



MILLAT TRACTORS LIMITED

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AUSTRIA
HELLAS
EN ISO 9001:2015
NO: 0418386052323

Ref: MTL/CA/CBS/24-7530
November 11, 2024

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

Dear Sir,

CORPORATE BRIEFING SESSION ON FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2024

This is to inform you that Mandatory Corporate Briefing Session of Millat Tractors Limited on the Financial Results for the year ended June 30, 2024 will be held on Friday, November 15, 2024 as per following details:

Date	Friday, November 15, 2024
Time	09:00 AM
Venue	Ballroom of Hotel Four Points by Sheraton, 25 Egerton Road, Lahore.
Video Conference	The meeting can also be attended through Zoom Video Conference mode.

The interested participants are requested to register their following particulars by sending an e-mail at corporate.affairs@millat.com.pk with the subject **Corporate Briefing Session-2024**.

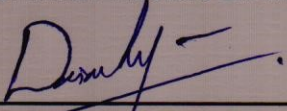
Name	Folio/CDC Account# (in case of shareholder)	Name of Organization (if Analyst)	CNIC No.	Cell No.	Email Address
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Video link and login details will be shared with the interested participants whose emails, containing all the above particulars, are received at the above email address by or before close of business hours (5:00 PM) on November 13, 2024.

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

Thanking you,

Yours truly,
for Millat Tractors Limited.


Muhammad Faisal Azeem
Company Secretary

Regional Offices:

Karachi :3-A, Faiyaz Centre, Sindhi Muslim Co-Operative Housing Society, Tel: 021-34553752, 34556321 UAN 111-200-786, Fax: 021-34556321
Islamabad :House No, 22, Street 41, Sector F-6/1, Tel: 051-2271470, 2270693 UAN: 111-200-786, Fax: 051-2270693
Multan Cantt :Garden Town, Daulatabad, Sher Shah Road, Tel: 061-6537371, Fax: 061-6539271
Sukkur :House No, B-106 Akuwat Nagar Society Near Goal Masjid Airport Road Sukkur. Tel: 071-5815041, Fax: 071-5815042



Millat Tractors Limited

**Corporate Briefing Session
Financial year ended 30 June 2024**

November 15, 2024

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- ❑ Company overview
- ❑ Industry information
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- ❑ Future outlook
- ❑ Q&A session



Millat Tractors Limited - Company Overview

- ❑ Public Limited Company - Listed on Pakistan Stock Exchange(PSX)
- ❑ Established in 1964, Nationalized in 1972, Employee/Management buyout in 1992
- ❑ Quality Management system upgraded to ISO 9001:2000 in 2000
- ❑ Launch of Emission Compliant Diesel Engines and Export Tractor Models in 2017
- ❑ Launch of three new Deluxe models in February 2024 on the celebration of MTL's 60th anniversary
- ❑ Achieved highest ever sales in 2018 and continuing...
- ❑ Achieved highest ever export sales of 2,700+ plus tractors in 2024 and continuing...
- ❑ Market capitalization of PKR 122 billion (PSX) as at June 30, 2024
- ❑ Excellence in Corporate Management award by MAP – three years consecutive
- ❑ Top 25 PSX company awarded by PSX consecutively for the years 2017, 2018, 2019 and 2022
- ❑ Best Corporate and Sustainability report 2022 award by joint committee of ICAP and ICMAP



VISION

“ Millat to be a global group of companies, recognized for a range of quality products with innovative design capabilities.”

MISSION

“ To be the market leader in agricultural tractors and machinery, building company’s image through innovation and competitiveness, growing by expanding market and investing into group companies, ensuring satisfaction to customers, stakeholders and to fulfilling our corporate social responsibility.”



Product range MTL



- ❑ MF Tractors from 50 – 85 hp
- ❑ Agricultural implements
 - Fodder and Combine Harvesters
 - Balers, Laser Land Leveler
- ❑ Diesel Power Generators (12.50 to 500 KVA)
- ❑ Prime movers
- ❑ Forklift trucks (3 to 4 Ton)
- ❑ Spare Parts and After Sale Market
- ❑ Millat IFS Business Channel- Partner of IFS SWEDEN

TRACTORS

MTL is tractor assembling company which assembles **MASSEY FERGUSON (MF)** brand tractors for local and export market, ranging from 50 HP to 85 HP. The company also introduced **Deluxe variants** for its existing tractors. Following are the some of the main tractors:

MF 235 Tractor (2WD): "Specially designed for Orchards and Narrow Spaces."

- 50 HP Millat Engine.

MF 240 Tractor (2WD): "The Most Popular & Economical Tractor"

- 50 HP Millat Engine.

MF 385 Tractor:

MF 385 2WD "The Long Term Partner Most Powerful Yet Economical"

MF 385 2WD Deluxe "Added Safety, Road Grip, Power and Length"

MF 385 4WD "The Strongest Pakistan Made Tractor Edge Over 2WD"

MF 385 4WD Deluxe "Increased Strength, Stability, Convenience and Performance"

- 85 HP Millat Engine.



MF 260 Tractor:

MF 260 (2WD) "A Multi-Purpose Tractor"

MF 260 (2WD) Deluxe "Upgraded, Efficient, Comfortable and Multi-Purpose Tractor"

- 60 HP, Turbo Millat Engine.

MF 360 Tractor:

MF 360 2WD "Robust, Reliable & Rugged"

MF 360 4WD "The Most Powerful 4WD Tractor of Medium Horsepower Range in Pakistan"

- 60 HP, Turbo Millat Engine

MF 375 Tractor:

MF 375 2WD "Enhanced Power to Excel Progress"

MF 375 4WD "The Best Combination of Fuel Economy & High Pulling Power"

- 75 HP Millat Engine.



INDUSTRIAL PRODUCT DIVISION (IPD)

- ❑ IPD is a separate business unit (SBU) of MTL deals with Power generating sets, Fork lift trucks, Prime movers etc.

Power Generating Sets

- ❑ Following is the Generating set range
 - 12.5 kVA to 500 kVA



Electropack engines

- ❑ MTL introduced 3 and 4 cylinders locally made Electropack engines for Diesel generating sets available for sale in market.
- ❑ Following is the Electropack engines range:
 - 15kVA to 50 kVA

- ❑ IPD sales during the year are **Rs. 486 million.**

Forklift Trucks

- In collaboration with Heli Forklift Truck Manufacturing Company, China
- 3-Ton capacity
- Millat 3- Cylinder Engine



Prime Movers

- 3-Cylinder (50 HP)
- 4-Cylinder (75 HP)



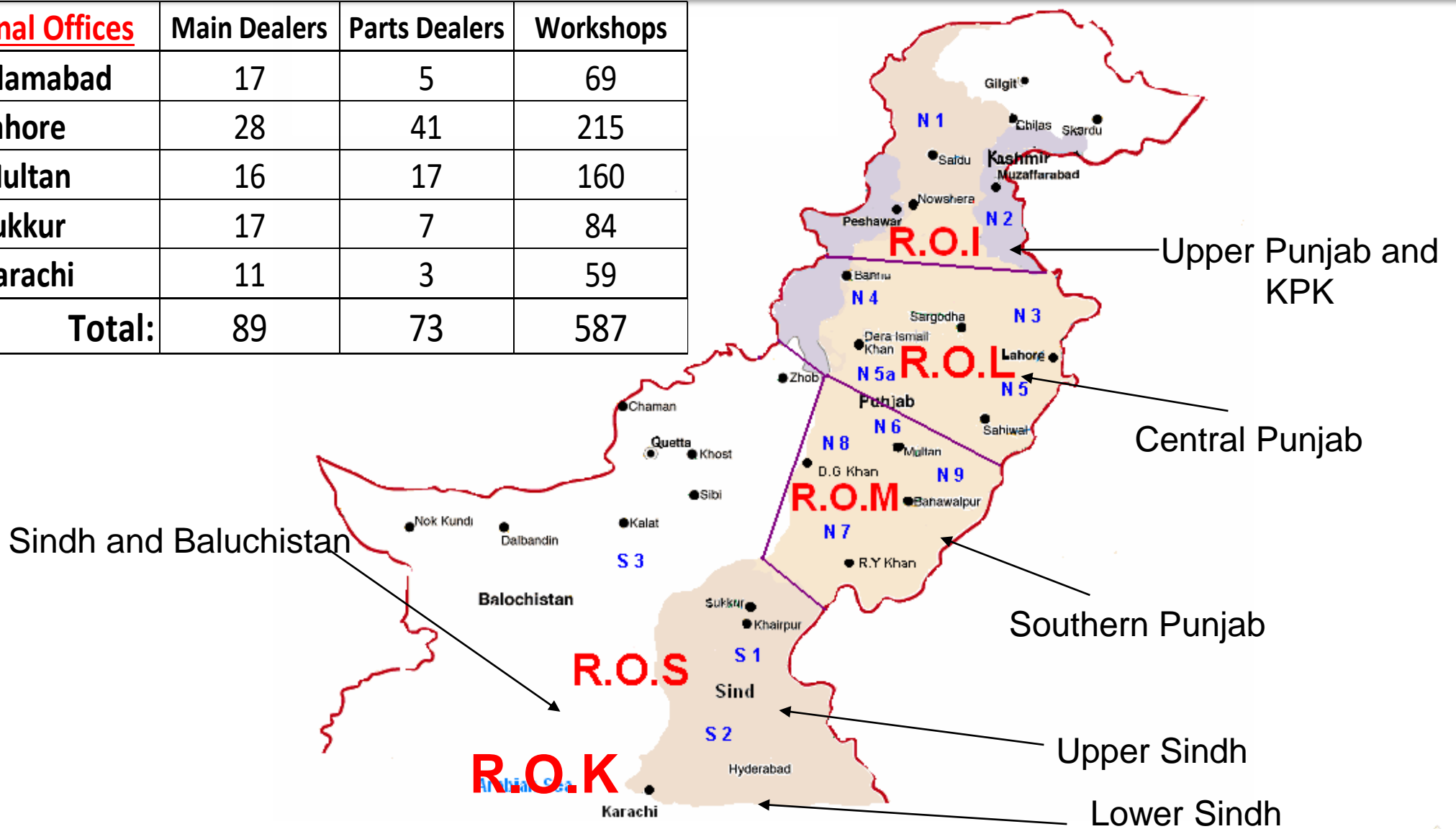
Spare Parts and After Market

- ❑ In order to meet the spare parts requirement of all products of MTL, it has developed a separate business unit.
- ❑ This segment deals in sale of all spare parts, lubricant oils, batteries, filters, grease, paint, sheet metal parts etc. of all products of MTL.
- ❑ Parts segment has a network of 73 parts dealers, which works in collaboration with 89 main dealers and 587 workshops of distribution and service department of MTL all over Pakistan.
- ❑ Sales of **Rs. 2,415 million** during 2023-24.



MILLAT'S DEALERS GEOGRAPHICAL COVERAGE

	<u>Location of Regional Offices</u>	Main Dealers	Parts Dealers	Workshops
1	Regional Office Islamabad	17	5	69
2	Regional Office Lahore	28	41	215
3	Regional Office Multan	16	17	160
4	Regional Office Sukkur	17	7	84
5	Regional Office Karachi	11	3	59
	Total:	89	73	587



Millat IFS Business Channel - Partner of IFS SWEDEN

- ❑ In line with the vision of management, considering the importance of Information Technology for industry, MTL decided to implement globally renowned ERP, IFS Applications in Millat Tractors Limited in 2009.
- ❑ Having trained and qualified human resources since 2009, MTL entered into sales and implementation partnership for IFS Applications to extend the benefits of digital transformation to other group companies and automotive industry and formed a Business unit as Millat IFS Business Unit (MIBU).
- ❑ MIBU is selling and implementing ERP solution, IFS Applications that help companies get better return on investment.



Millat IFS Business Channel- Partner of IFS SWEDEN

➤ IFS Applications (ERP Solution)

- Manufacturing
- CRM
- Supply Chain
- Quality
- Analytics
- DMS
- Projects
- Service & Maintenance
- HRM
- Financials

➤ IFS Consultancy

- Implementation
- SLA & Support
- Integration
- Trainings
- Third Party Audit/QA
- Remote Services

➤ Existing Customers

- Cybix Consulting FZ-LLC, UAE
- GAZI Tyres
- Inivos Consulting Private Limited
- MEASA Engineering Services (Pvt.) Ltd
- Synergy Computers Private Limited
- VS ONE Bangladesh Limited
- WIA Systems Inc.
- Millat Group, Pakistan
 - Millat Tractors Limited (MTL)
 - Millat Equipment Limited (MEL)
 - Millat Industrial Products Limited (MIPL)



Millat Tractors Limited

Subsidiary Companies

Others

TIPEG
Intertrade
DMCC

75%

Rs. 40 million

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

Millat
Industrial
Products
Limited

64.09%

Rs. 57 million

- Public Limited Company – (Unlisted)
- Manufacturer of automotive & UPS batteries

Millat
Equipment
Limited

45%

Rs. 117 million

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

Bolan
Castings
Limited

46.26%

Rs. 77 million

- Public Limited Company – (Listed on PSX)
- Manufacturer of casting components

Hyundai
Nishat Motors
(Private)
Limited

15.86%

* Rs. 5,824 million

* MARKET FAIR VALUE

Baluchistan
Wheels Limited

9.62%

* Rs. 167 million



TIPEG Intertrade DMCC

- ❑ **TIPEG INTERTRADE DMCC** is a free zone company with limited liability registered with Dubai Multi Commodities Centre Authority. The company was incorporated in 2012.
- ❑ **TIPEG INTERTRADE DMCC**, is a trade hub established to promote locally manufactured engineering equipment and components worldwide. Based under the umbrella of Millat Tractors, TIPEG is determined to bridge distance and technical gaps between local manufactures and global markets for two way trading.
- ❑ TIPEG made sales of **AED 25 million** during the year.
- ❑ Dividend received by MTL from TIPEG during the year was **Rs. 45 million**.



Millat Industrial Products Limited (MIPL)

- ❑ **Millat Industrial Products Limited**, a subsidiary of **MTL** is a public limited company, and mainly known as a leading Automotive Batteries manufacturer.
- ❑ Company is producing complete range of Automotive / UPS batteries with special emphasis on deep cycle series and maintenance free batteries.
- ❑ **MIPL** generally has different types of batteries in its product range i.e.
 - **Standard Range** 5 -33 Plates/Cells
 - **CNG Range** 09-13 Plates/Cells
 - **UPS Range** 13-29 Plates/Cells
 - **Deep Cycle Range** 07-23 Plates/Cells
 - **Solar Range** 5-9 Plates/Cells
 - **Maintenance-free Range** 9-15 Plates/Cells
- ❑ Dividend received by MTL from MIPL during the year was **Rs. 99 million**.



Millat Equipment Limited (MEL)

- ❑ **Millat Equipment Limited** is a subsidiary of **MTL**, and is a leading manufacturer of transmission gears of tractors in Pakistan.
- ❑ MEL acquired Gear Manufacturing Unit from M/S AGCO Limited – UK.
- ❑ It has state of the art inspection and testing facility, and is ISO 9001 QMS & 50001 EnMs certified.
- ❑ **Product range:**
 - Transmission Gears and Shafts
 - Hydraulic Pump
 - Balancer Unit
 - Carrier Assemblies
 - Crown Wheel and Pinion etc.
- ❑ Dividend received by MTL from MEL during the year was **Rs. 336 million.**



Bolan Castings Limited (BCL)

❑ **Bolan Castings Limited**, a subsidiary of **MTL**, acquired in 1994, is a listed public limited company, and mainly known as an automotive foundry with a capacity of over 16,000 tons per annum (manufacturing of casting components).

❑ **Product Range**

▪ **Grey Iron Castings**

- Tractor's Engine Blocks Engine Heads
- Centre Housings
- Transmission Case
- Axle Casing
- Oil Sump
- Bearing Caps
- Trucks / Buses / Cars, Brake Drums Pump Castings
- Spheroidal Graphite/Nodular/Ductile

▪ **Iron Castings**

- Axle Housings
- Axle Supports
- Differential Cases
- Hydraulic Boxes
- Rocker Links
- Sleeves
- Hubs and Bearing Covers etc.

❑ No dividend was declared during the year.



OTHER Group Members

□ Hyundai Nishat Motors (Private) Limited

- **15.86%** shareholding by MTL as at June 30, 2024.
- Cost of investment is **Rs. 3,103 million** as of June 30, 2024.
- Fair value as on June 30, 2024 is **Rs. 5,824 million**.

□ Baluchistan Wheels

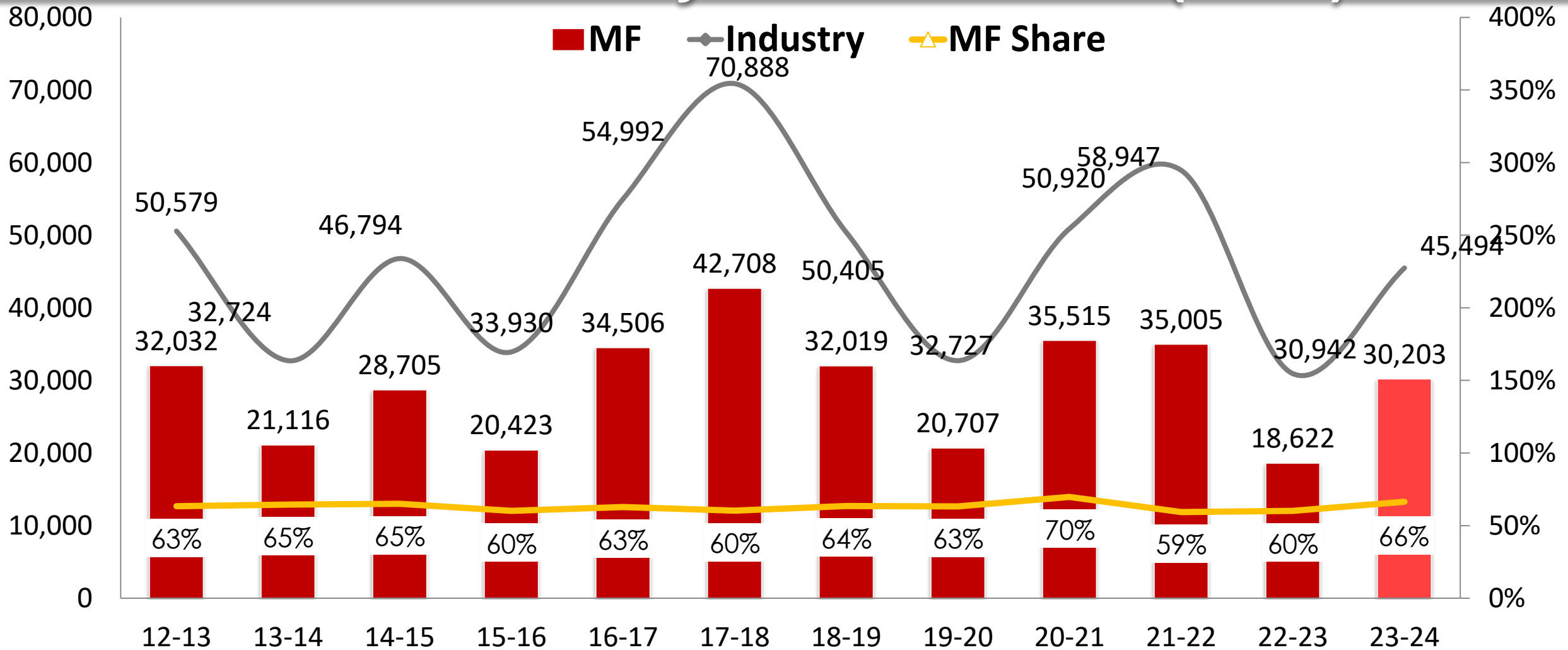
- **9.62%** shareholding by MTL.
- Cost of investment is **Rs. 12 million**.
- Fair value as on June 30, 2024 is **Rs. 167 million**.
- Dividend received during the year was **Rs. 17 million**.



INDUSTRY OVERVIEW



Tractor Industry and MTL Sales (units)

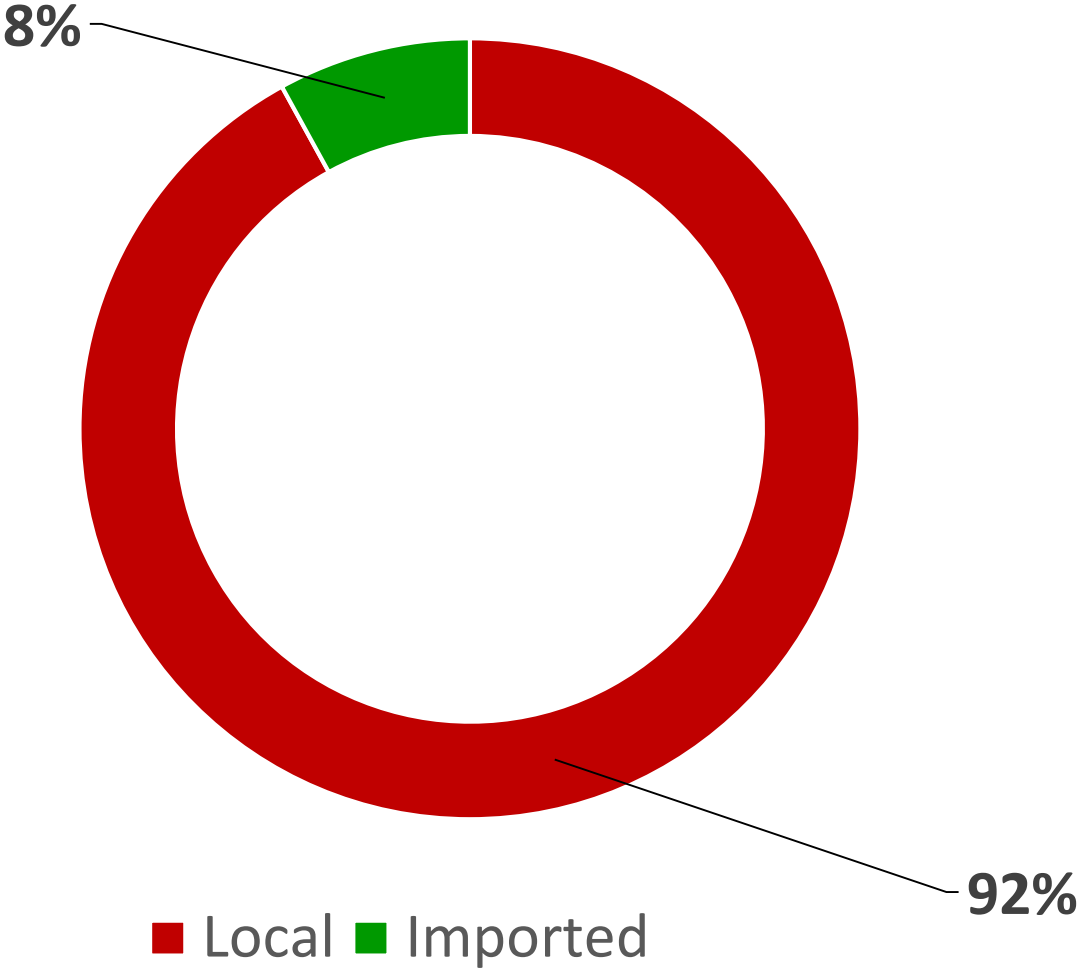


Tractor industry annual sales units 2023-24:

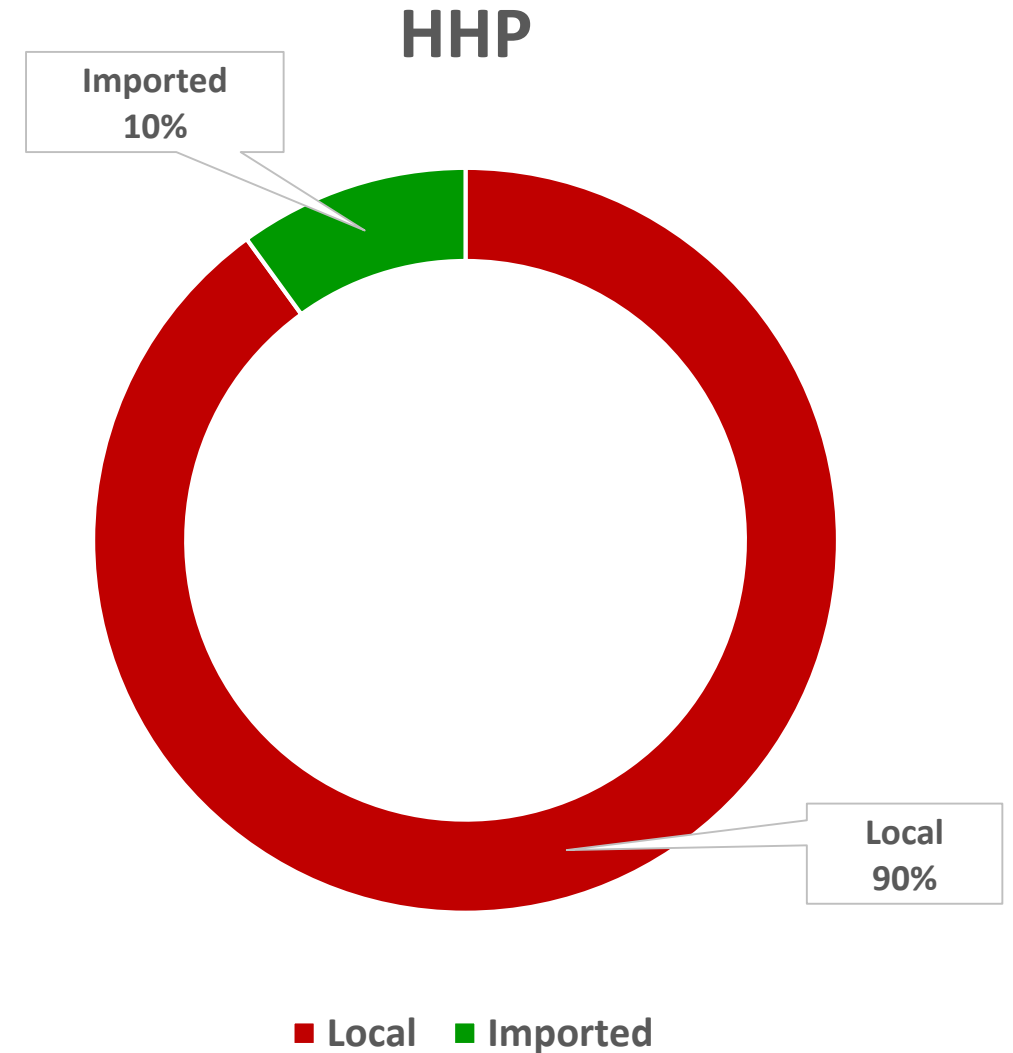
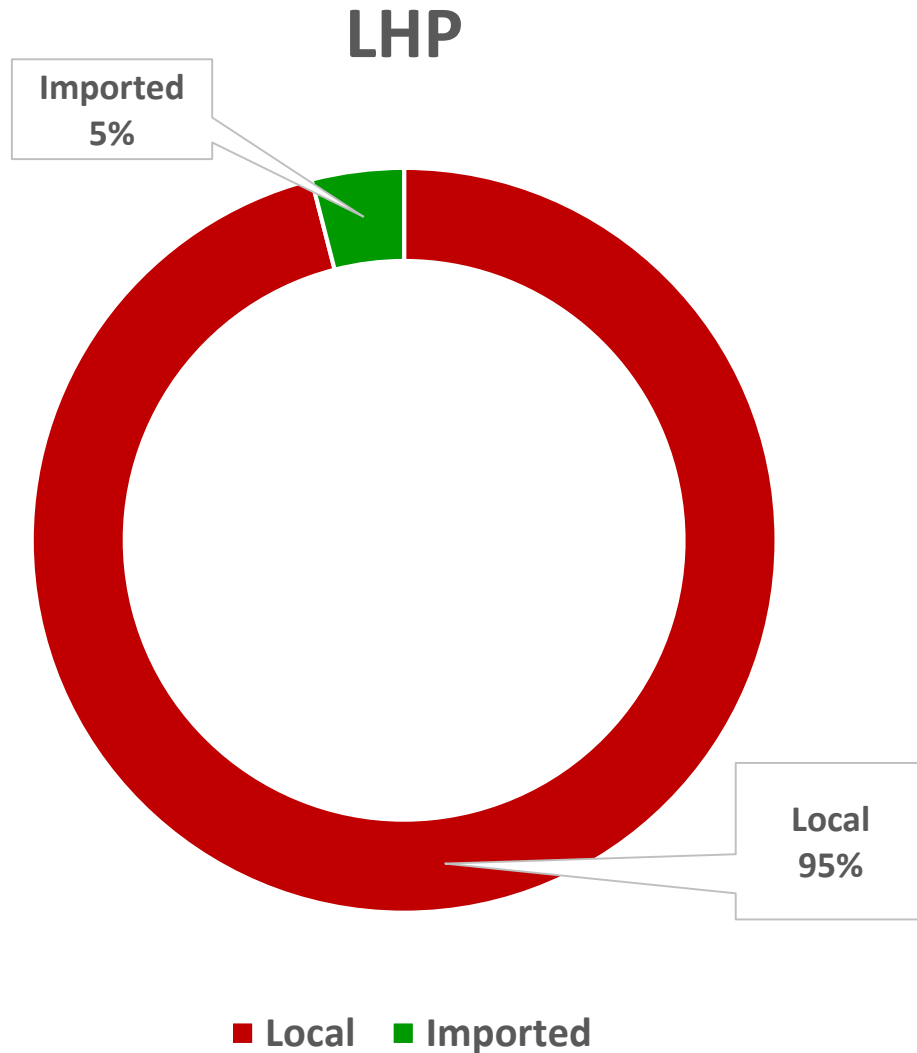
- ❖ Fiat (AGTL) 15,291
- ❖ Massey Ferguson (MTL) 30,203



Average Composition of Local vs Imported Components Tractors



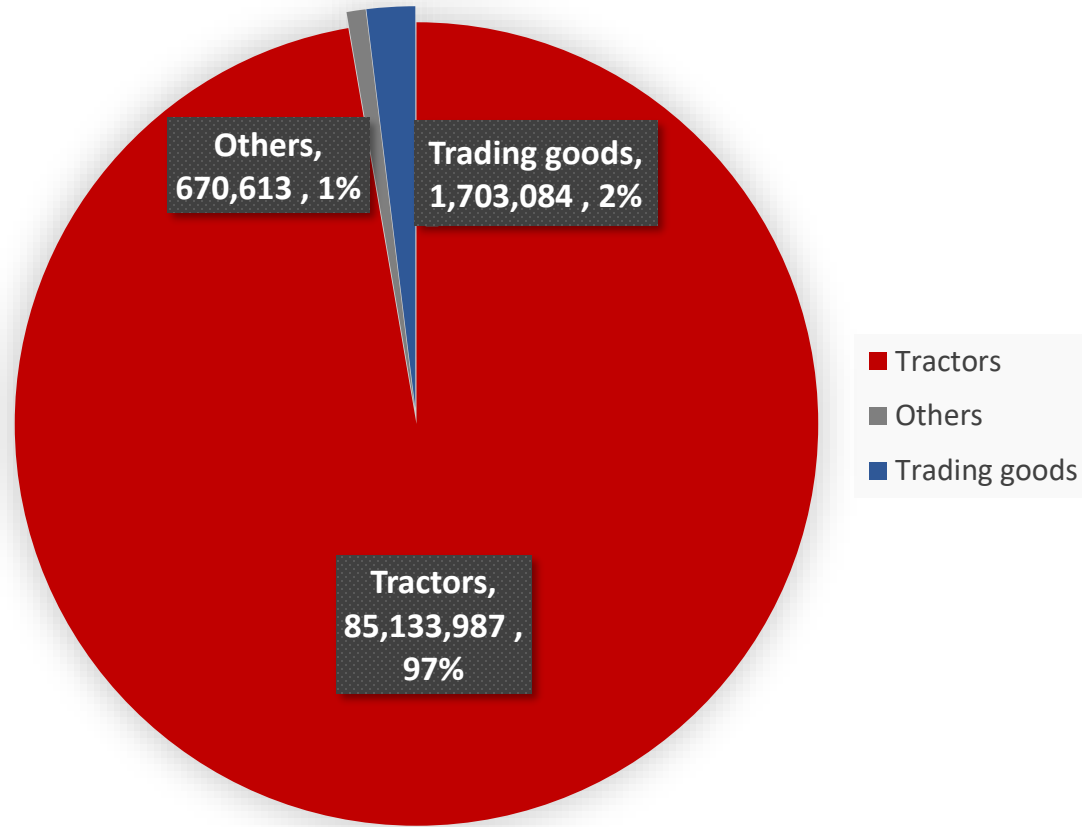
Average Composition of Local vs Imported Components Tractors LHP & HHP



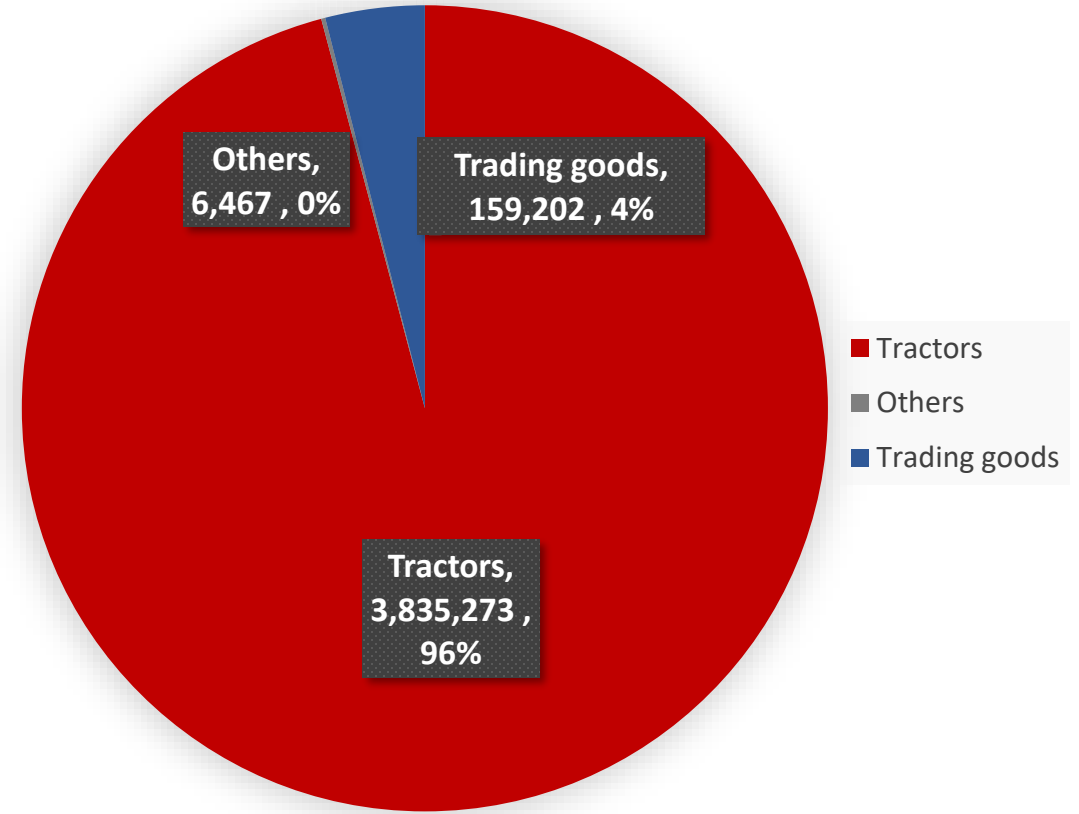
FINANCIAL PERFORMANCE



Sales (Rs. in million)



Local sales



Export sales



Tractor sales comparison 2023-24 and 2022-23

- ❑ Overall sales of the Tractor industry went up by ↑ 47% from 30,942 to 45,494 units.
- ❑ Reason for industry increase:
Post flood construction activity for rehabilitation; and Government policies and farmer Kisaan package have boosted the tractor sales.
- ❑ MTL's sales increased by ↑ 64% in terms of units sold by achieving 30,620 mark with a market share of 66%. In addition to the factors contributing to the overall industry increase, the company enhanced its export sales, which have reached 2,761 units against 1,659 units in the corresponding period last year, which reflects a 66% increase YoY.



MTL PERFORMANCE FOR THE YEAR ENDED JUNE 2024

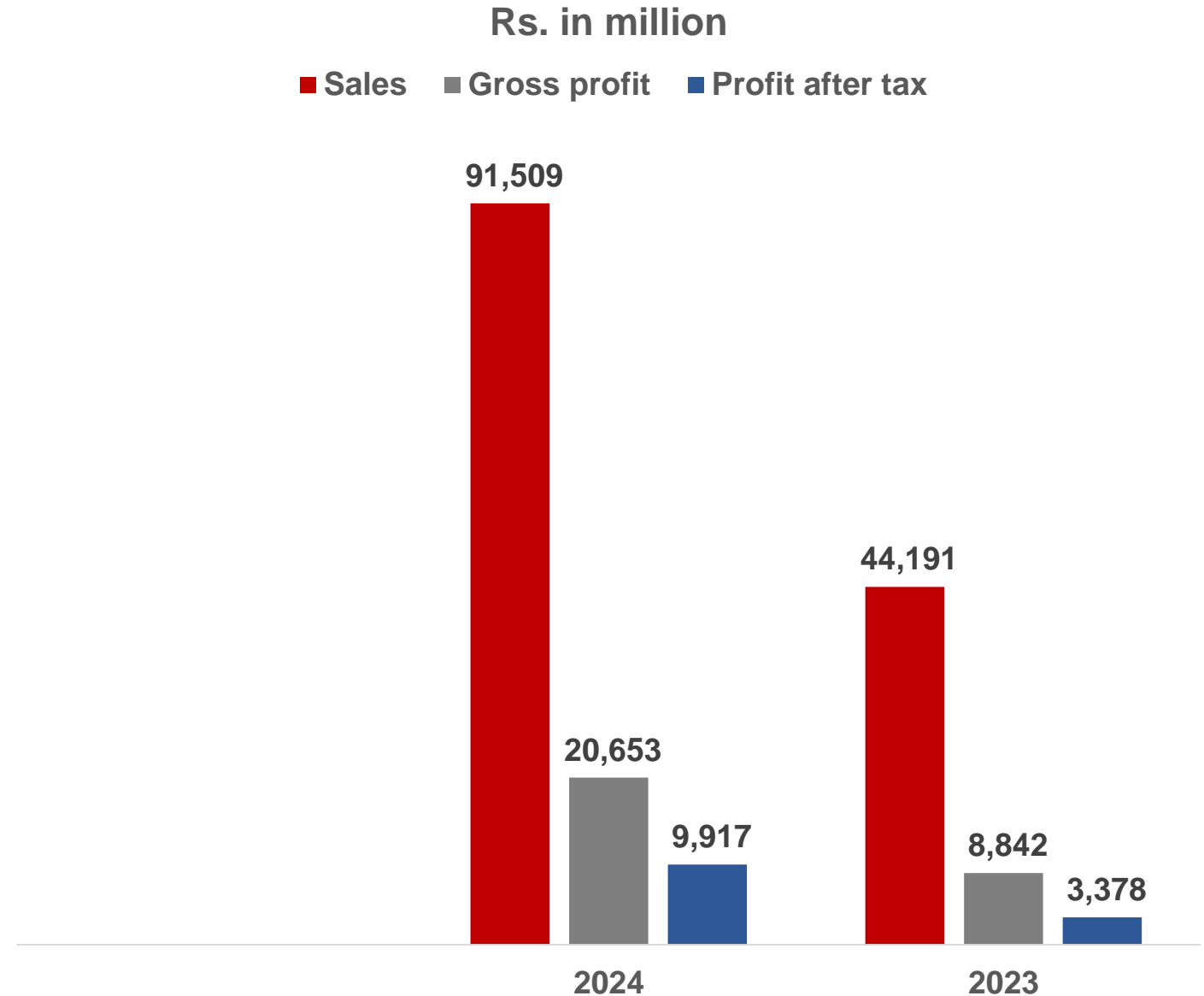
	2024	2023	Increase/ (decrease)	%
Units sold	30,620	18,622	11,998	64%↑
Units produced	30,479	19,022	11,457	60%↑

	Rs. in million	Rs. in million	Rs. in million	%
Revenues - net	91,509	44,190	47,319	107%↑
Gross profit	20,653	8,842	11,811	134%↑
Other income	1,036	471	565	120%↑
Finance cost	1,068	1,357	(289)	-21%↓
Profit before tax	16,315	5,350	10,965	205%↑
Profit after tax	9,917	3,378	6,539	194%↑
EPS – basic and diluted (rupees)	51.70	17.61	34.09	194%↑

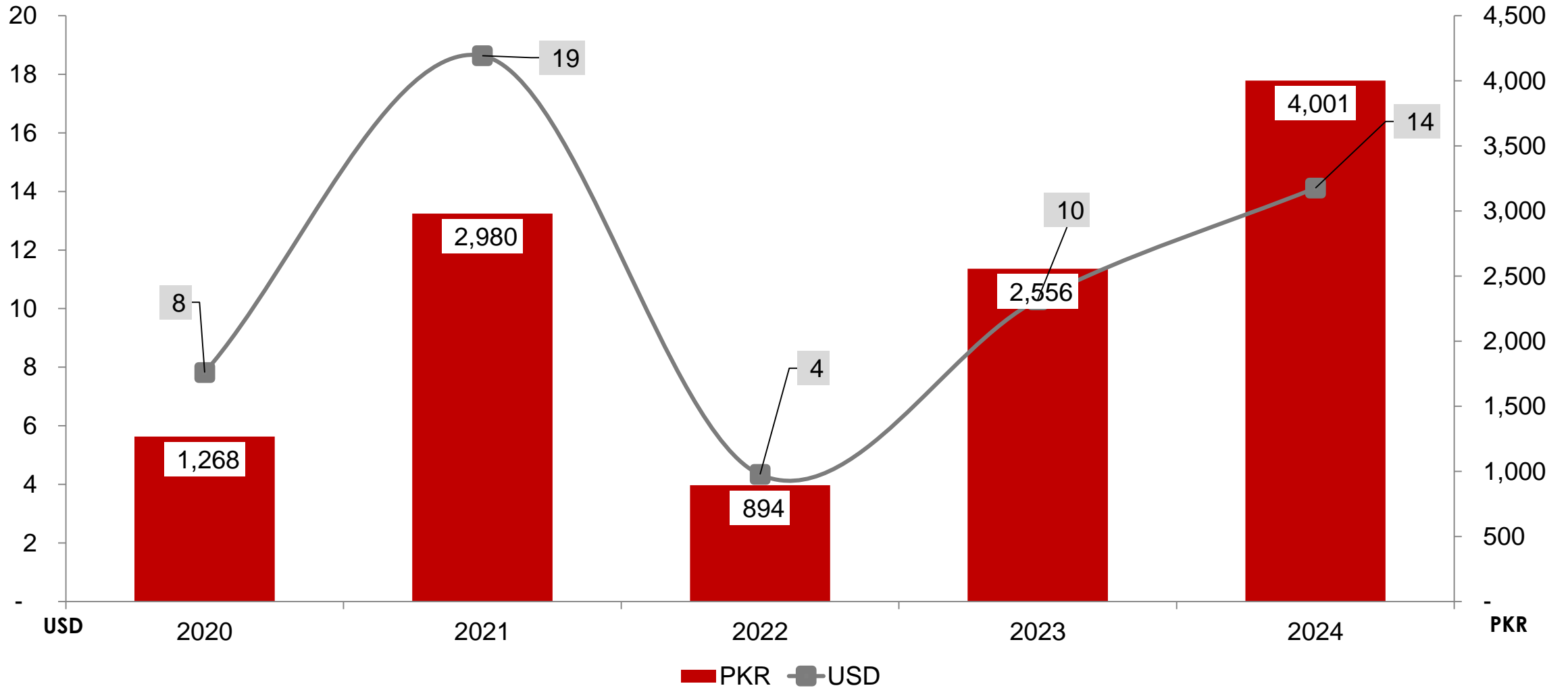


Profitability

- ❑ **Net revenues** increased by 107.1%.
- ❑ **Gross profit ratio** increased by 2.6% due to increase in sales volume and timely price increases from customers.
- ❑ **Profit after tax ratio** increased by 3.2%, owing to increased other income, mainly on account of exchange gain, and decrease in finance cost, in addition to the factors mentioned above.



Exports – (million)



Export volume has grown to 2,761 units as against 1,659 units in the last year.

* Source: Annual published financial statements



Financial Position as on June 30, 2024 (Rs. in million)

	2024	2023	Change	%
Current assets	22,518	17,766	4,752	27%↑
Current liabilities	18,713	15,686	3,027	19%↑
Shareholders equity	9,762	7,718	2,044	26%↑

Reasons:

- Increase in current assets is primarily due to increase in company's inventory by Rs. 4 billion in the current year.
- Increase in current liabilities is mainly due to increase in trade creditors.
- Shareholders equity increased due to total comprehensive income earned during the year.



Market performance

Ratios		2024	2023	Increase/ (decrease)	(%)
Dividend Payout Ratio (DPR)	Percentage	48.35	119.59	(71.24)	-60%↓
Return on Capital Employed (ROCE)	Percentage	217.08	115.35	101.73	88%↑
Current Ratio	Times	1.20:1	1.13:1	-	-
Debt : Equity Ratio (D/E)	Times	9:91	15:85	-	-

DPR has gone down due to Nil dividend as at year end; ROCE has increased in line with profitability; current ratio has increased due to increased inventory and reduced short term borrowings; and D/E has decreased owing to repayment of long term loans.

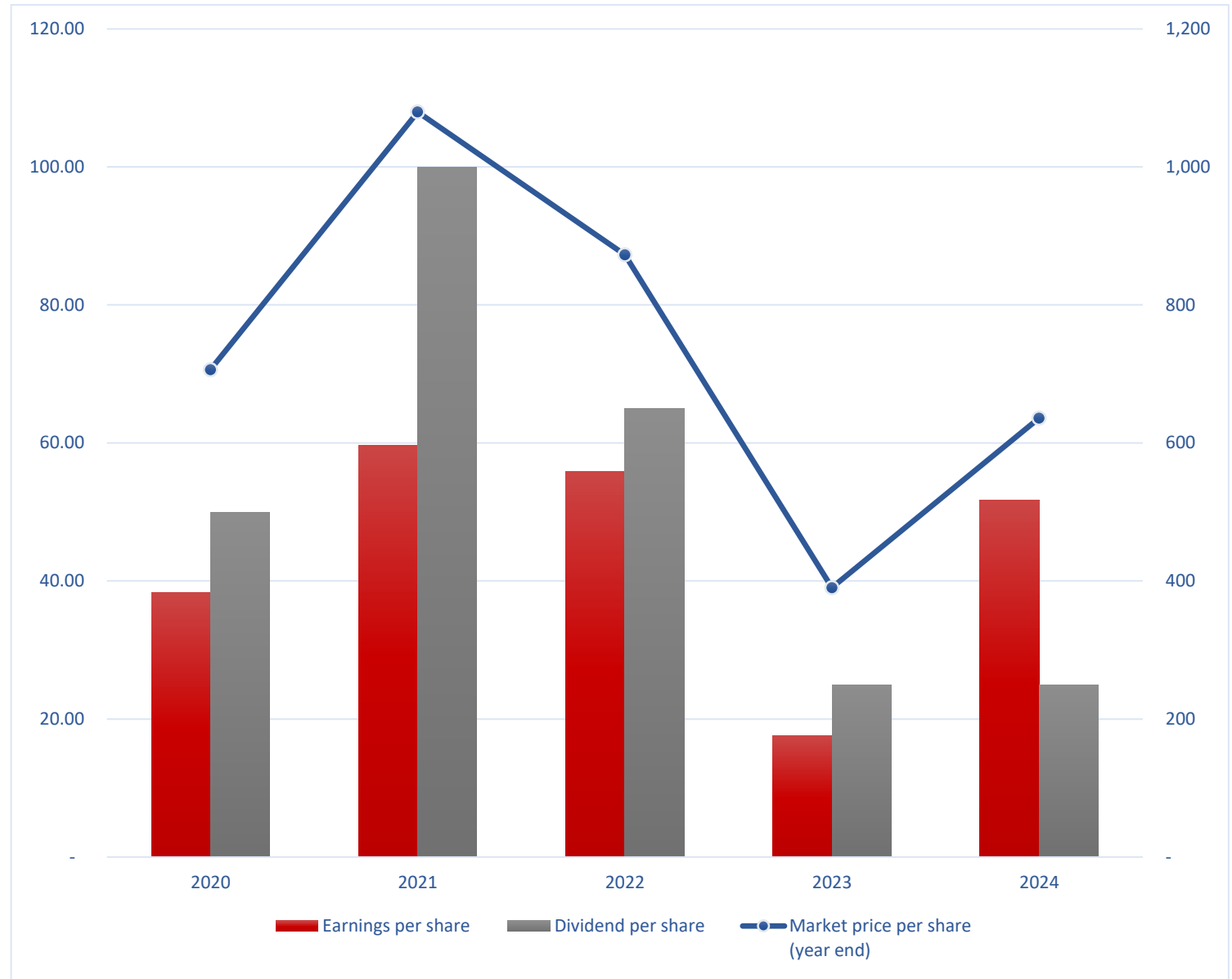
Share Performance		2024	2023	Increase/ (decrease)	(%)
Market Value per share (Year End)	Rs	636.08	390.31	245.77	63%
Market Capitalization (Year End)	Rs in million	121,999	74,861	47,138	63%

In line with market perception and enhanced profitability.

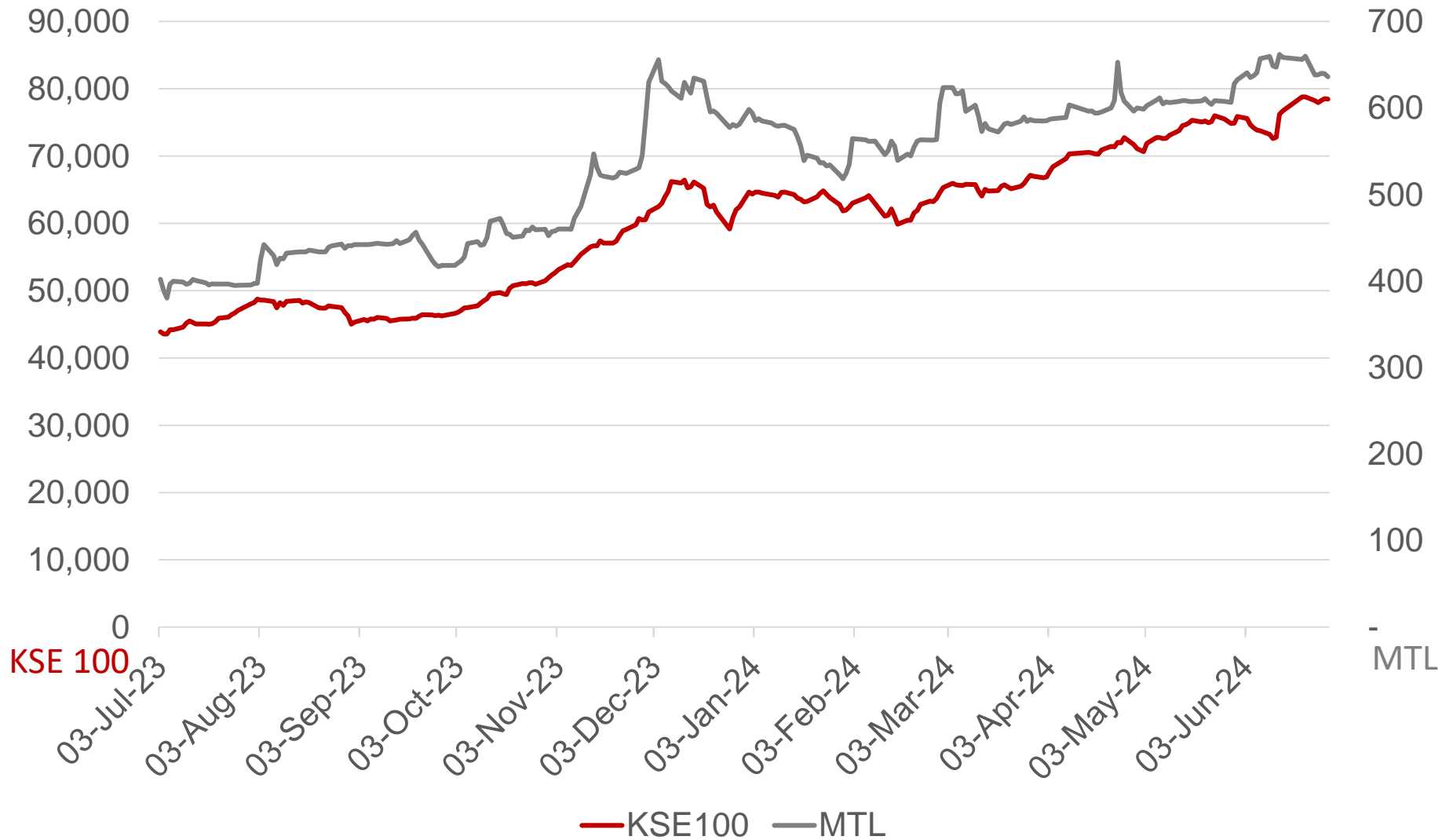


Earnings and dividend payout

- ❑ Market price performed as per profitability trend and market perception.
- ❑ EPS 2024 – Rs. 51.7 per share.
- ❑ Dividend 2024 - Rs. 25 per share.
- ❑ Market price at year end June 30, 2024 is Rs. 636.08 per share.



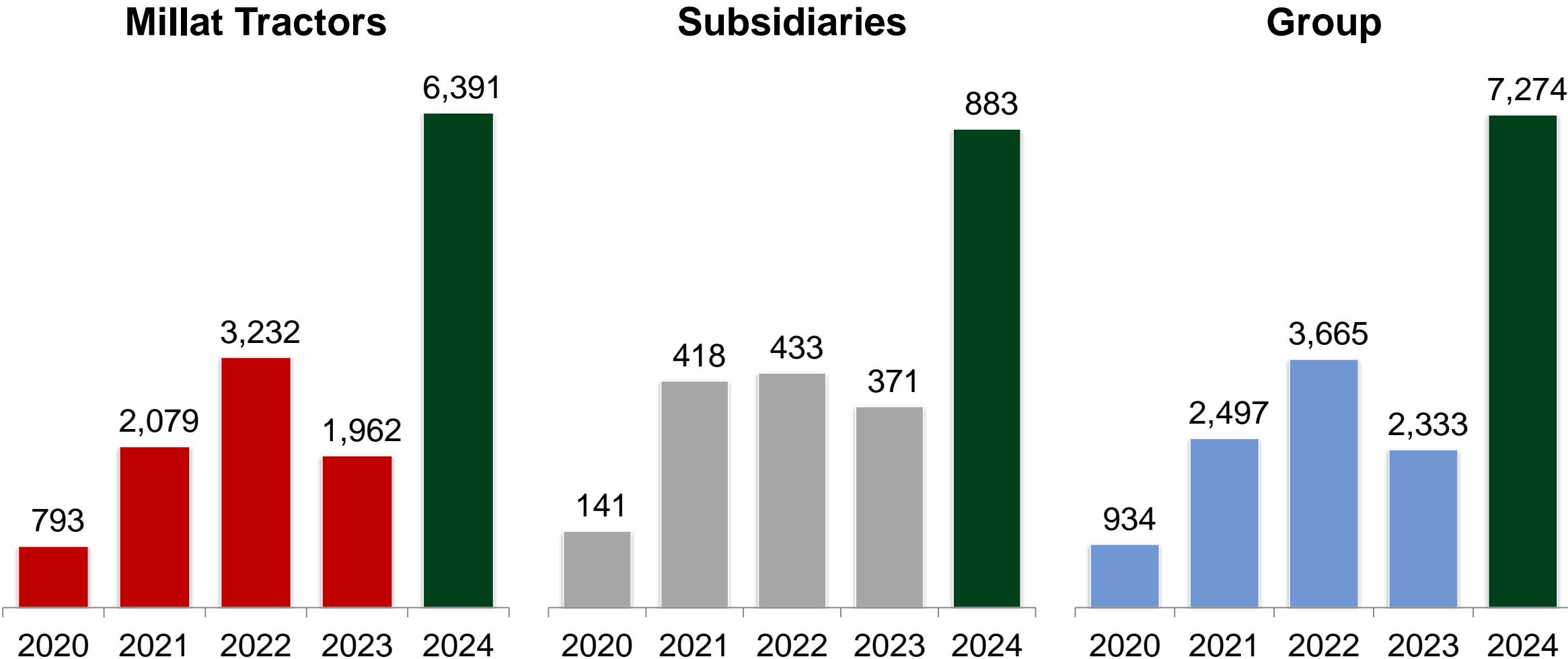
Share price movement 2023-24



Share price	
Maximum	661.99
Average	530.97
Minimum	380.36
Closing	636.08



Direct Income Tax Contribution to National Exchequer – Rs. Million



* Source: Annual published financial statements



FUTURE OUTLOOK



Future outlook

- ❑ MTL is exploring the foreign markets and growing its exports, keeping in view the stagnating domestic demand of tractors.
- ❑ Ease of doing business and timely release of sales tax refunds remain key hurdles in business growth. MTL has sales tax refund claims of **Rs. 6.28 billion** as at June 30, 2024, out of which Rs. 299.31 million relate to the FY 24 (pertaining to export sales).
- ❑ Enhancement of sales tax rate on tractors from 10% as enacted through Finance Act 2024, to 14% through a SRO 1643 (I) / 2024 is expected to take the company out of refund regime, thus easing out the working capital management.
- ❑ Sustainability and eco-friendly business measures are need of the hour to save the agriculture sector and the country as a whole. MTL is actively in pursuit of sustainable measures to reduce its environmental impact.
- ❑ Green Tractor and Kisaan Card Schemes by Punjab Government are expected to help the farmers invest in farm mechanization.



Q & A SESSION





THANK YOU

