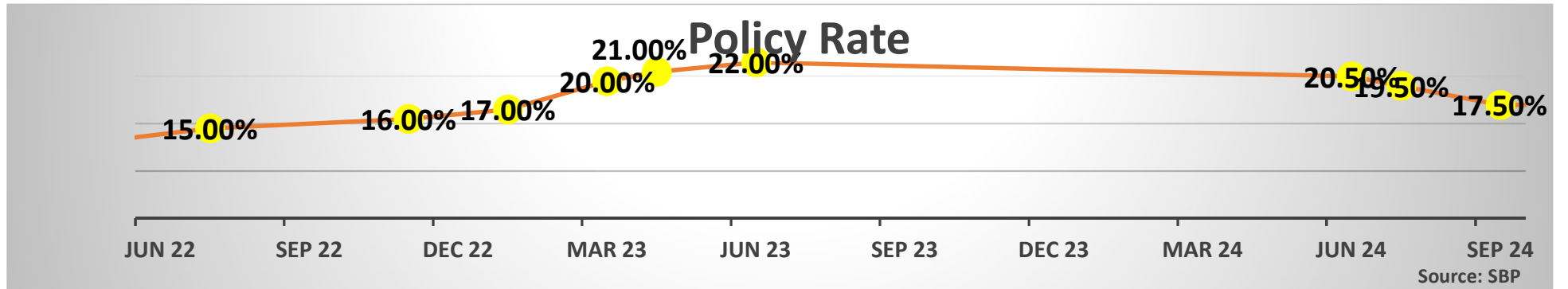
|                   | (Rs. in M) | 1Q 2025 | 1Q 2024 | Change |
|-------------------|------------|---------|---------|--------|
| Net Sales         |            | 3,865   | 4,842   | 20%    |
| Gross Profit      |            | 629     | 757     | 17%    |
| Gross Margin      |            | 16.3%   | 15.6%   |        |
| Finance Cost      |            | 393     | 414     | 5%     |
| Profit Before Tax |            | 29      | 141     | 79%    |
| Profit After Tax  |            | 21      | 70      | 70%    |





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## POLICY RATE AND EXCHANGE RATES





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## KEY HIGHLIGHTS OF 2023-24

- Historically high interest rate
- Slowdown of economy
- Stability of Pak Rupee
- Better crops supporting farmers and farm tyre sales
- Slow down/ non-production days of OEM plants
- Higher inflation
- Increase in fuel prices
- Significant increase in Electricity and Gas prices
- Increase in Smuggling
- Political instability



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## KEY INITIATIVES

- Solar Energy agreement with KE for up to 2MW
- 7 Years Technical Services Agreement with Shandong Huasheng Rubber Co. Ltd.
- Working to enhance export sales
- Participation in auto / tyre exhibitions in different countries
- Supplying Excavators and Off The Road (OTR) tyres in RM
- Increased focus on replacement market
- Started supplying Tyres for SUVs/crossover 17 inch to OEMs
- New designs for replacement market
- Production efficiencies and cost saving measures
- Official tyre partner of Peshawar Zalmi





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## FUTURE OUTLOOK

- IMF Agreement of US\$ 7 Billion.
- Government's initiative to curb smuggling
- Challenges of agriculture (low wheat prices, late sowing of Kharif product, low cotton production)
- Tractor Scheme by Government of Punjab
- Stability in Exchange rate
- Easing of monetary policy
  - Expected reduction in financial charges
  - Expected Increase in auto financing may gradually improve PCR OEM Sales.
- Expected increase in utility prices
- Focusing on exports to mitigate OEM sales
- Volatility in oil prices may impact raw material prices
- Capital expenditure required for mass production of SUV / Cross over tyres for OEM



Thank You



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