



Millat Tractors Limited

Corporate Briefing Session
FYE 30 June 2020

19 November 2020

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COMPANY OVERVIEW



Company Overview

- ❑ Established in 1964
- ❑ Management buyout in 1992
- ❑ Market capitalization exceeding 44 billion Rupees
- ❑ Market share of more than 60%



Accolades – FY 2019-20

- ❑ Excellence in Corporate Management by Management Association of Pakistan
- ❑ Top 25 PSX Company awarded by PSX for the year 2018:
- ❑ One of the top 100 taxpayers in Pakistan



Product range



- MF Tractors from 50 – 100 hp
- Agricultural implements
 - Fodder and Combine Harvesters
 - Balers
- Diesel Power Generators
- Prime movers
- Forklift trucks

Investment portfolio

Millat Tractors Limited

Subsidiary Companies

Others

Bolan Castings
Limited
46.26%
Rs. 77 million

Millat Equipment
Limited
45%
Rs. 117 million

Millat Industrial
Products Limited
64.09%
Rs. 57 million

TIPEG Intertrade
DMCC
75%
Rs. 69 million

Hyundai Nishat
Motors (Private)
Limited
18%
Rs. 1,641 million

Baluchistan Wheels
Limited
9.62%
Rs. 78 million



Millat Group of Companies

□ Millat Tractors Limited

- (Public Limited Company - Listed on Pakistan Stock Exchange)
- Assembler of tractors, implements, forklift trucks, gen-sets

□ Bolan Castings Limited

- (Public Limited Company - Listed on Pakistan Stock Exchange)
- Manufacturer of casting components

□ Millat Equipment Limited

- (Public Limited Company - Unlisted)
- Manufacturer of tractor components – gears

□ Millat Industrial Products Limited

- (Public Limited Company - Unlisted)
- Manufacturer of batteries

□ TIPEG Intertrade JLT

- (Free Zone Company under Regulations of DMCC)
- Trading arm of the company

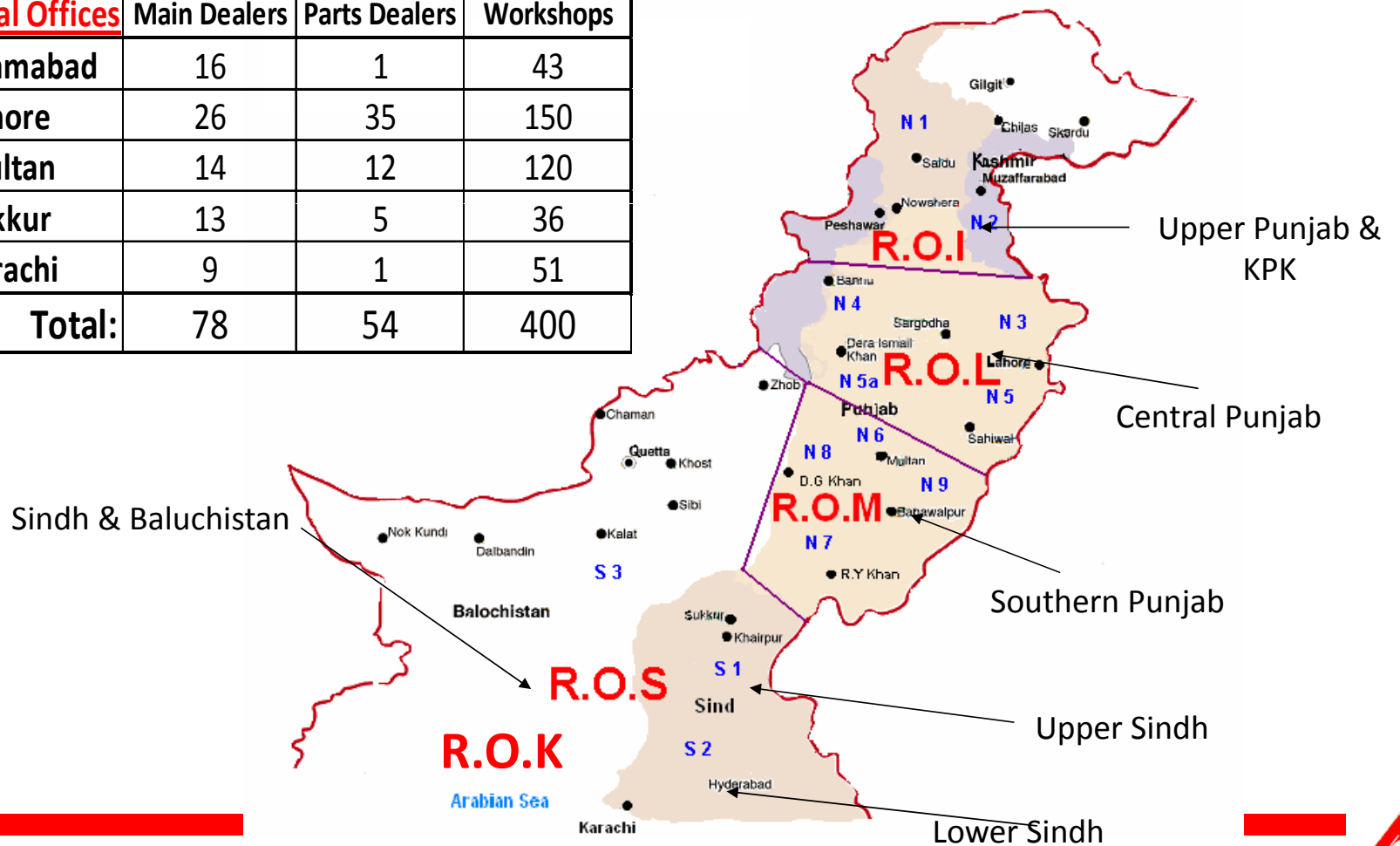


Millat Tractors Limited - Principals and Technical Partners



MILLAT'S DEALERS GEOGRAPHICAL COVERAGE

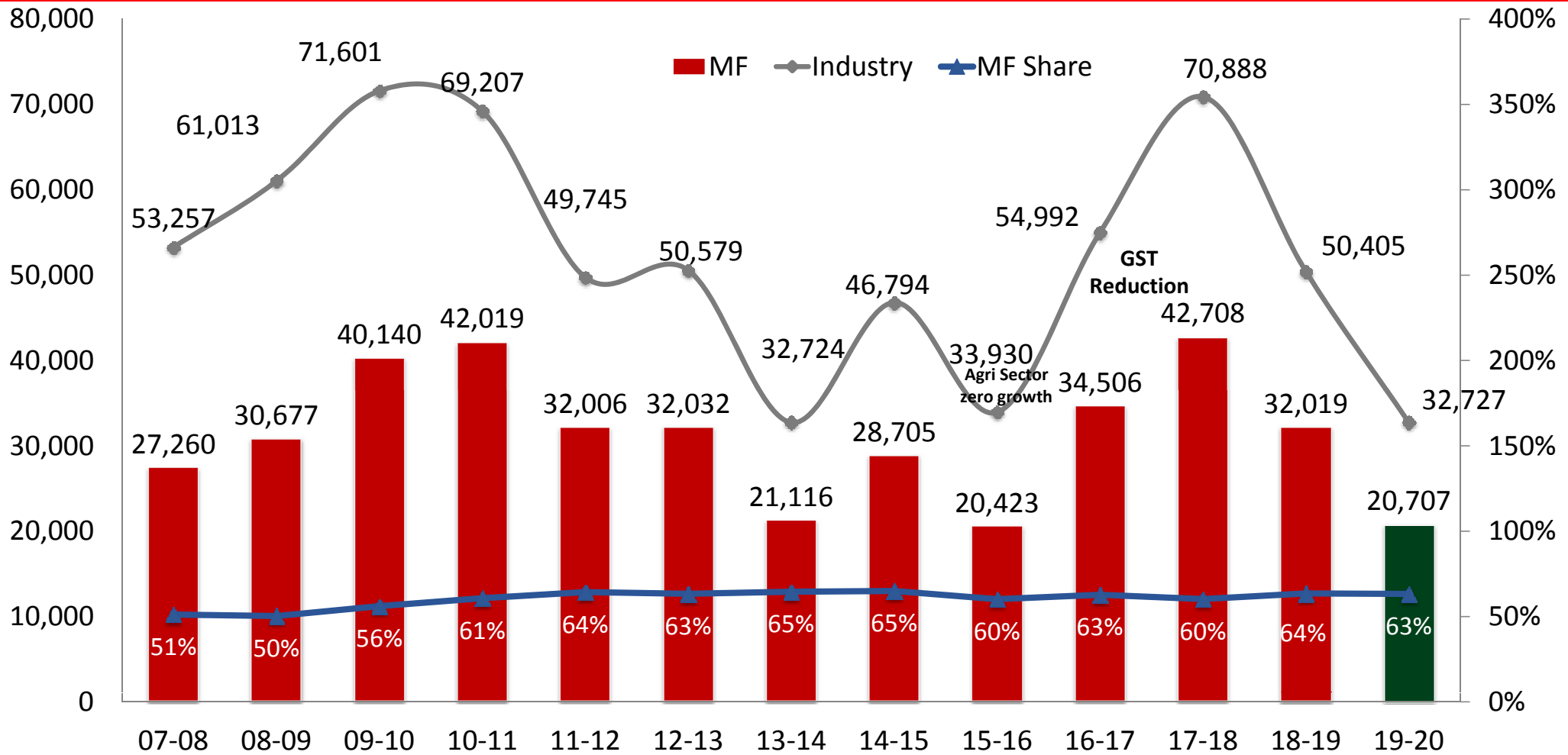
	<u>Location of Regional Offices</u>	Main Dealers	Parts Dealers	Workshops
1	Regional Office Islamabad	16	1	43
2	Regional Office Lahore	26	35	150
3	Regional Office Multan	14	12	120
4	Regional Office Sukkur	13	5	36
5	Regional Office Karachi	9	1	51
	Total:	78	54	400



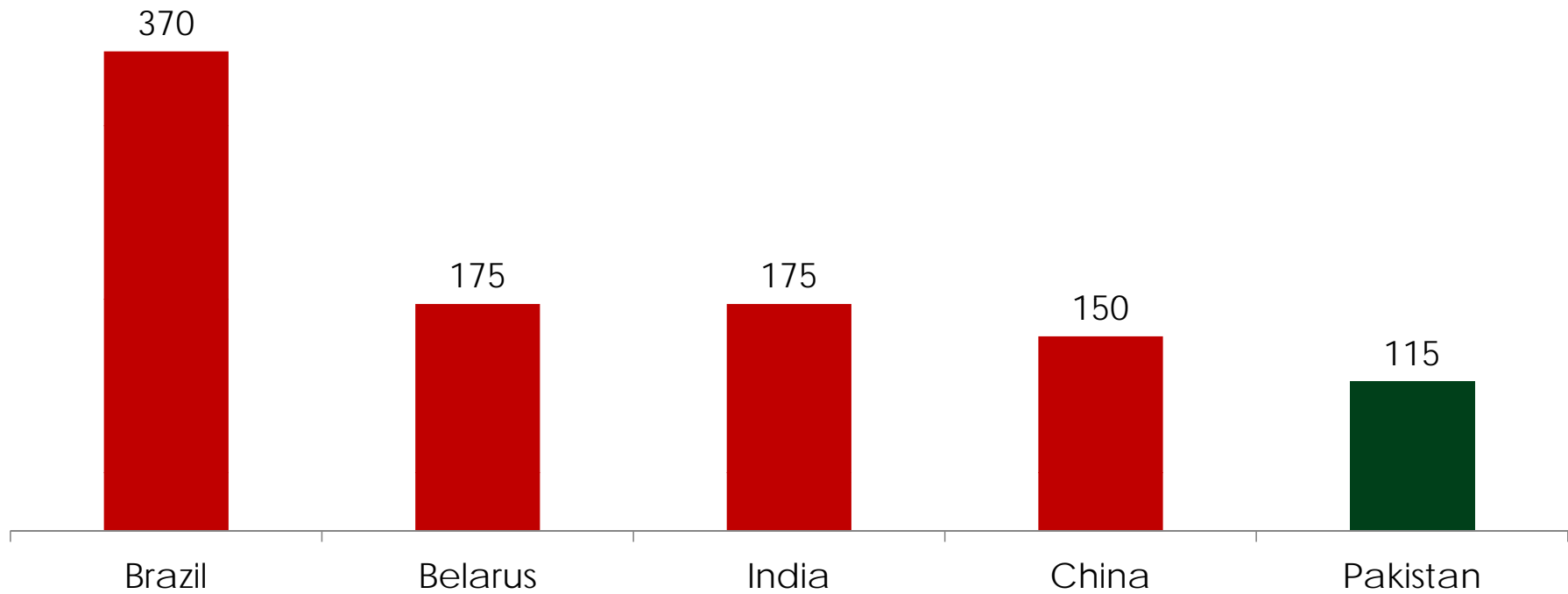
INDUSTRY OVERVIEW



Industry & MTL Sales (units) – Source PAMA



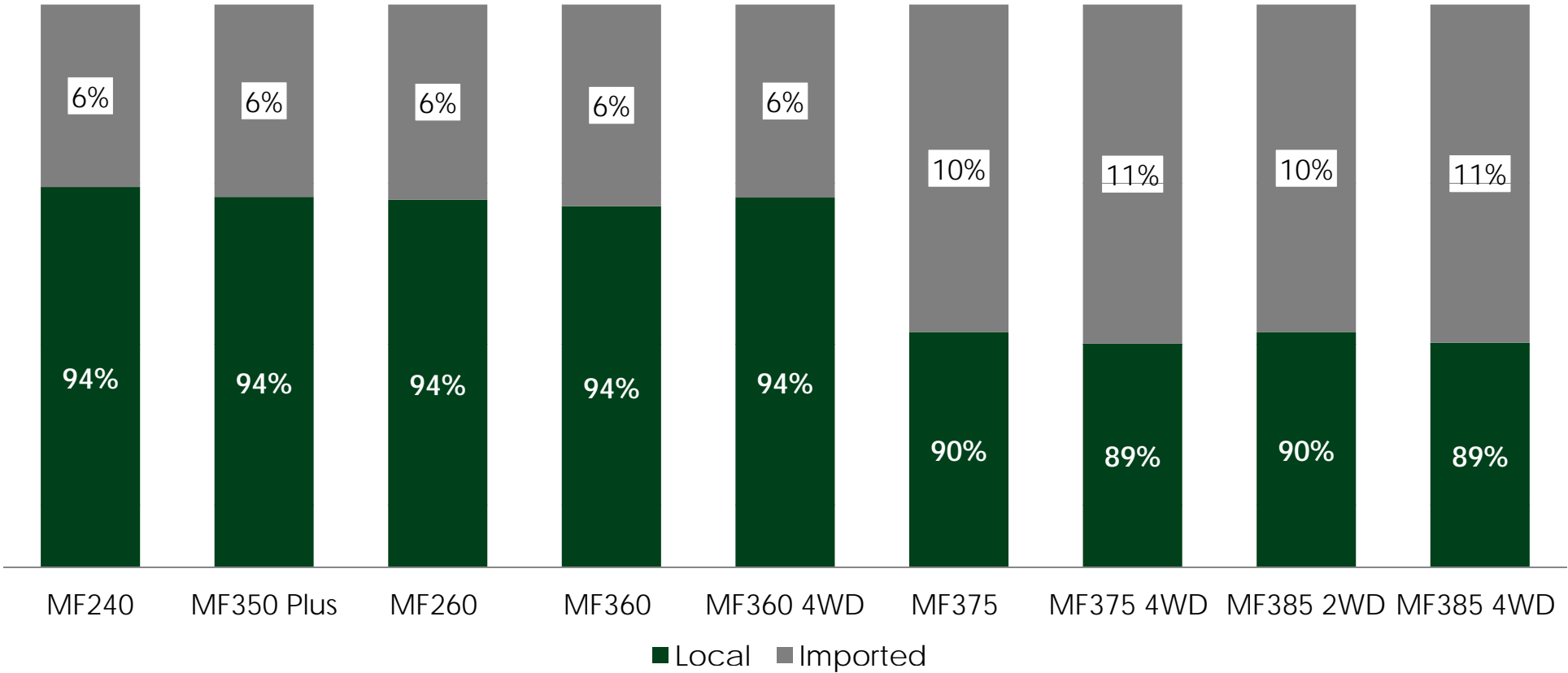
Tractor Price Comparison (US\$) Per hp , (50-85 hp range -2wd)



Note : CBU Tractors Prices PAK (Aug.2020)
Source: AGCO/MTL/Zauba/



Localization of components - Tractors

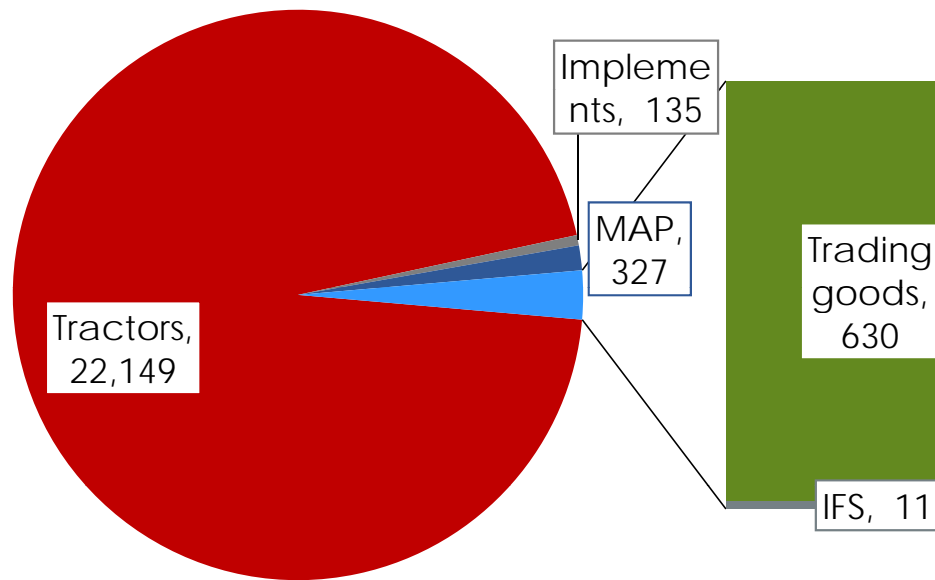


FINANCIAL PERFORMANCE

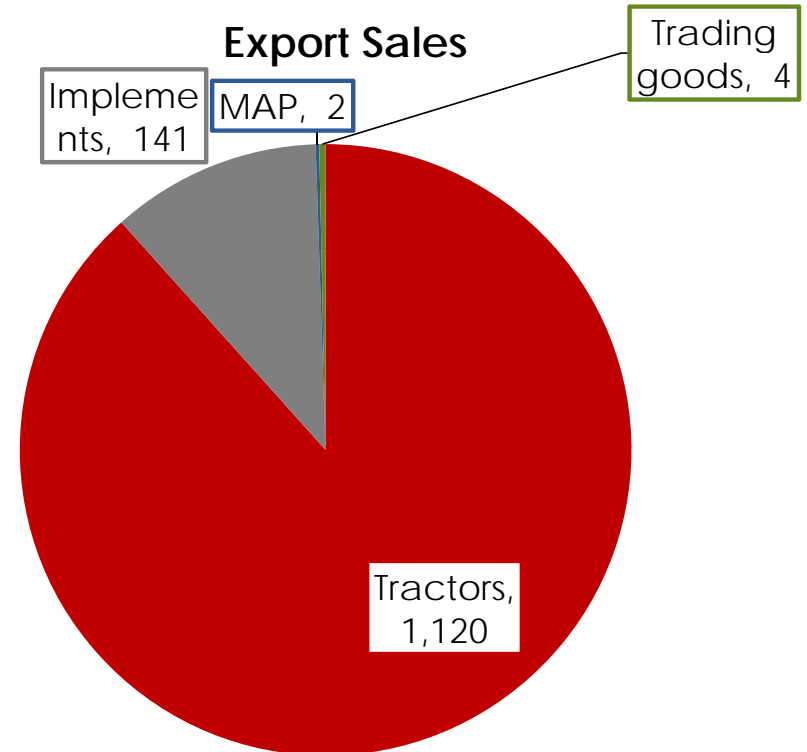


Sales (Rs. in million)

Local Sales

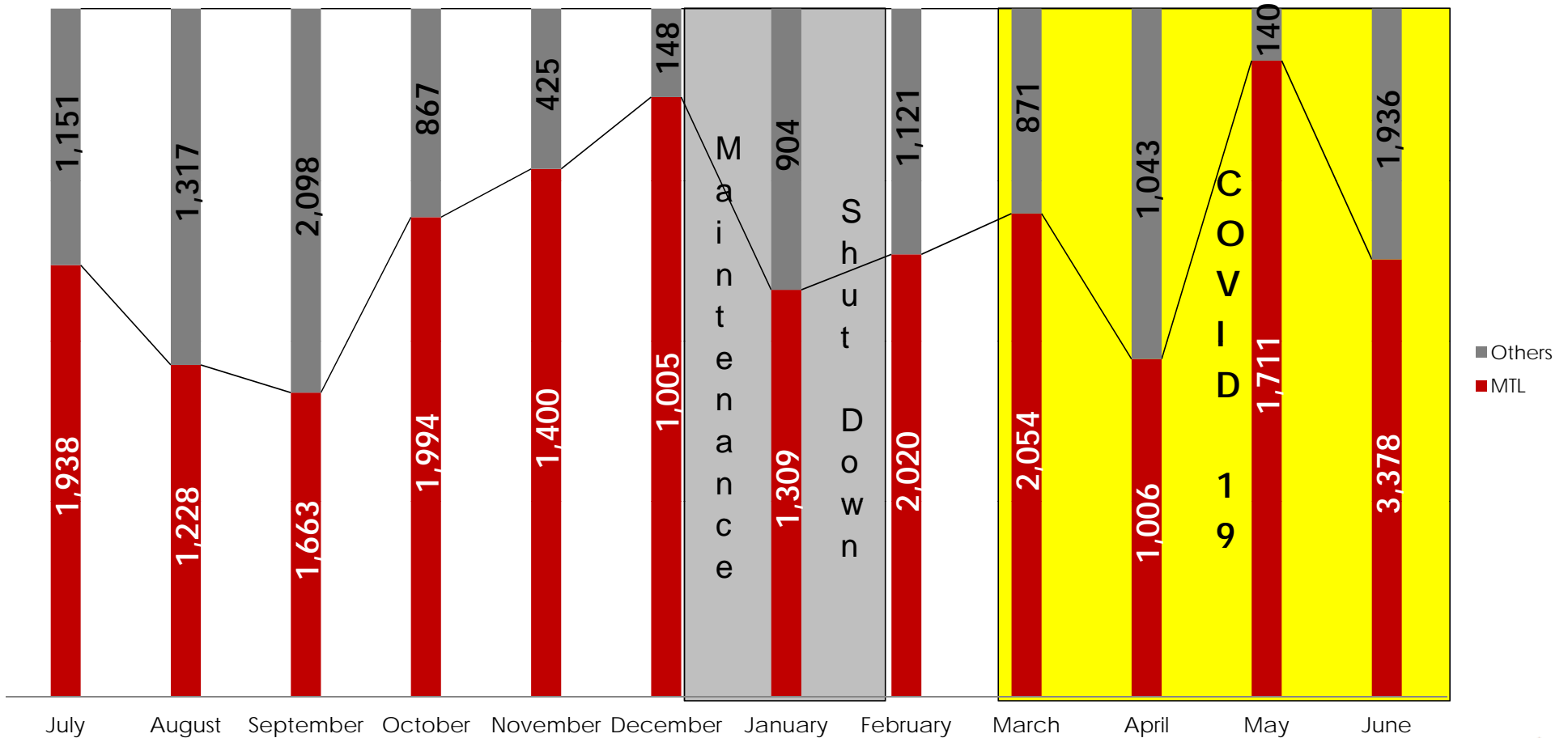


Export Sales



Tractor Sales FY 2019-20

(Source: PAMA)



Tractor sales

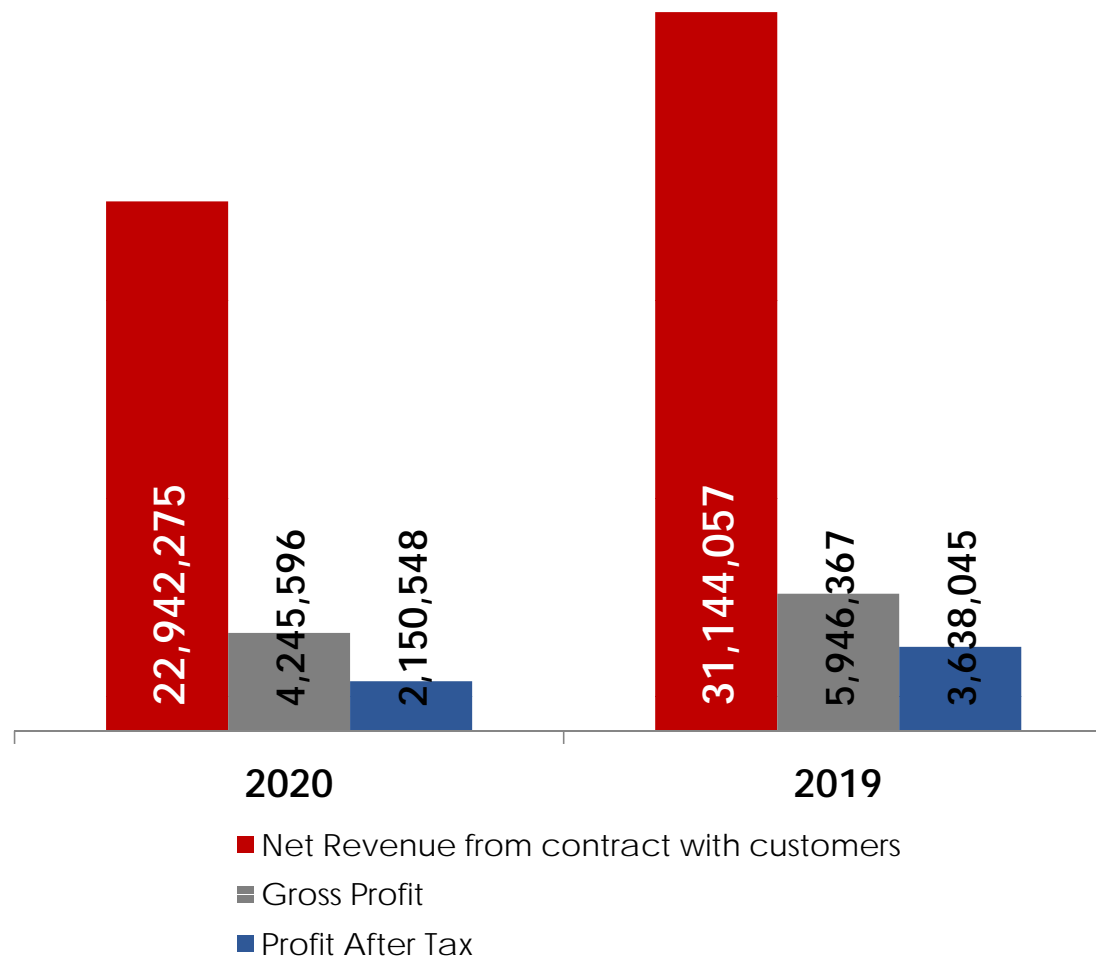
- ❑ Overall sales of the industry down by 35%
- ❑ MTL also down by 35% in terms of units sold but retained overall market share of 63%
- ❑ Reasons:
 - Deteriorating economy and reduction in purchasing power of farmers
 - Irrational weather behavior resulting in less than ideal crop yield



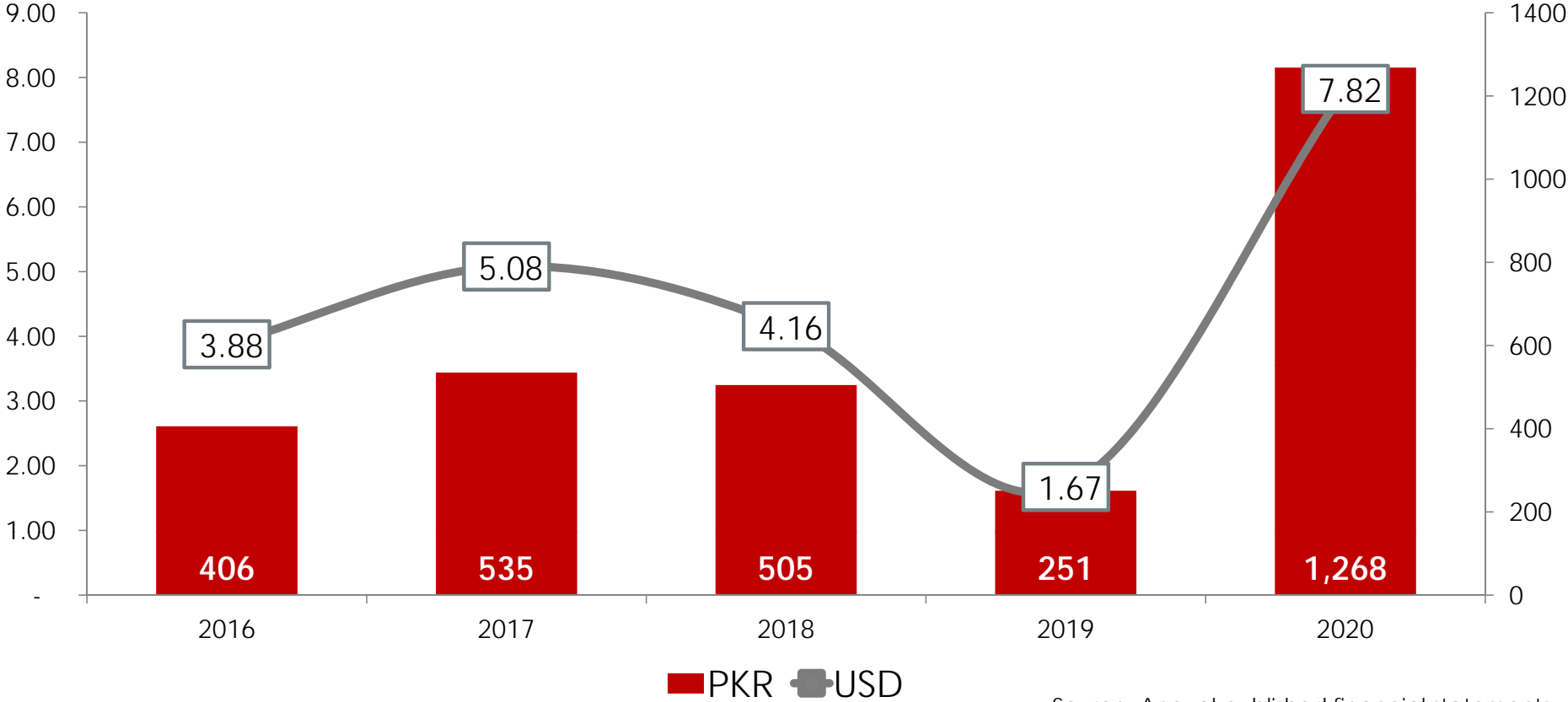
Profitability

Figures are Rupees in thousands

- ❑ Net revenues declined by 26% due to reduced sales
- ❑ Gross profit reduced by 29% because of increase in input costs
- ❑ Net profits decreased by 41% on account of higher financing cost (Rs. 217 million against Rs. 42 million for last year)



Exports – (Millions)



Source: Annual published financial statements



Financial Position (Rs. in '000)

	2020	2019	Change	%
Current assets	7,781,665	7,964,021	(182,356)	-2%
Current liabilities	6,400,770	5,728,286	672,484	12%
Shareholders Equity	4,403,842	4,833,167	(429,325)	-9%



Market performance

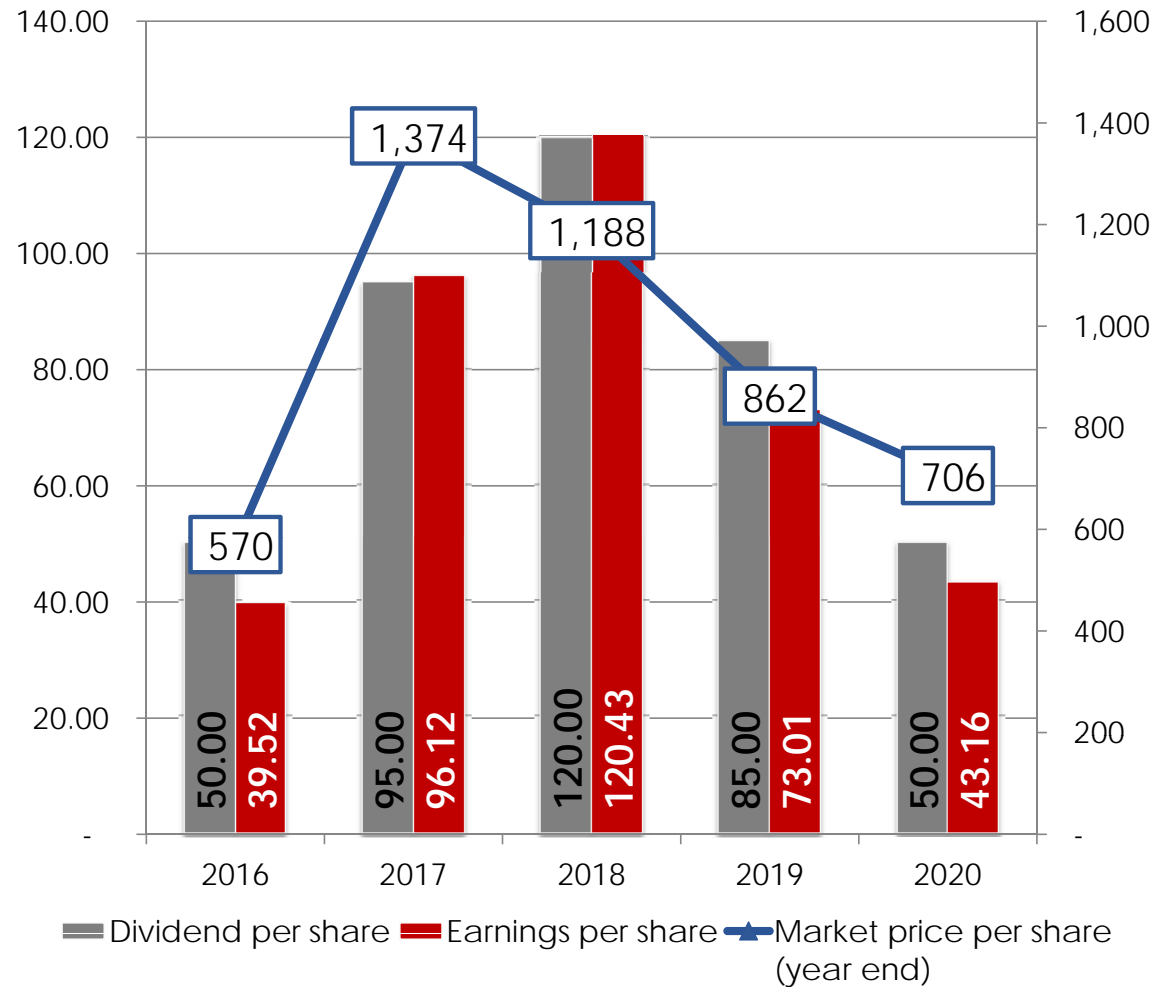
Ratios		2020	2019	Change	(%)
Dividend Payout Ratio	Percentage	115.85	116.42	(0.57)	0%
Return on Capital Employed	Percentage	84.44	107.52	(23.08)	-21%
Current Ratio	Times	1.22:1	1.39:1	-	-
Debt : Equity Ratio	Times	0.03 : 100	0 : 100	-	-

Share Performance		2020	2019	Change	(%)
Market Value per share (Year End)	Rs	706.16	862.38	(156.22)	-18%
Market Capitalization (Year End)	Rs 000	35,187,388	38,197,397	(3,010,009)	-8%

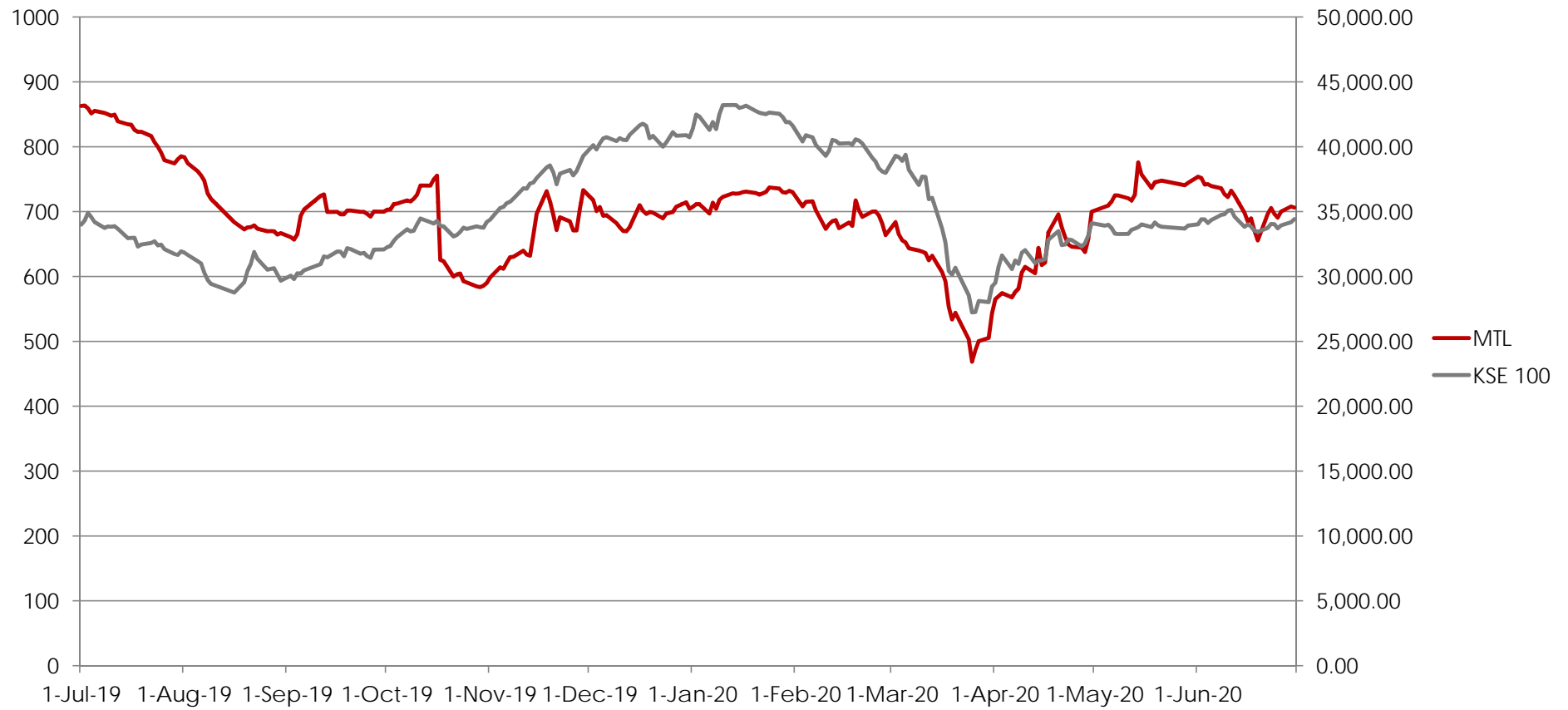


Earnings and dividend payout

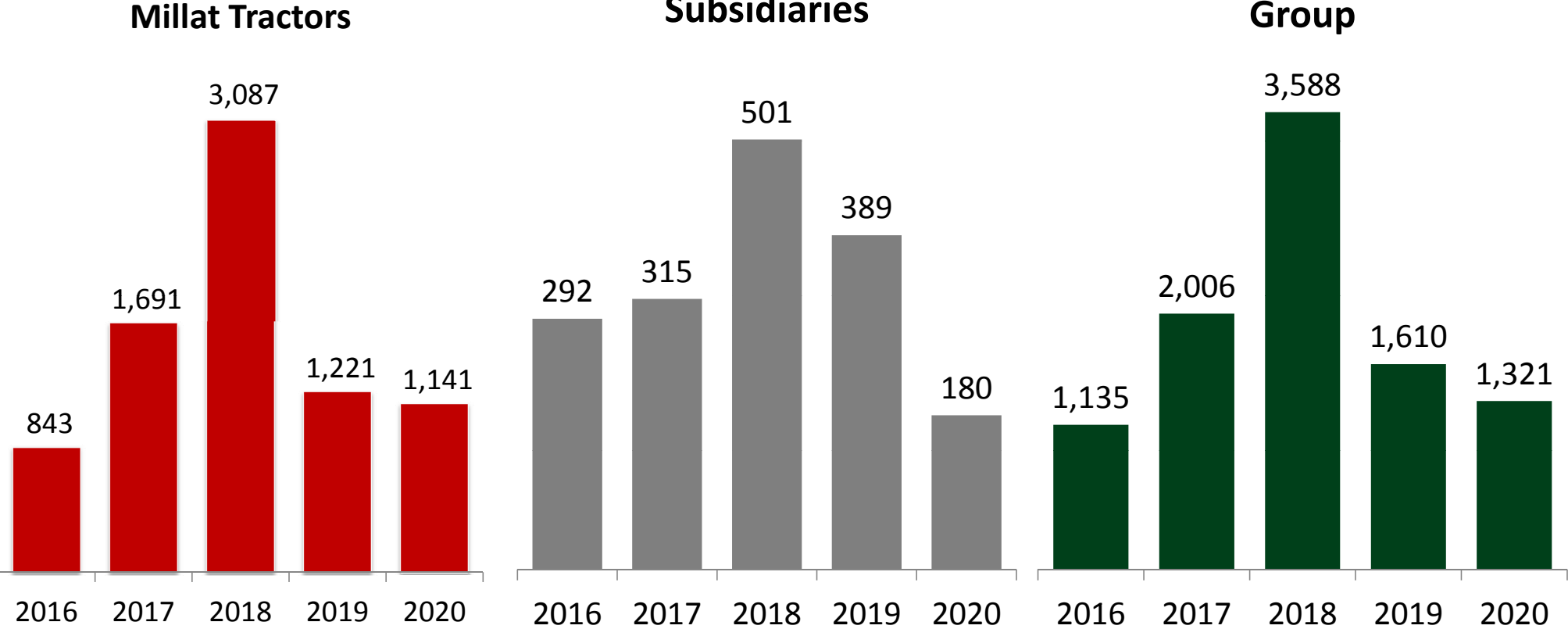
- ❑ Market price performed as per profitability trend and market perception
- ❑ Dividend payout remained one of the highest among PSX listed companies



Share price movement 2019-20



Income Tax Paid to National Exchequer – Rs. Million



Source: Annual published financial statements



FUTURE OUTLOOK



Future outlook

- ❑ Crop yield is expected to be better on account of timely monsoon season and stable weather pattern
- ❑ Ease of doing business and timely release of sales tax refunds remain key hurdles in business growth
- ❑ Sustainability and eco-friendly business measures are need of the hour to save not only agriculture sector but the country as a whole



Q & A SESSION





THANK YOU

