

## 1HCY15 EPS expected at PKR 24.82

- Pak Suzuki Motor Company (PSMC) is scheduled to disclose its annual results for 1HCY15 on 7<sup>th</sup> August 2015. In this regards, company is anticipated to post NPAT of PKR 2.04bn, depicting growth of 97%YoY in 1HCY15. This would translate into EPS of PKR 24.82 against EPS of PKR 12.58 reported in 1HCY14. Additionally, we expect PSMC to announce DPS of PKR 1.5 in 1HCY15 due to significant rise in earnings.
- Top line of PSMC is expected to reach at PKR 40.425bn, marking the remarkable growth of 39%YoY in 1HCY15. This escalated growth is attained on the back of surge in volumes of Bolan and Ravi by 152%YoY and 161%YoY respectively due to ongoing Taxi scheme. Similarly, Cost of good sold is expected to witness significant fall due to depreciation of JPY against the PKR by -12% and low steel prices. Resultantly, Gross Margin of company is expected to shoot up by 98%YoY to clock in at PKR 4.4bn in 1HCY15.
- On quarterly basis, net earnings are anticipated to inch up 85%YoY and 16%QoQ to EPS of PKR 13.32, which is primarily facilitated by rise in unit sales by 46%YoY and 4%QoQ along with fall in input cost and depreciation of JPY against PKR by 12%. However, distribution cost is expected to rise by 110%YoY and 7%QoQ in 2QCY15 after introduction of uniform pricing throughout the country.
- PSMC is expected to perform well in future on back of the ongoing Taxi scheme and interest rate at historic low of 42-years

Friday, 7 Aug-2015

Bloomberg: PSMC PA | Reuters: PKSU.KA

### CURRENT MARKET DATA

Current Price	437
Market Cap (PKR Bn)	35.64
Market Cap (USD Bn)	350
Index Weightage (%)	0.46
P/B	1.81
P/E	18.7
Free Float (%)	21.7

Source: KSE, Bloomberg

### Expected Financial Performance 1HCY15

	1HCY15E	1HCY14	YoY	2QCY15E	YoY	QoQ
Net Sales	40,425	29,107	39%	20,780	35%	6%
Cost of Sales	36,024	26,884	34%	18,558	31%	6%
Gross Profit	4,401	2,223	98%	2,222	77%	2%
Distribution Cost	1,043	410	154%	540	110%	7%
Administrative Expense	582	537	8%	312	5%	15%
Operating expense	224	108	107%	119	105%	14%
Operating Income	517	296	75%	385	157%	191%
Opp.Profit	3,070	1,464	110%	1,636	107%	14%
Finance Cost	45	5	716%	23	730%	4%
Profit before tax	3,025	1,458	107%	1,613	105%	14%
Taxation	982	424	132%	516	164%	11%
Profit after tax	2,043	1,035	97%	1,097	85%	16%
<b>EPS</b>	<b>25</b>	<b>13</b>	<b>97%</b>	<b>13</b>	<b>85%</b>	<b>16%</b>

Source: Company Accounts, Darson Research

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