

# Sazgar Engineering Works Limited

## Result Review: EPS arrives at PKR 131.29 in FY24

**FY24: Profitability climbed up by 8x YoY to PKR 131.29/share**

Sazgar Engineering Works Limited (SAZEW) announced its financial result for FY24 today, posting a PAT of PKR 7,936mn (EPS: PKR 131.29) compared to PKR 995mn (EPS: PKR 16.46) in SPLY, up by 8x YoY. During 4QFY24 earnings clocked in at PKR 3,487mn (EPS: PKR 57.69), showcasing a significant jump of 7.4x YoY. Final cash dividend of 12.0/share was announced, bringing the total annual payout at PKR 20.0/share.

**Result Highlights**

- Topline during FY24 surged by 3.2x YoY clocking at PKR 57,642mn. This growth was driven by a 3x increase in Haval sales YoY, totaling 5,374 units, as well as a 1.6x YoY rise in three-wheeler sales to 15,014 units. During 4QFY24 net sales augmented by 4.1x YoY to settle at PKR 23,058mn in contrast to PKR 5,581mn in SPLY.
- For FY24, gross margins improved to 27%, up from 14% in the same period last year. This increase was primarily driven by a concessionary customs duties and GST on Haval vehicles, coupled with stability in PKR parity. During 4QFY24, gross margins were recorded at 29% compared to 23% recorded in SPLY.
- Other income surged massively by 27x YoY in FY24 at PKR 832mn, due to higher income from cash and cash equivalents. In 4QFY24, the other income arrived at PKR 481mn, augmented by 38x YoY.
- Other expenses rose significantly by 9.8x to PKR 1,000mn, while on the quarterly basis it went up by 9.4x to PKR 456mn.
- The company booked effective taxation at 39.6% in 4QFY24 vis-à-vis 35.0% in 4QFY23.

**Other information**

- The company plans to invest PKR 4.5bn in its expansion, to be financed through internal cash reserves. This investment includes the construction of new warehousing facilities, expansion of the paint shop, installation of a solar system, and the establishment of manufacturing facilities for the local assembly of new energy vehicles, pending approval from the relevant regulatory authorities.

**Exhibit: Financial Highlights**

(PKR mn)	FY24a	FY23a	YoY	4QFY24a	4QFY23a	YoY	QoQ
Net Revenue	57,642	18,174	217%	23,058	5,581	313%	15%
Gross Profit	15,646	2,549	514%	6,718	1,258	434%	16%
Admin Expense	383	240	60%	119	92	29%	12%
Distribution Expense	1,811	588	208%	779	371	110%	64%
Other Expenses	1,000	102	876%	456	48	840%	23%
Other Income	832	30	27x	481	13	38x	192%
Finance Cost	169	168	1%	68	35	96%	128%
PBT	13,116	1,481	785%	5,777	725	697%	16%
Taxation	5,180	486	965%	2,290	254	803%	17%
PAT	7,936	995	697%	3,487	471	640%	15%
EPS (PKR)	131.29	16.46		57.69	7.80		
DPS (PKR)	20.00	4.00		12.00	4.00		

Source (s): Company Financials, AHL Research

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