

8 Motor Vehicles, Trailers & Autoparts

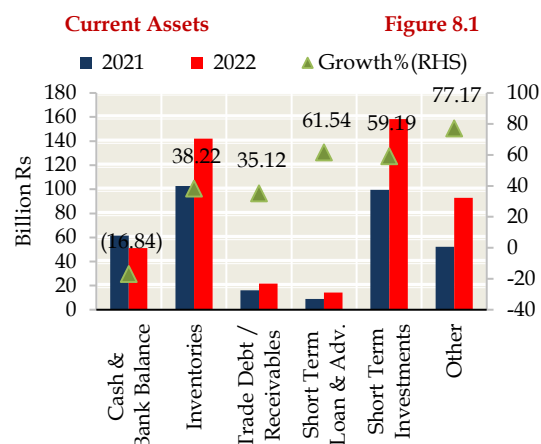
Performance at a Glance

The balance sheet size of motor vehicles, trailers & auto parts sector expanded by 33.24 percent during 2022, reaching Rs 607.78 billion. Total liabilities of the sector increased by 52.46 percent, reaching Rs 430.86 billion while shareholders' equity increased by 1.94 percent during 2022. The gross sales of the sector grew YoY by 41.48 percent during 2022 whereas EBIT grew by 34.44 percent. While sector's profit before taxation increased YoY by Rs 5.50 billion, the profit after taxation decreased YoY by Rs 2.70 billion during 2022. The performance indicators like ROA and ROE deteriorated during 2022.

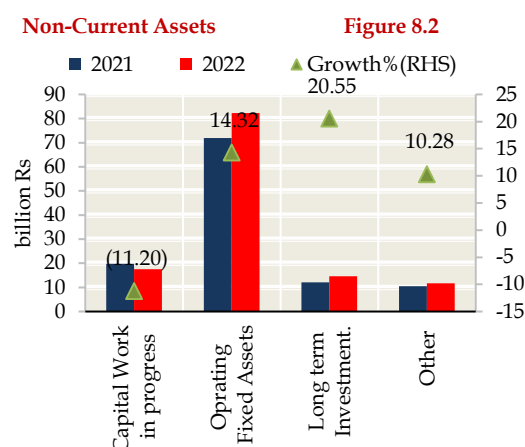
Sector's Summary (billion Rs)			Table 8.1
Items	2022	2021	Growth (%)
Assets	607.78	456.16	33.24
Non-Current	127.58	115.23	10.72
Current	480.20	340.93	40.85
Liabilities	430.86	282.61	52.46
Non-Current	20.63	18.22	13.21
Current	410.23	264.39	55.16
Equity	176.92	173.54	1.94
<i>of which</i>			
Paid-up Capital	15.15	14.78	2.46
Reserves	149.84	147.09	1.87
Sales	961.55	679.65	41.48
Gross Profit	80.75	65.81	22.71
Profit after tax	29.27	34.05	-14.05
ROA (%)	5.50	8.81	-
ROE (%)	16.70	21.76	-

Assets

Accumulation of total assets by Rs 151.62 billion during 2022 came primarily in the form of current assets (Rs 139.27 billion). All components of current assets showed a growth in 2022 except cash and bank balance. Major contributors were short-term investments and inventories, which increased by Rs 58.87 billion and Rs 39.26 billion respectively during 2022.



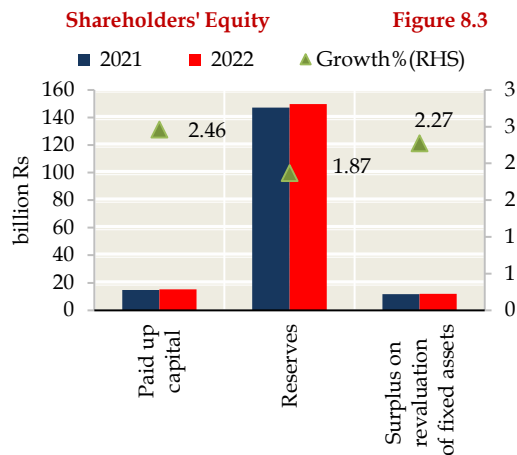
The non-current assets of the sector recorded an increase of Rs 12.35 billion during 2022, reaching Rs 127.58 billion. Major contribution came from operating fixed assets (after deducting accumulated depreciation) and long term investments, which increased by Rs 10.30 billion and Rs 2.48 billion respectively during 2022.



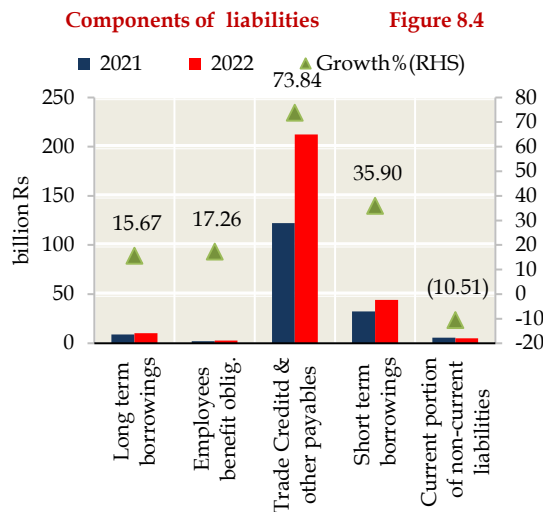
Shareholders' Equity & Liabilities

Shareholders' equity increased by Rs 3.37 billion during 2022, reaching Rs 176.92 billion. This increase in equity became part of reserves, which recorded an increase of Rs 2.74 billion during the year under review.

The increase in total liabilities by Rs 148.25 billion (52.46 percent) during 2022 came primarily from an increase in current liabilities by Rs 146.84 billion (55.16 percent). The details of current liabilities reveal that trade credit/other accounts payables and short term borrowings recorded significant increase. While the former increased by Rs 90.24 billion, the latter increased by Rs 11.66 billion.



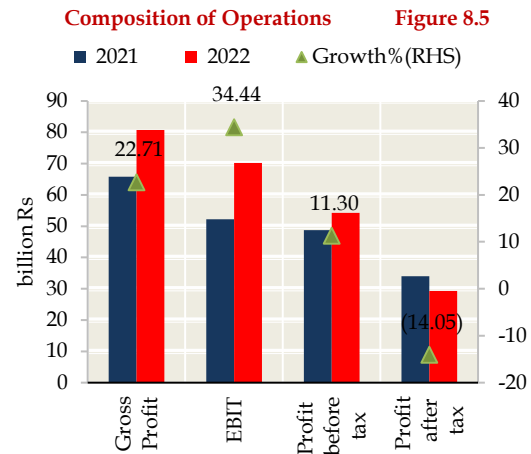
The non-current liabilities increased by Rs 2.41 billion, primarily on the back of increase in long-term borrowings by Rs 1.38 billion.



Operating Efficiency & Ratio Analysis

The sales of the sector increased to Rs 961.55 billion in 2022, posting a YoY increase of Rs

281.90. The gross profit recorded a YoY growth of 22.71 percent (Rs 14.94 billion) during 2022. The EBIT reached Rs 70.16 billion during 2022 from Rs 52.19 billion in 2021. The profit before taxation posted a YoY growth of 11.30 percent (Rs 5.50 billion) while the profit after taxation recorded a YoY decline of 7.94 percent during 2022.



Consequently, net profit margin decreased from 5.01 percent in 2021 to 3.04 percent in 2022. Besides, return on assets (ROA) and return on equity (ROE) also decreased from 8.81 percent to 5.50 percent and 21.76 percent to 16.70 percent respectively in 2022 as compared to previous year.

