

# Millat Tractors Limited

## Result Review: 1HFY25 EPS clocked-in at PKR 19.01

### Earnings of 2QFY25 arrived at PKR 15.86/share, up by 3% YoY I 5x QoQ

Millat tractors Limited (MTL) announced its financial result for 1HFY25 today whereby the company posted a Profit After Tax (PAT) of PKR 3,645mn (EPS: PKR 19.01), decreasing by 31% YoY. During 2QFY25, the profitability of the company amounted to PKR 3,041mn (EPS: PKR 15.86) increasing by 3% YoY I 5x QoQ. Alongside the result, the company announced an interim cash dividend of PKR 45.0/share in 2QFY25 (PKR 25/share in 2QFY24).

### Result Highlights

- Net sales arrived at PKR 27,494mn during 1HFY25, down by 38% YoY. The decline is attributed to lower volumetric sales to 10,107 units in 1HFY25 vis-à-vis 15,099 units in 1HFY24, down by 33% YoY. On a quarterly basis, the revenue declined by 19% YoY amid decline in sales volumes by 5%. (2QFY25: 7,541units vs 2QFY24: 7,912 units). However, QoQ sales increased by 3x due to green tractor scheme launched by Punjab government.
- During 2QFY25, gross margins were recorded at 25.5% compared to 23.7% recorded in SPLY and 29% in last quarter. The QoQ gross margin declined due to low price tractors sold under the tractor scheme.
- Other income declined by 70% YoY to clock in at PKR 164mn in 2QFY25, which is mainly because of reduction in cash and cash equivalent (including short term investments) by 47% and declining interest rate environment during the period under review.
- Finance cost in 2QFY25 increased by 4.5x YoY amid increase in short-term borrowings by 5.4x.
- The company declared a substantial dividend of PKR 45/share, following the absence of final dividend in FY24 due to the ongoing merger process.
- The company booked a tax reversal of PKR 67mn in 2QFY25 vis-à-vis taxation of PKR 2,045mn in SPLY.

### Exhibit: Financial Highlights

(PKR mn)	1HFY25	1HFY24	YoY	2QFY25	YoY	QoQ
<b>Income Statement</b>						
Net Revenue	27,494	44,694	-38%	19,497	-19%	144%
Cost of Sales	20,197	34,217	-41%	14,527	-20%	156%
Admin Expense	861	536	61%	468	54%	19%
Distribution Expense	920	955	-4%	562	23%	57%
Other Expenses	658	648	2%	585	73%	704%
Other Income	266	691	-61%	164	-70%	61%
Finance Cost	1,173	317	270%	545	349%	-13%
PBT	3,951	8,712	-55%	2,974	-41%	204%
Taxation	306	3,465	-91%	(67)	nm	nm
PAT	3,645	5,247	-31%	3,041	3%	403%
EPS (PKR)	19.01	27.36		15.86		
DPS (PKR)	45.00	25.00		45.00		
<b>Ratio Analysis</b>						
BVPS (PKR)	74.9	50.5		50.5		
Gross Margins	26.5%	23.4%		23.7%		
Net Margins	13.3%	11.7%		12.3%		
Return on Equity	69.2%	97.7%		97.7%		
Return on Assets	23.1%	28.2%		28.2%		
Payout Ratio	236.8%	91.4%		162.3%		
Effective Tax	7.7%	39.8%		40.9%		

Source (s): Company Financials, AHL Research

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