



GHNL

## GHNL Top Pick from Auto Sector....

### Brief About Company

Ghandhara Nissan Limited is a group Company of Bibojee Services (Pvt.) Limited. The Company was incorporated in 1981 as a Private Limited Company having the sale licensee for the distribution of Nissan vehicles in CBU condition in Pakistan, later in 1992 it was converted in to a Public Company listed in Karachi Stock Exchange.

GNL has Technical Assistance Agreement with Nissan Motor Co. Japan and joint Venture Agreement with Nissan Diesel Co. Japan for the progressive Assembly of Passenger Cars, Light Commercial Vehicles and Heavy Duty Vehicles. GNL's Car and Truck Plants are located at Port Qasim adjacent to each other.

It is the only Automobile Company in the country assembling complete range of product i.e. passengers cars, light commercial vehicles and heavy-duty trucks and buses.

### Result Review

GHNL registered PAT of Rs 201.81 million with an EPS of Rs 4.48 in 3QFY15 against PAT of Rs 66.22 million translate into EPS of RS 1.47 in same period last year, up by gigantic 204.7% YoY. GM of the company clocked in at 21.17% in 3QFY15 as compared to 18.52% in same period last year, expanded courtesy to weaker Yen. Finance cost of the GHNL stood at Rs 23.12 million against 1.03 million. Other expenses of the company registered growth of 80.5% to clock in at Rs 21.54 million against Rs 11.93 million in same period last year. On cumulatively, PAT of GHNL clocked in at Rs 281.48 million (EPS: Rs 6.25) in 9MFY15 as compared to PAT of Rs 95.35 million (EPS: 2.12), increased by 194.8% YoY.

### Auto Sector in Focus amid Soaring Sales

The auto sector continued to remain upbeat as sales for the month of March were at the highest since Mar-08 for cars, clocking in at 13,285. A major change from Mar-08 was the contribution of the 1300CC segment, which accounted for 59% of sales for Mar-15, compared to 32% in Mar-08.

On MoM basis, Total Car and LCV sales witnessed 22% growth, with LCV's and 1000CC being major segments catalyzing growth, up 37% and 34% respectively during Mar-15. For 9MFY15, LCV's again led the pack in terms of growth%, up 34YoY%, followed by 1300CC and 1000CC segments, up 27% and 24%, respectively, while 800CC segment recorded growth of 5% for the nine months.

### Investment Outlook

Following are the factors which may keep Auto Sector in limelight going forward.

- 1) Lower interest rate may push the car financing which may help the companies to registers significant growth in sales.
- 2) Weaker Yen may expand margins of the companies.
- 3) Upcoming Auto Policy.

Stock is currently trading at P/E of 19.59x as compared to ASL Auto Universe P/E of 30.77x, offers attractive discount of 57%. Our TP for GHNL stands at Rs 104 per share based on P/E multiple.

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### Auto Sector

#### GHNL

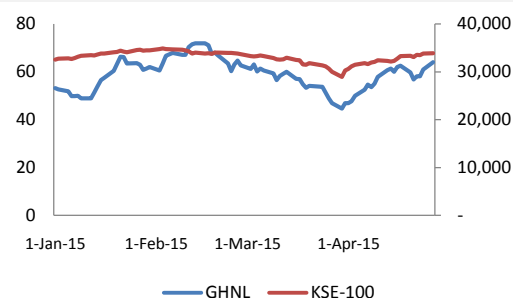
Last Day Closing Price	75.62
Target Price	104
Investment Decision	<b>Buy</b>

#### STOCK STATISTICS

52 weeks high	75.64
52 weeks low	22.27
Market Cap. (mn)	3573.20
Outstanding Shares (mn)	45.00
Average daily volume in CY15TD (mn)	0.45
Free Float	13.50

Source: KSE

#### KSE-100 vs GHNL Since CY15TD



#### Valuation

	LDCP	EPS	P/E
HCAR	252.47	7.52	33.57
PSMC	427.48	23.35	18.31
INDU	1198.86	49.28	24.33
GHNI	52.96	1.13	46.87
GHNL	75.62	3.86	19.59

Source: ASL Research

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