

INDUS MOTOR COMPANY LTD.

March 7, 2024

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road
Karachi.

Subject: CORPORATE BRIEFING SESSION Q2 2034-2024

Dear Sir,

In continuation to our letter dated March 4, 2024 on the above-mentioned subject, please find attached herewith Presentation of Corporate Briefing Session of Indus Motor Company Limited (IMC) for the Half year ended December 31, 2023.

You are requested to kindly inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours faithfully,
for **INDUS MOTOR COMPANY LIMITED**



Muhammad Arif Anzer
Company Secretary

Encl. As stated above

INDUS MOTOR COMPANY LTD

Corporate Briefing Session
For the Half Year Ended December 31, 2023

8th March, 2024



IMC PERFORMANCE FOR THE HALF YEAR ENDED DECEMBER 2023

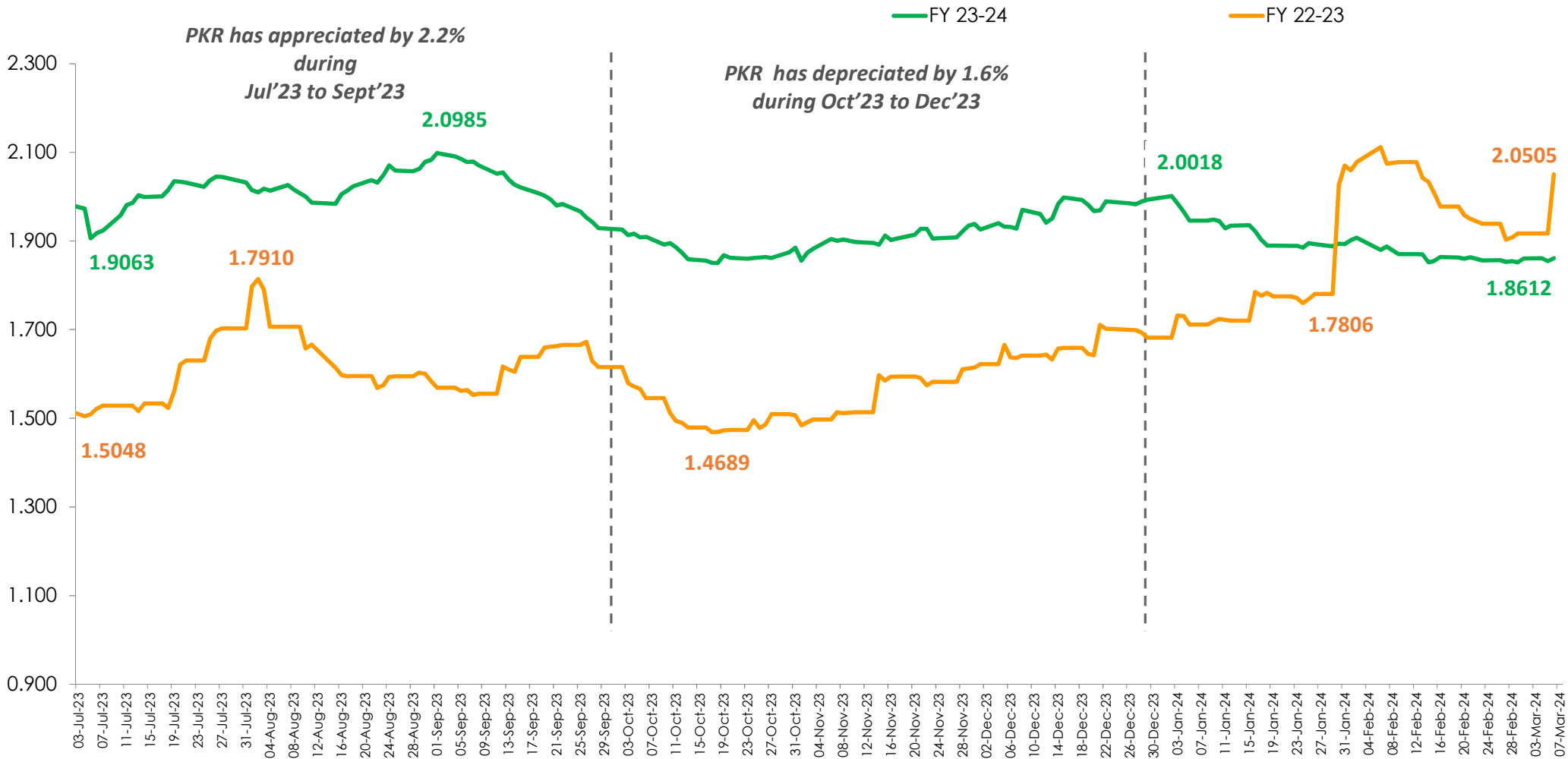
Operating Highlights		Half year ended December		% change 2023 vs. 2022	Quarter ended December		% change 2023 vs. 2022
		2023	2022		2023	2022	
Vehicle Sales	Units	7,324	18,672	(61%)	2,741	9,678	(72%)
Vehicle Production	Units	6,391	18,562	(66%)	1,777	9,344	(81%)
Net Revenue	Rs in million	50,910	86,834	(41%)	18,240	49,585	(63%)
Gross Profit / (Loss)	Rs in million	4,719	(2,848)	266%.	1,418	(491)	389%.
Operating Profit/(Loss)	Rs in million	2,102	(4,789)	144%.	(34)	(1,484)	98%.
Other Income	Rs in million	5,315	8,618	(38%)	2,494	3,454	(28%)
Profit Before Tax	Rs in million	7,355	3,760	96%.	2,429	1,921	26%.
Profit After Tax	Rs in million	4,957	2,628	89%.	1,741	1,331	31%.
Earnings Per Share	Rs	63.07	33.43	89%	22.15	16.93	31%

At the end of Period		As at		% change 2023 vs. 2022
		31-Dec-23	31-Dec-22	
Total Assets	Rs in million	122,072	156,361	(22%)
Shareholders' Equity	Rs in million	60,822	55,739	9%
Share Performance		As at		75%
		7-Mar-24	7-Mar-23	
Price per Share	Rs	1,547.00	886.09	
Market Capitalization	Rs in million	121,594	69,647	

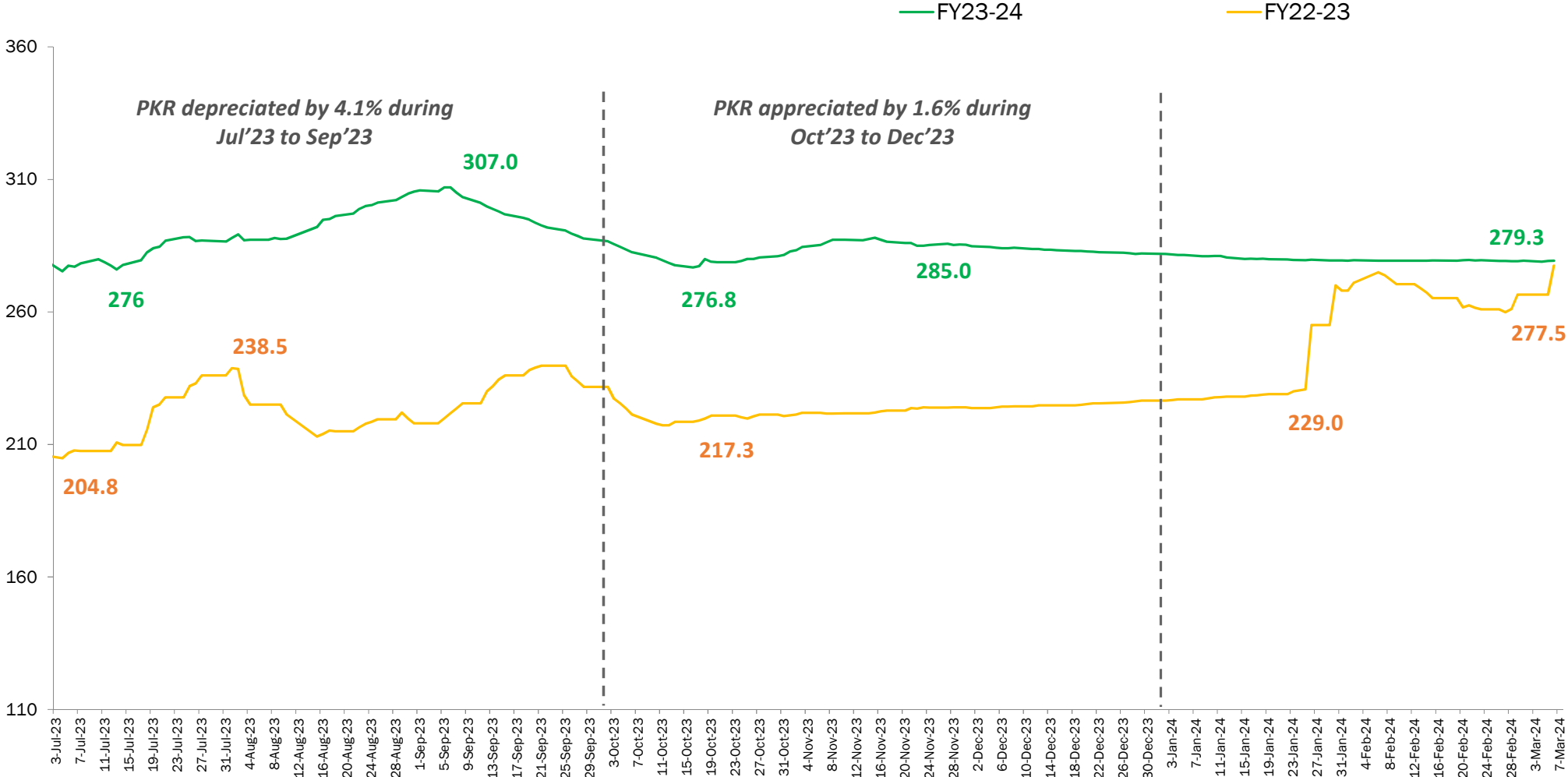
HIGHLIGHTS FOR HALF YEAR ENDED DECEMBER 2023

- 1. The net sales turnover for the half year ended December 2023 decreased by 41% to Rs. 50.91 billion as compared to Rs. 86.83 billion in the same period last year. Profit after tax for the six month ended period increased by 89% to Rs. 4.95 billion, as against Rs. 2.62 billion achieved in the same period last year.**
- 2. The decrease in turnover for the period was mainly due to lower CKD and CBU sales volumes. The demand remained subdued due to higher duties and taxes, high interest rates, low auto finance availability and diminished purchasing power of consumers, whereas the second quarter also face demand contraction on account of year end phenomena.**
- 3. In December 2023, the company launched much awaited Toyota Corolla Cross with the highest localized content for hybrid vehicle in the entire auto market. The initiative was made to support Government efforts to reduce fuel imports and adopt cleaner environment.**
- 4. The Board of Directors also approved an investment of around Rs.3 Billion for additional localization of parts and various components of existing vehicles.**
- 5. The Board of directors have declared 2nd interim cash dividend of Rs. 13.2 per share for quarter ended December 31, 2023 as against Rs. 10.2 per share for same quarter last year.**

PKR/JPY PARITY



PKR/USD PARITY



PKR depreciated by 4.1% during Jul'23 to Sep'23

PKR appreciated by 1.6% during Oct'23 to Dec'23

FY23-24

FY22-23

307.0

276

238.5

204.8

276.8

217.3

285.0

229.0

279.3

277.5

BUSINESS OUTLOOK AND KEY CHALLENGES

- 1. We foresee challenges to continue in the next quarters in the form of one or other, as certain measure but not limited to, structural reforms, increase in taxes, privatization of state owned entities, curbing circular debt, etc., are on the back of IMF conditions.**
- 2. The auto sector continues to experience a significant downturn due to the unprecedented depreciation of PKR, deteriorating economic conditions, higher interest rates and higher duties and taxes. This may continue to negatively impact the auto sector sales volumes in the upcoming periods.**
- 3. Pakistan existing taxation system overburdens the local automotive industry with duties and taxes, which has also contributed to decline in volumes along with the deteriorating economic conditions. On the other hand, the import of used cars has been normalized due to relaxation of duties and taxes, which is a cause for concern.**
- 4. The Company also requests consistency in policy making, particularly regarding the Hybrid incentives provided in the AIDEP 2021-26, which is step in right direction to reduce fuel import bill of vehicles and have clean environment.**
- 5. We request the Government to rationalize the taxation system on CKD vehicles in Pakistan especially withholding income tax on sale of vehicles for fostering a fair and sustainable tax system that support volume growth.**

THANK YOU

