



HINOPAK MOTORS LIMITED

CORPORATE BRIEFING SESSION

YEAR ENDED MARCH 31, 2023

Date: August 24, 2023

COMPANY OVERVIEW

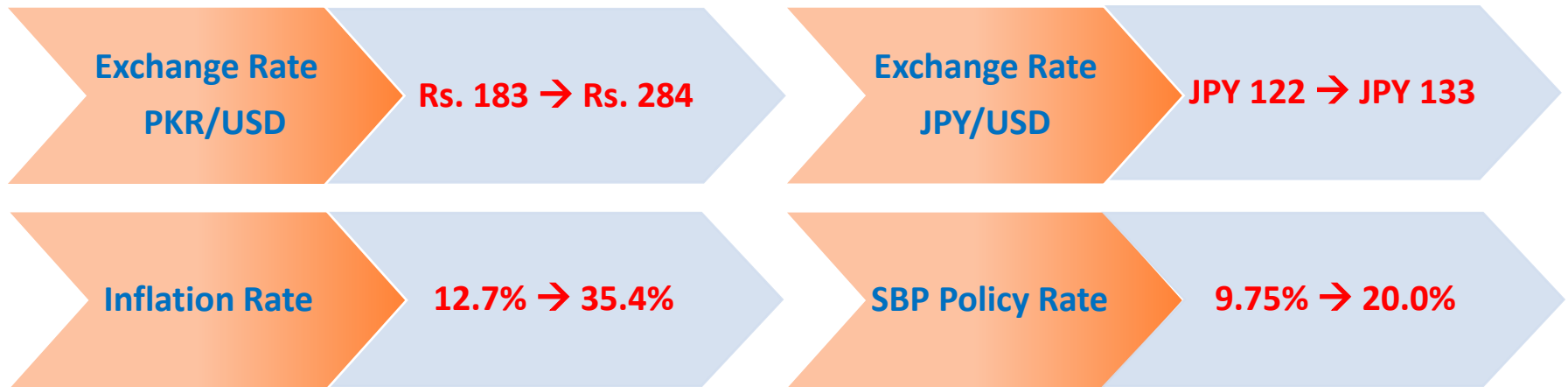
COMPANY OVERVIEW

- ❖ Hinopak Motors Limited was incorporated in Pakistan in 1985 as a Public limited company and is listed on the Pakistan Stock Exchange.
- ❖ The Company is primarily engaged in the assembly, progressive manufacturing and sale of Hino buses and trucks. Company's product range comprises of Light, Medium and Heavy Commercial Vehicles. Company's plant and production site has the capacity of producing 6,000 chassis and 1,800 bodies.
- ❖ The majority shareholding of the Company is held by Hino Motors Ltd., Japan and Toyota Tsusho Corporation Japan (Aggregate 89.5%) since 1998.
- ❖ The Company offers total of 13 models of vehicles which include 4 LCV models, 3 MCV models, 3 HCV models and 3 models of buses.

ECONOMIC OVERVIEW

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March 2023 vs March 2022



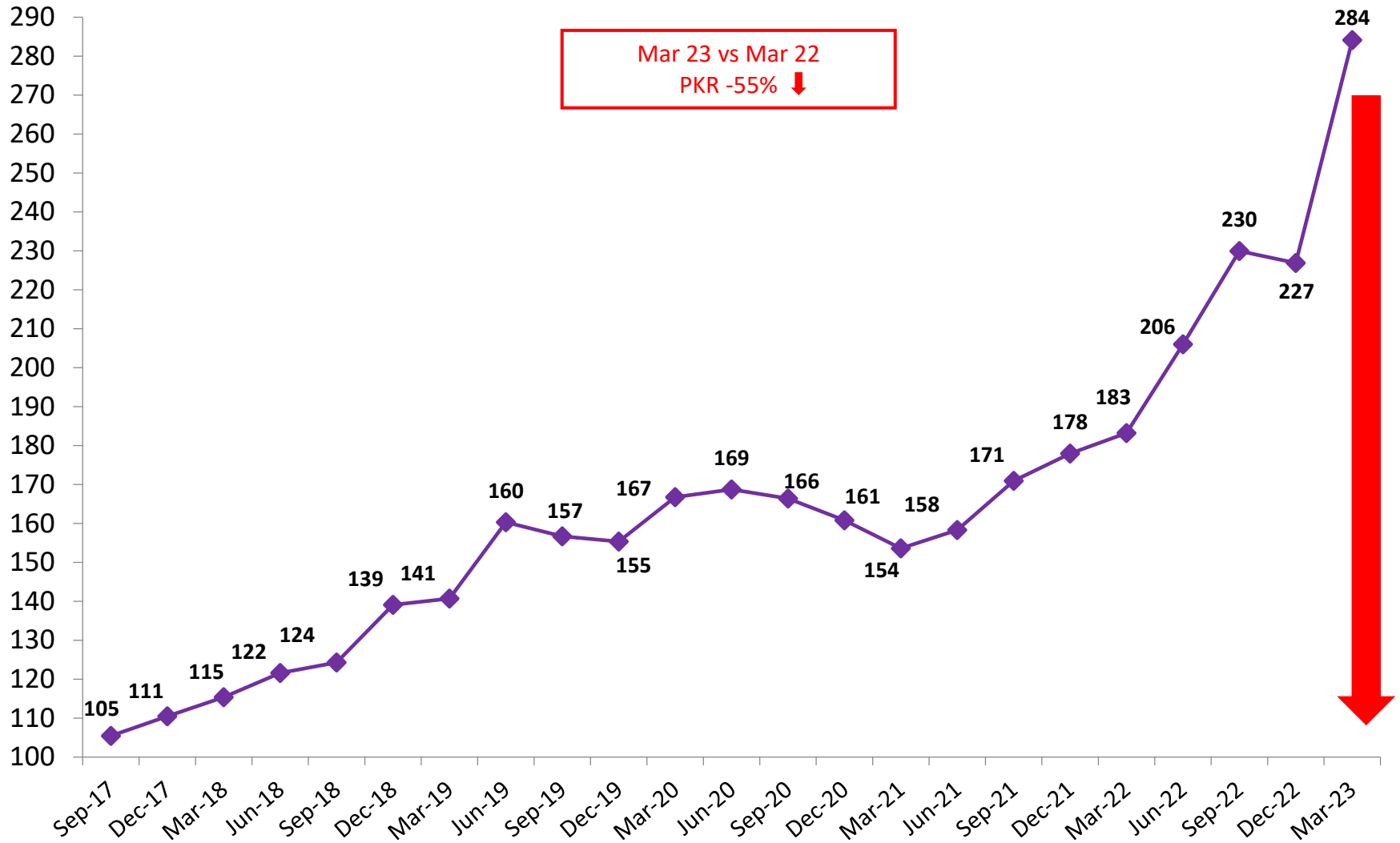
Other Economic and Regulatory Factors:

- Political and Economic uncertainty;
- Restrictions on imports of non-essential items;
- Import Margins on LC openings;
- Imposition of Super tax;
- Sales Tax increased from 17% to 18%.

FOREIGN EXCHANGE ANALYSIS

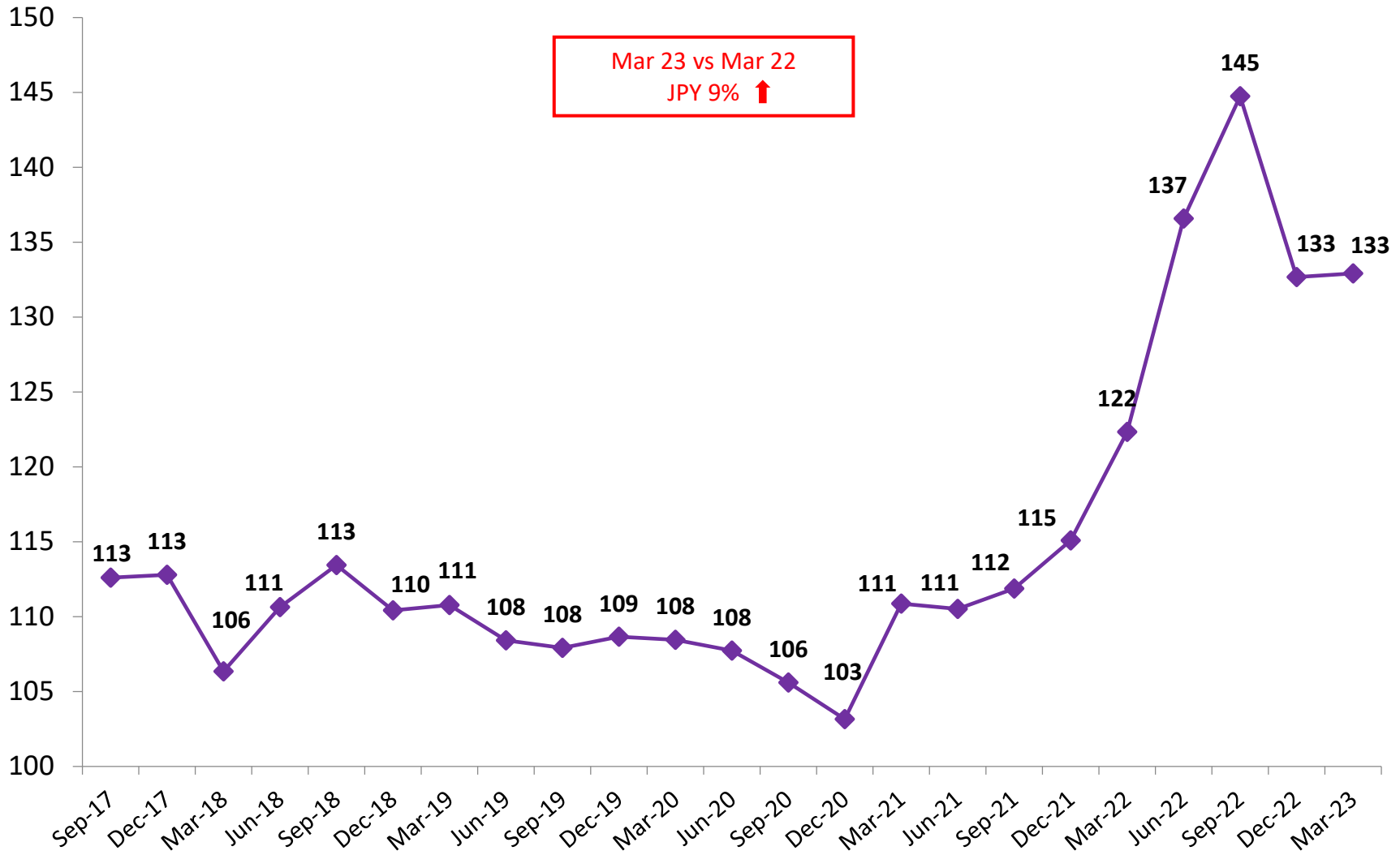
FOREIGN EXCHANGE ANALYSIS

USD / PKR PARITY



FOREIGN EXCHANGE ANALYSIS

USD / JPY PARITY



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS – Profit & Loss A/C

Particulars	March 31,		June 30,
	2022	2023	2023
Units	973	1,000	76
	Rs. in '000		
Turnover	12,530,886	13,185,973	1,866,117
Gross Profit	1,209,551	1,126,607	97,707
Distribution cost & administrative expenses	(757,471)	(814,661)	(203,557)
Other Income	214,476	204,601	23,968
Operating Profit / Loss	666,556	516,547	(81,882)
Finance Cost	(101,772)	(255,858)	(74)
Profit / (loss) before tax	564,784	260,689	(81,956)
Corporate Tax	(147,654)	(244,656)	(23,626)
Profit / (loss) after tax	417,130	16,033	(105,582)
Earnings / (loss) per Share	Rs. 16.82	Rs. 0.65	Rs. (4.26)

FINANCIAL HIGHLIGHTS

- ❖ Sales Volume marginally increased by 2.8% during the year.
- ❖ The sales revenue for the year ended March 31, 2023 increased to Rs. 13.185 billion from Rs. 12.5 billion in the corresponding period last year due to both volume and price increase.
- ❖ Gross profit margin percentage was 8.50% during the year as compared to 9.70% in March-2022 mainly due to adverse exchange rate parities.
- ❖ Finance cost for the year ended March 31, 2023 substantially Increased to Rs. 255.8 million from Rs. 101.8 million in March 31, 2022 mainly due to exchange loss arising from significant devaluation of PKR against the USD.
- ❖ Despite the challenging business environment during the year, the Company succeeded to earn a breakeven profit after tax of Rs. 16.03 million.
- ❖ The Company falls in the turnover / minimum tax regime i.e. 1.25% of the turnover.
- ❖ Earnings per share was Rs. 0.65 for the year ended March 31, 2023 as compared to earnings per share of Rs. Rs. 16.82 in last year.

FINANCIAL HIGHLIGHTS – Balance Sheet

Particulars	March 31,		June 30,
	2022	2023	2023
	Rs. in '000		
Non-Current Assets	3,882,942	4,016,921	3,905,220
Inventory	1,815,805	2,043,552	2,288,803
Other Current Assets	4,667,080	3,078,145	3,482,291
Total Assets	10,365,827	9,138,618	9,676,314
Equity	4,965,662	5,154,710	5,049,128
Long-Term Liabilities	169,210	234,618	211,645
Current Liabilities	5,230,955	3,749,290	4,415,541
Total Equity & Liabilities	10,365,827	9,138,618	9,676,314

- Continuous monitoring of the inventory levels and maintaining it according to the production requirements.
- Other current assets mainly included the import margin payment amounting to Rs. 1.26 billion.
- Increase in Equity is mainly attributed to the gain on revaluation of land and buildings and profit for the year.

CHALLENGES & OUTLOOK

CHALLENGES & OUTLOOK

Automobile industry experienced a substantial decline due to:

- Low demand caused by deteriorating economic conditions;
- Government restrictions on the import of raw material;
- Significant devaluation of Pak Rupee against the USD;
- Higher interest rates affecting the sales volumes and profitability;
- Soaring inflation impacting the purchasing power of the customers.

Although IMF supported Pakistan through a Stand by Arrangement (SBA) to ease out the financial challenges, however, the stability of the political and economic system remains crucial for the survival of the country and the industry going forward.

The management is striving hard to ensure the sustainable business operations.

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