

# **HINOPAK MOTORS LIMITED**



**CORPORATE BRIEFING SESSION**  
**YEAR ENDED MARCH 31, 2021**

Date: August 26, 2021



# COMPANY OVERVIEW

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- ❖ Hinopak Motors Limited was incorporated in Pakistan in 1985 as a Public limited company and is listed on the Pakistan Stock Exchange.
- ❖ The Company is primarily engaged in the assembly, progressive manufacturing and sale of Hino buses and trucks. Company's product range comprises of Light, Medium and Heavy Commercial Vehicles. Company's plant and production site has the capacity of producing 6,000 chassis and 1,800 bodies.
- ❖ The majority shareholding of the Company is held by Hino Motors Limited Japan and Toyota Tsusho Corporation Japan (Aggregate 89.5%) since 1998.
- ❖ The Company offers total of 15 models of vehicles which includes 4 LCV models, 5 MCV models, 3 HCV models and 3 models of buses.
- ❖ Main competitors of the Company are two Japanese Automobile Assemblers Ghandara Industries Limited and Ghandara Nissan Limited.



# DEVELOPMENTS DURING THE YEAR

# DEVELOPMENTS DURING THE YEAR

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## March 2020 vs March 2021

**Market Size**

**4934 units → 3499**

**SBP Policy Rate**

**11.00% → 7.00%**

**Right Issue**

**Rs. 2.896 billion  
proceeds generated  
from right issue**

**Inflation Rate**

**10.20 → 9.05**

**Exchange Rate  
USD / PKR**

**Rs. 166.80 → Rs.  
153.60**

**COVID-19**

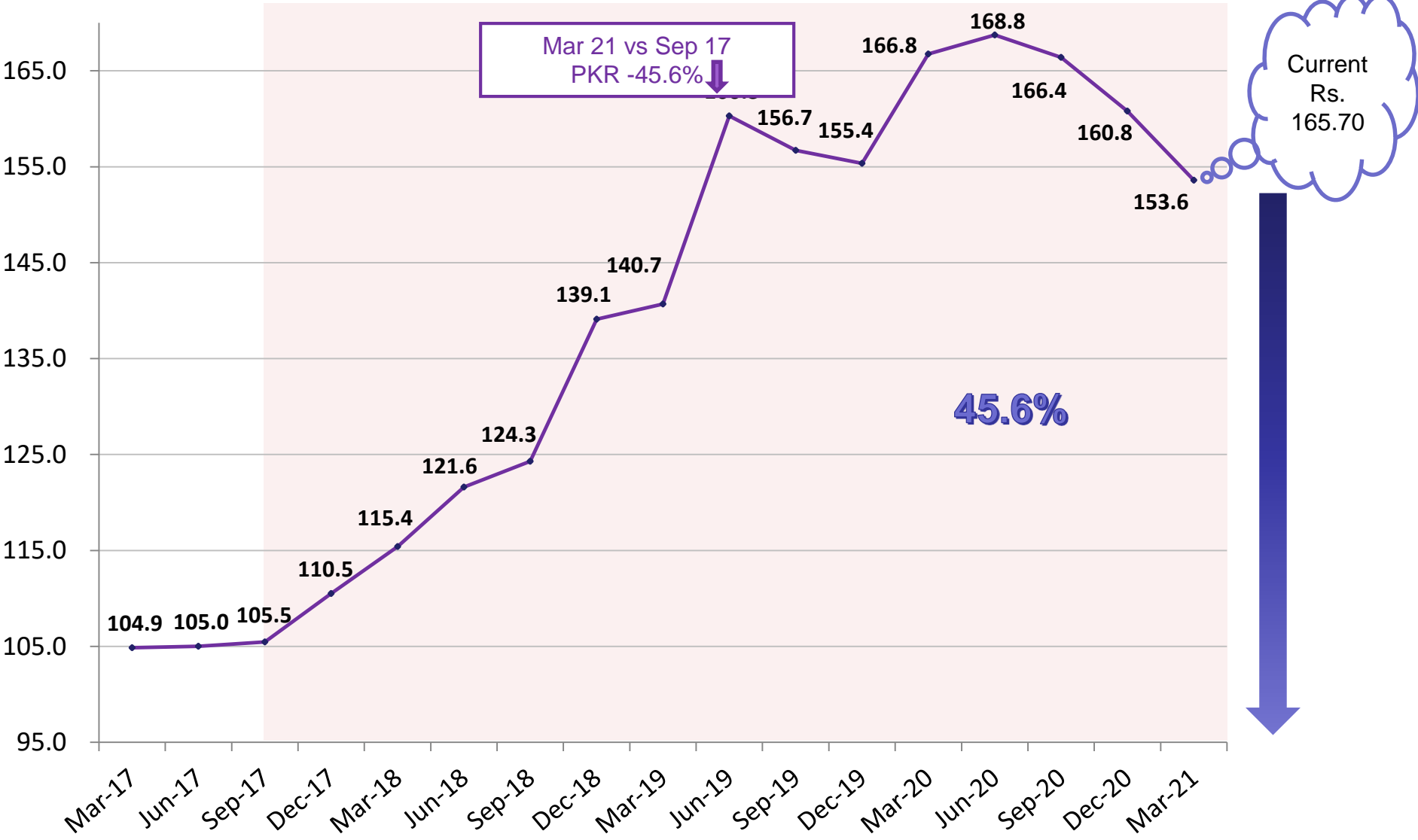
**Impacts on business  
due to COVID-19**



# FOREIGN EXCHANGE ANALYSIS



## USD / PKR PARITY





# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS – Profit & Loss A/C



	March 31,		June 30,
Particulars	2020	2021	2021
Units	1639	758	162
	Rs. in '000		
Turnover	13,191,060	9,132,180	2,346,537
Gross (Loss) / Profit	(170,411)	687,373	231,332
Distribution cost & Administrative expenses	(721,697)	(677,913)	(169,055)
Other Income - net	82,889	61,137	21,628
Operating (Loss) / Profit	(809,219)	70,597	83,905
Finance Cost / Bank Charges	(1,034,779)	(235,127)	(26,146)
(Loss) / Profit before tax	(1,843,998)	(164,530)	57,759
Corporate Tax	(210,978)	(123,764)	(34,127)
(Loss) / Profit after tax	(2,054,976)	(288,294)	23,632
(Loss) / earnings per Share	Rs. (110.33)	Rs. (13.37)	Rs. 0.95

# FINANCIAL HIGHLIGHTS

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- ❖ The size of the overall industry reduced primarily due to economic uncertainty and impacts of Covid-19 which resulted in decrease in current year's sales volume.
- ❖ The sales revenue for the year ended March 31, 2021 decreased to Rs. 9.04 billion from Rs. 13.19 billion in the corresponding period last year mainly due to decrease in overall sales volume of the industry.
- ❖ Gross profit margin increased to 7.50% in March-2021 from gross loss margin of (1.3%) in March-2020 mainly on account of increase in sales prices and favorable exchange rate parities.
- ❖ Finance cost for the year ended March 31, 2021 decreased to Rs. 235.1 million from Rs. 1.03 billion in March 31, 2020, due to repayment of borrowings from the right issue proceeds.

# FINANCIAL HIGHLIGHTS

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- ❖ The Company has managed to reduced its loss after tax from Rs. 2,054.9 million in March-2020 to Rs. 288.3 million in March-2021, and has closed the 1<sup>st</sup> quarter of 2021-22 ended June 30, 2021 at after tax profit of Rs. 23.6 million which shows the management's commitment towards continuous improvement.
- ❖ Due to loss for the year, the Company falls in the turnover / minimum tax regime i.e. 1.50% of the turnover.
- ❖ Loss per share was Rs. 13.37 for the year ended March 31, 2021 as compared to loss per share (restated) of Rs. 110.33 in the corresponding period last year.

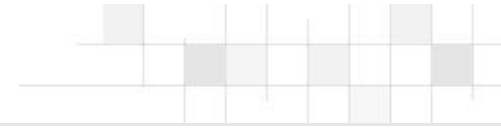
# FINANCIAL HIGHLIGHTS – Balance Sheet



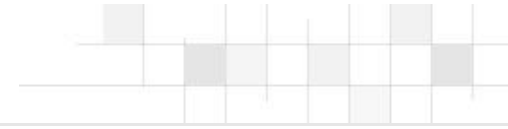
	March 31,		June 30,
Particulars	2020	2021	2021
	Rs. in '000		
Non-Current Assets	3,685,989	3,634,034	3,613,370
Inventory *	3,837,972	2,083,760	2,305,870
Other Current Assets	1,932,799	2,034,410	4,265,185
<b>Total Assets</b>	<b>9,456,760</b>	<b>7,752,204</b>	<b>10,184,425</b>
Equity **	1,709,088	4,317,609	4,341,241
Long-Term Liabilities	303,229	322,145	121,943
Short term borrowings **	4,115,238	-	-
Current Liabilities	3,329,205	3,112,450	5,721,241
<b>Total Equity &amp; Liabilities</b>	<b>9,456,760</b>	<b>7,752,204</b>	<b>10,184,425</b>

\* Due to continuous efforts of management, the piled-up inventory which stood at Rs. 8.04 billion in March-2019 and Rs. 3.8 billion in March-2020, has been liquidated and now reduced to Rs. 2.08 billion in March-2021.

\*\*The increase in Equity and decrease in short term borrowings is mainly attributed to proceeds generated from right issue amounting to Rs. 2.896 billion.



# FUTURE OUTLOOK & CHALLENGES

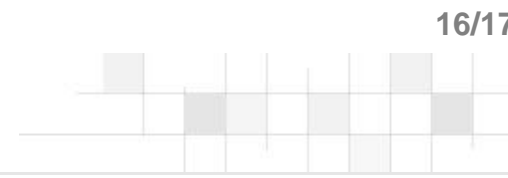


- ❖ Macroeconomic indicators and the unfolding of COVID 19 waves are challenging for the growth of auto industry.
- ❖ The recent surge in USD/PKR parity is also a key factor in controlling the cost of production and improving profitability of the Company.
- ❖ Government spending in the infrastructure projects.
- ❖ New Auto policy – Level playing field across the Board.



# FUTURE OUTLOOK

- ❖ Over the period, the company has taken various measures to address declining profitability by increasing sales prices and controlling production overheads.
- ❖ The size of the commercial vehicle market is expected to remain under pressure unless the government fuels development projects to boost economic activities.
- ❖ The management is putting all its efforts to strike a balance between market share and profitability by introducing new variants in its product range in the near future.



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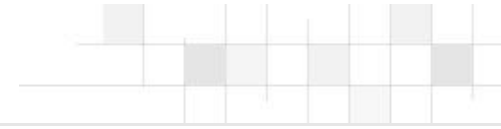
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