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PTL: FY26 Analyst Briefing Takeaways

AKD Securities Limited

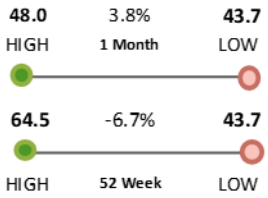
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Panther Tyres Ltd. (PTL) held its analyst briefing today to discuss FY26 results and its future outlook. Following are the key takeaways:

- To recall, company reported earnings of PkR1.3bn (EPS: PkR7.8) in FY26 compared to PkR432mn (EPS: PkR2.6) in SPLY, surging 3x YoY on the back of gross margin expansion to 15.6% (SPLY: 13.1%) amid volumetric growth.
- Topline clocked in at PkR36.3bn in FY26 compared to PkR32.6bn in SPLY, registering a 12%YoY increase driven by 16%YoY growth in domestic sales to PkR31.9bn (88% share).
- Export revenue declined 11% YoY to PkR4.4bn (12% of net sales) due to a 36%YoY drop in Asian shipments following the Afghanistan border closure, despite 20%YoY growth in Africa to PkR1.5bn.
- For 1QFY27, company posted earnings of PkR301mn (EPS: PkR1.8) compared to PkR282mn (EPS: PkR1.7) in SPLY, up 7%YoY, despite a 41bps YoY drop in gross margin to 14.6%., as topline expanded 15%YoY to PkR10.3bn (SPLY: PkR8.9bn)
- Company primarily manufactures and markets tyres and inner tubes across seven product families: Motorcycle, EV bike, Rickshaw (3W), tractor, LTV (Light Truck Vehicle), TBB (Truck and Bus Bias), and OTR (Off-The-Road) tyres alongside trading automotive lubricants and spare parts for both OEMs and the replacement market.
- More than 70% of the company's revenue contribution is concentrated in the replacement market sales.
- Management highlighted growing diversification mentioning that 2W tyres contribution to the sales mix has dropped below 50% now.
- Total production rose 15%YoY to 37.1mn units in FY26 (8.5mn tyres and 28.6mn tubes), with tyre capacity utilization improving to 79.8% (SPLY: 68.3%) following an 8% expansion in installed tyre capacity to 10.7mn units.
- Notable customers of the company include Atlas Honda, Pak Suzuki, Sazgar Engineering, Millat Tractors and Al Ghazi Tractors, as well as institutional customers like Pak Army and Rangers.
- Management commissioned an additional 3.5MW solar plant in 2QFY27, lifting total captive solar capacity 6.0MW, projected to meet around 15% of the energy requirement.
- Management highlighted that the impact of 13-year high rubber prices will reflect with a lag of around 4 months in sector results.
- Going forward, management aims to mitigate raw material price pressures and domestic/export competition through cost optimization, passing on input cost increases, launching new products, and expanding into new international markets.
- Management is optimistic to cross the US$20mn export sales target in FY27.
- Moreover, management foresees 10-12% volumetric growth in domestic tyre sales in FY27.
- Management appreciated the hike in duties on 2W tyres, further adding that the domestic tyre industry is competitive against Chinese and Indian players even without protectionist measures.
- The scrip is not in our formal coverage.

48.0	168.0
Price (PkR/sh)	Shares (mn)
8,069.0	29.2
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
0.178	9.1
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance



Source: PSX & AKD Research

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