

9MFY16 EPS to clock in at PKR 114.83

Indus Motor Company (INDU) has scheduled its 3QFY16 financial result on 22nd April 2016. We expect the company to post NPAT of PKR 9.026bn (EPS: PKR 114.83) for 9MFY16 depicting a growth of 41%YoY against PKR 6.422bn (EPS: PKR 81.70) recorded same period last year while for 3QFY16 we anticipate NPAT to dial in at PKR 3.132bn translating into an EPS of PKR 39.85. Alongside the result, we also anticipate a DPS of PKR 20.

Increase in topline due to rise in unit sales

Topline is anticipated to increase 18%YoY to clock it at PKR 80.265bn for 9MFY16 while PKR 28.931bn is expected for 3QFY16 mainly due to the INDU's volumetric performance which has remained steady with notable growth. Largely driven by the new Corolla, total volumes grew 18%YoY in 9MFY16 while in 3QFY16 the volumetric total units sold grew 9%YoY/8%QoQ. In the period of 9MFY16 Hilux and Fortuner's unit sales have changed +12%YoY and -23%YoY, whereas unit sales of Corolla grew 20%YoY.

Operating expenses a mix trend

We expect distribution and admin expense to clock in at PKR 0.6bn and PKR 0.5bn in the period of 9MFY16 down 35%YoY and 4%YoY respectively while in 3QFY16 a change of -25%YoY/+14%QoQ change in distribution expense whereas -31%YoY/-24%QoQ change in admin expense is expected.

INDU's ever rising cash position

It is pertinent to highlight company's ever rising cash position. INDU had PKR 24bn as cash reserves at FY15 year end. Henceforth we foresee an incline of 11%YoY rise in other income in 9MFY16 however in 3QFY16 other income is expected to contribute PKR 0.8bn a change of -2%YoY/+4%QoQ.

PKR MN	9MFY16E	9MFY15	YoY	3QFY16E	YoY	QoQ
Sales	80,265	68,176	18%	28,931	-1%	9%
COGS	67,539	58,576	15%	24,649	2%	11%
Gross Profit	12,726	9,597	33%	4,282	-14%	1%
PBT	13,189	9,446	40%	4,675	-4%	10%
PAT	9,026	6,422	41%	3,132	-4%	6%
EPS	114.83	82	41%	39.85	-4%	6%

Source: Company Accounts, Darson Research

Thursday, 21st April - 2016

CURRENT MARKET DATA

Current Price	950.92
Market Cap (PKR mn)	74,673.3
Market Cap (USD mn)	718.67
Index Weightage (%)	0.83
P/E (TTM)	6.23
Free Float %	20

Source: PSX, Darson Research



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For More Details, Please Logon to: www.darsononline.com

808, 8th Floor
Business & Finance Centre
I.I. Chundrigar Road, Karachi
Tel : 92 21 32468919, 32469675
Fax : 92 21 2471088

111 900 400