

# Millat Tractors Limited

## Result Review: MTL posted highest ever net sales of PKR 91.5bn in FY24

### 4QFY24: Profitability augmented by 64% YoY to PKR 10.72/share

Millat Tractors Limited (MTL) announced its financial result for FY24 today, posting a PAT of PKR 9,917mn (EPS: PKR 51.7) compared to PKR 3,378mn (EPS: PKR 17.61) in SPLY, up by 2.9x YoY. During 4QFY24 earnings clocked in at PKR 2,057mn (EPS: PKR 10.72), showcasing a significant jump of 64% YoY. No final cash dividend was announced, with the full-year payout remaining at PKR 25.0/share.

### Result Highlights

- Topline during FY24 surged by 107% YoY clocking at PKR 91,509mn driven by a 62% YoY rise in volumetric sales to 30.2k units. During 4QFY24 net sales augmented by 58% YoY to settle at PKR 21,928mn in contrast to PKR 13,893mn in SPLY.
- Gross margins for FY24 arrived at 22.6% vis-à-vis 20.0% in SPLY primarily driven by an increase in tractor prices, effectively offsetting high production costs. During 4QFY24, gross margins were recorded at 20.7% compared to 25.4% recorded in SPLY.
- Selling and Distribution expenses in FY24 climbed up by 77% YoY to clock in at PKR 1,898mn amid inflationary pressure and increase in volumetric sales, we view. In 4QFY24, selling and distribution expenses arrived at PKR 311mn, up by 42% YoY.
- Other income surged by 2.2x YoY in FY24 to clock in at PKR 1,036mn, due to higher income from cash and cash balances. However, in 4QFY24, the other income arrived at PKR 40mn, depicting a decline of 61% YoY.
- The company booked effective taxation at 42.6% in 4QFY24 vis-à-vis 50.6% in 4QFY23.

### Other information

- The merger of Millat Tractors Limited with Millat Equipment Limited is pending approval from the Lahore High Court, during which MTL cannot pay further dividends. As a result, for FY24, the total cash dividend is limited to the already paid interim DPS of PKR 25.

### Exhibit: Financial Highlights

(PKR mn)	FY24a	FY23a	YoY	4QFY24a	4QFY23a	YoY	QoQ
Net Revenue	91,509	44,191	107%	21,928	13,893	58%	-12%
COGS	70,856	35,348	100%	17,393	10,360	68%	-10%
<b>Gross Margins</b>	<b>22.6%</b>	<b>20.0%</b>		<b>20.7%</b>	<b>25.4%</b>		
Distribution Expense	1,898	1,071	77%	311	220	42%	-51%
Other Expenses	1,214	790	54%	(177)	134	nm	nm
Other Income	1,036	471	120%	40	102	-61%	-87%
Finance Cost	1,068	1,357	-21%	527	529	0%	135%
PBT	16,315	5,350	205%	3,585	2,531	42%	-11%
Taxation	6,398	1,973	224%	1,528	1,280	19%	9%
PAT	9,917	3,378	194%	2,057	1,251	64%	-21%
EPS (PKR)	51.70	17.61		10.72	6.52		
DPS (PKR)	25.00	25.00		-	15.00		

Source (s): Company Financials, AHL Research

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