

# Flash Note

Wednesday, 25 April 2018

## Automobile Assembler

### PSMC: Earnings down by 31%YoY to PKR 0.91bn (EPS: PKR 10.99) for 1QCY18

- Pak Suzuki Motor Company Limited (PSMC) announced its financial result for 1QCY18 with earnings clocking in at PKR 0.91bn (EPS: PKR 10.99) down by 31%YoY as compared to PKR 1.31bn (EPS: PKR 15.88) in the same period last year.
- Net sales jumped by +32%YoY to PKR 31.5bn during the period supported by growth in volumes, up by +18%YoY.
- Gross margins for the quarter stood at 8%, down by 386bps YoY which we believe is attributed to exchange rate volatility (JPY appreciation and PKR depreciation) and increase in steel prices. However, on sequential basis, gross margins have remained relatively intact.
- Selling and distribution cost increased by +14%YoY to PKR 0.8bn during 1QCY18.

Exhibit:

#### PSMC 1QCY18 Result Highlights

PKRmn (Period end=Dec)	1QCY18	1QCY17	YoY	4QCY17	QoQ
Net Sales	31,511	23,891	32%	29,009	9%
Cost Of Sales	28,894	20,987	38%	26,747	8%
Gross Profit	2,617	2,904	-10%	2,262	16%
Selling & Dist.	804	707	14%	834	-4%
Admin.	498	321	55%	478	4%
Operating Profit	1,315	1,877	-30%	950	38%
Other Income	176	185	-5%	201	-12%
EBIT	1,393	1,922	-28%	1,070	30%
Finance Cost	73	28	n.m.	(72)	-201%
Profit Before Tax	1,320	1,894	-30%	1,145	15%
Taxation	415	587	-29%	416	0%
Profit After Tax	905	1,307	-31%	729	24%
EPS (PKR)	10.99	15.88		8.86	
DPS (PKR)	-	-		-	
<b>KEY INDICATORS</b>					
Units sold (kUnits)	44	37	18%	42	4%
Gross Profit Margins	8%	12%		8%	
Effective Tax Rate	31%	31%		36%	

SOURCE: IGI Research, Company accounts, PSX notifications No of shares(mn):82.3

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