

# Indus Motor Company Limited (INDU)

## Corporate Briefing Takeaways

### Management Conference Call

The management of Indus Motors Company Limited (INDU) held a corporate briefing session on 13<sup>th</sup> Mar'25 to discuss the 1HFY25 financial result and future outlook.

### Brief Takeaways

- To recall, Indus Motor Company Limited (INDU) announced its financial result for 1HFY25 whereby the company posted a Profit After Tax (PAT) of PKR 9,957mn (EPS: PKR 126.7), increasing by 101% YoY. During 2QFY25, the profitability of the company amounted to PKR 4,867mn (EPS: PKR 61.9) increasing by 179% YoY. However the profitability declined by 4% QoQ. Alongside the result, the company announced an interim cash dividend of PKR 37.0/share in 2QFY25 taking the payout to PKR 76.0/share in 1HFY25.
- In 1HFY25, the company experienced a surge in net sales turnover, increasing by 67% YoY to PKR 84.8bn. The uptick in sales was attributed to higher sales volumes of CKD units (up by 74% YoY).
- The company maintained strong gross margins of 13.8% in 1HFY25, driven by effective cost reductions, high localization, and a shift toward green energy, particularly solar power. A stable exchange rate also supported sustained profitability.
- On the FY26 export targets, the company clarified that these targets were initially set voluntarily. However, with the issuance of the SRO, they became mandatory, a challenge that many companies have struggled to meet.
- When asked about the possibility of a price reduction for the Hilux in response to the launch of JAC, the company stated that no such adjustment is being considered.
- Among Yaris variants, the 1.3L CVT remains the best-selling model.
- The localization rate for the Corolla, Yaris, and Cross models ranges between 60-65%, while IMVs have a localization level of 40-45%. INDU's total production capacity stands at 76,000 units on a double-shift basis.
- The plant currently operates on a single shift, with a capacity of 38,000 units, which can rise to 45,000 units with overtime. Management stated that a move to double-shift operations could happen within 3-6 months, contingent on increased demand.
- Sales of used imported cars increased in 1HFY25, reaching 17,170 units, a jump from 1HFY24 in 16,580 units, representing a 4% YoY increase.

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