

CBS-2023



Baluchistan Wheels Limited

# BALUCHISTAN WHEELS LIMITED

Moving Nation Ahead





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**CORPORATE BRIEFING SESSION**  
**FRIDAY, SEPTEMBER 22, 2023**

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# WELCOME

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## INVESTORS & SHAREHOLDERS

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**Chief Executive**  
**Chief Operating Officer**  
**Directors**  
**Chief Financial Officer**  
**Company Secretary**



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# COMPANY'S OVERVIEW

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Located in the industrial zone of Hub about 35 kilometers from Karachi, Baluchistan Wheels Limited was setup in 1980 for the manufacturing of steel wheels for automobiles with technical collaboration of GKN Sankey Limited UK.

The plant has a covered area of 16,000 square meters and builds on a land of 97,000 square meters. It has the capability to manufacture diverse range of wheels for passenger cars, commercial vehicles, agricultural tractors and 4x4 vehicles. The quality management system of the Company is certified for ISO 9001/2015 and environmental management system is Certified for ISO 14001/2015 by NQA Pakistan.



# THE PLANT

The Plant is well equipped with highly sophisticated facilities comprising of the material preparation line, heavy and light duty rim lines, a press line having presses of up to 1500-ton capacity, an assembly and welding line with CO2 and submerged arc welding machines.

BWL has inducted Spinning Machine for manufacturing original CKD designed Truck/Bus Disc Wheels of all sizes. BWL also has the capability and the capacity to produce Tubeless Truck/Bus Wheel. The manufacturing is complemented by the most modern Cathodic Electro Deposition painting process using latest paints. Specialized facilities of shot blasting, tool and die making, repairing, quality assurance material and wheel testing also exist.

BWL has the capacity of manufacturing up to 3 million wheels annually.

# CUSTOMERS



## **Disc Wheels for Cars, Vans, Pick-ups and 4x4s**



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Corp. Ltd



## **Disc Wheels for Agricultural Tractors**



Millat Tractors Ltd.



Al-Ghazi Tractor Ltd.



## **Disc Wheels for Commercial Vehicles**



Gandhara Industries Ltd.



Fuso Master Motors (Pvt.) Ltd.



Hinopak Motors Ltd.



Gandhara Automobiles Ltd.



BWL also Export Tractor Wheels to Various International Customers according to their specifications.



# AUTO SECTOR OVERVIEW

## Auto Sector of Pakistan

Transport plays a very important role in the development of a society as the demand for transportation increases along with development. It is one of the major industrial sectors of an economy. Pakistan's Auto Sector contributes (2.8%) to its GDP and around 30 billion rupees to the national exchequer in terms of duties and taxes. The market of Pakistan's auto sector is alluring to investors at home and abroad and has the potential of making profits. There are various Foreign Companies who are doing their businesses in the automobile industry in Pakistan.

During the year under review, due to reduced demand, the auto-sector showed dismal performance due to economic slowdown. The automotive sales got shrunk due to restrictions imposed by the Government on opening of LCs for CKD kits, continuous increase in auto prices and record high interest rates.

## Outlook

Record high interest rates and substantial increase in auto prices due to PKR depreciation would keep auto sales subdued in the Financial Year, 2024. However, removal of restrictions on opening of LCs for import of CKD Kits and stability in PKR/USD parity would cause auto sales to stabilize at current level, in our view.



# Auto Sector Performance

Financial Year 2022-2023



## PAKISTAN AUTOMOTIVE MANUFACTURERS ASSOCIATION

### AUTO INDUSTRY FIGURES

### QUANTITATIVE ANALYSIS

	2022 - 2023	2021 - 2022	VARIANCE (in Qty)	VARIANCE (in %)
<u>Sales (in Quantity)</u>				
Passenger Cars+LCVs+Jeep	126,878	279,247	(152,369)	(55)
Truck/Bus	3,836	6,498	(2,662)	(41)
Tractor	30,942	58,947	(28,005)	(48)
Total	<u>161,656</u>	<u>344,692</u>	<u>(183,036)</u>	<u>(53)</u>



# OPERATIONAL PERFORMANCE OVERVIEW

The overall consolidated revenue in Financial Year, 2023 was 40% lower than the Financial Year, 2022. Top line in value terms was recorded at Rs 1.675 billion.

The automobile sector witnessed a drop in sales due to:

- I. Significant increase in auto prices, mostly relating to the impact of depreciating PKR.
- II. SBP's shortening of financing terms, and
- III. High interest rates amid economic slowdown.

For the company, car wheel sales witnessed a decline of 46%, the truck/bus wheel sales decreased by 33%, while tractor wheel sales also reduced by 33% during the year under review.

# QUANTITATIVE / ANALYTICAL (JULY TO JUNE 2023)



	%	July-June 2023	%	July-June 2022	VARIANCE (in Qty)	VARIANCE (in %)
<b>PRODUCTION (in Quantity)</b>						
Car Wheels	83	271,522	81	524,537	(253,015)	(48)
Truck/Bus Wheels	3	9,942	5	30,452	(20,510)	(67)
Tractor Wheels	14	47,076	14	92,608	(45,532)	(49)
Total	100	<b>328,540</b>	100	<b>647,597</b>	<b>(319,057)</b>	<b>(49)</b>

	%	July-June 2023	%	July-June 2022	VARIANCE (in Qty)	VARIANCE (in %)
<b>SALES (in Quantity)</b>						
Car Wheels	81	237,312	82	524,781	(287,469)	(55)
Truck/Bus Wheels	4	11,407	3	19,918	(8,511)	(43)
Tractor Wheels	15	43,450	15	92,412	(48,962)	(53)
Local Sales	100	292,169	100	637,111	(344,942)	(54)
Export Sales		168		-	168	100
Total		<b>292,337</b>		<b>637,111</b>	<b>(344,774)</b>	<b>(54)</b>

	%	July-June 2023	%	July-June 2022	VARIANCE (in Rs)	VARIANCE (in %)
<b>SALES (Rs.in '000')</b>						
Car Wheels	48	759,116	53	1,403,692	(644,576)	(46)
Truck/Bus Wheels	10	153,198	9	229,197	(75,999)	(33)
Tractor Wheels	42	664,916	38	993,229	(328,313)	(33)
Local Sales	100	1,577,230	100	2,626,118	(1,048,888)	(40)
Export Sales		2,929		-	2,929	100
Scrap Sales		95,698		152,073	(56,375)	(37)
Total		<b>1,675,857</b>		<b>2,778,191</b>	<b>(1,102,334)</b>	<b>(40)</b>



# FINANCIAL PERFORMANCE OVERVIEW

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# KEY OPERATING AND FINANCIAL DATA



FINANCIAL POSITION	Rupees in '000'					
	2023	2022	2021	2020	2019	2018
Total Assets	2,357,633	2,447,833	2,275,759	1,508,659	1,473,550	1,462,836
Shareholders Equity	2,055,971	2,041,770	1,920,896	1,294,654	1,288,019	1,268,990
<b>OPERATING RESULTS</b>						
Turnover - net	1,675,857	2,778,192	1,574,822	912,820	1,587,558	1,882,640
Profit before Taxation	201,752	425,374	141,568	23,695	93,955	107,742
Taxation	(65,346)	(217,136)	(40,882)	(4,775)	(22,443)	(19,953)
Profit after Taxation	136,406	208,238	100,686	18,920	71,512	87,789
Earnings per Share (Rupees)	10.23	15.62	7.55	1.42	5.36	6.58



# SIGNIFICANT RATIOS

	2023	2022	2021	2020	2019	2018
<b>Liquidity &amp; Leverage Ratios:</b>						
-Current Ratios	5.46	4.13	4.59	7.72	7.04	6.31
-Quick Ratios	2.78	2.50	3.26	4.50	3.05	2.45
-Liability as a % of Total Assets	12.80	16.59	15.59	14.19	12.59	13.25
-Interest Cover Ratio (Times)	37.28	107.99	34.58	11.07	14.84	56.91
<b>Equity Ratios:</b>						
-Break up Value per Share (Rs)	154.19	153.12	144.06	97.09	96.59	95.18
-Dividend as a % of Capital	80.00	100.00	45.00	15.00	20.00	30.00
-Dividend Yield Ratio/ Cost of Equity (%)	12.12	13.16	5.70	2.47	3.27	2.77
-Dividend per Share (Rs)	8.00	10.00	4.50	1.50	2.00	3.00
<b>Profitability Ratios:</b>						
-Gross Profit (%)	19.45	22.02	15.43	12.86	15.48	14.34
-Operating Profit( %)	12.37	17.30	9.92	3.05	6.34	5.83
-Profit before Tax(%)	12.04	15.31	8.99	2.60	5.92	5.72
-Profit after Tax (%)	8.14	7.50	6.39	2.07	4.50	4.66
-Return on Capital Employed( %)	9.81	20.83	7.37	1.83	7.29	8.49
-Earnings per Share (Rs)	10.23	15.62	7.55	1.42	5.36	6.58
-Price Earing Ratio(Times)	6.45	4.87	10.46	42.80	11.41	16.45
-Dividend Payout Ratio (%)	78.20	64.03	59.59	105.71	37.31	45.56
-Dividend Cover (Times)	1.28	1.56	1.68	0.95	2.68	2.19
-Capital Turnover (Times)	0.82	1.36	0.82	0.71	1.23	1.48
-Return on Assets (%)	5.78	8.51	4.42	1.25	4.85	6.00
<b>Turnover/Efficiency Ratios:</b>						
-Inventory Turnover Ratio(Times)	2.13	4.51	3.19	1.55	2.31	2.78
-Debtor Turnover Ratio(Times)	9.09	10.63	8.44	7.22	10.25	14.41
-Fixed Assets Turnover Ratio(Times)	1.77	2.88	1.66	2.28	3.53	3.80
<b>Plant Capacity:</b>						
-Plant Capacity Utilisation (%)	39	76	44	42	79	96
<b>Share Performance:</b>						
-Year end Market Price per Share	66.00	76.00	78.99	60.73	61.15	108.21
-High Price per Share during the Year	86.49	90.75	92.44	71.89	111.90	160.94
-Low Price per Share during the Year	57.00	62.00	55.20	40.27	61.15	96.00

# QUESTIONS & ANSWERS

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