**Sector**

AUTOMOBILE PARTS & ACCESSORIES

**Chase Research**
research@chasesecurities.com
+92-21-35293054-60

Symbol: **BWHL**
Current Price: **PKR 217.01**
Market Cap (PKR bn): **2,893.66**
Total Shares (mn): **13.33**
Free Float (mn): **7.33**
52 Week High: **PKR 257.92**
52 Week Low: **PKR 168.13**

# Baluchistan Wheels Limited (BWHL)

Baluchistan Wheels Limited (BWHL) reported earnings per share of PKR 23.44 for FY26, compared to earnings per share of PKR 23.67 in FY25. Furthermore, in 4QFY26, the company reported earnings per share of PKR 2.36, compared to earnings per share of PKR 8.28 in the same period last year (SPLY).

The plant has an annual production capacity of 3.0 million wheels. Capacity utilization stood at 45% compared to 43% vs SPLY.

The company supplies wheels to major local OEMs, including Suzuki Motor Company, Indus Motor Company, Ghandhara Motors, Lucky Motor Corporation, Millat Tractors, Al-Ghazi Tractors, Ghandhara Industries, Ghandhara Automobiles, and Hinopak Motors, covering both N-series and F-series vehicles.

BWHL holds approximately 100% market share in the local OEM steel wheel segment and remains the only domestic manufacturer of truck and bus steel wheels in Pakistan.

Wheels produced reached 379,400 units in FY26, up from 365,690 units in FY25, while wheels sold increased to 399,553 units from 350,553 units in the previous year.

The car wheels segment recorded 22% YoY growth in sales revenue, while revenue from the truck and bus wheels segment increased by 66% YoY. In contrast, revenue from the tractor wheels segment declined marginally by 1% YoY.

The effective tax rate increased to 46% in FY26, compared with 31% in FY25, primarily due to Super Tax and provisions related to tax audit demands. Management expects the effective tax rate to normalize to around 35% in FY27, supported by reductions in the Super Tax rate.

As per management, the FY27 turnover target is budgeted at PKR 3.5bn, based on OEM production and assembly schedules. If geopolitical tensions in the Middle East and between the US and Iran ease, management believes turnover could potentially reach PKR 4.0bn.

The company has successfully negotiated price increases ranging from 2% to 10% with Suzuki, Indus Motor Company, Ghandhara Industries, and Ghandhara Automobiles.

Price negotiations with Millat Tractors and Al-Ghazi Tractors remain ongoing. Tractor OEMs have alternative local sourcing options, including private vendors such as Saazgar and Cico.

The total alloy wheel market in Pakistan remains relatively small at approximately 300,000–400,000 wheels annually.

According to management, establishing a new Chinese alloy wheel manufacturing facility would require an investment of more than USD 5.0mn. Given Pakistan's annual car production of less than 250,000 units, the estimated payback period would exceed 20 years, making such an investment economically unattractive.

OEMs currently meet their alloy wheel requirements largely through imports. Some local private parties have attempted to manufacture alloy wheels for OEMs; however, these initiatives faced significant quality related rejections.

| PKR 'Mn | FY25 | FY26 | YoY | 4QFY25 | 4QFY26 | YoY |
|---|---|---|---|---|---|---|
| Net sales | 2,305 | 2,916 | 27% | 514 | 762 | 48% |
| Cost of sales | -1,738 | -2,086 | 20% | -326 | -496 | 52% |
| Gross profit | 567 | 831 | 47% | 187 | 267 | 43% |
| **Gross Margin** | **25%** | **28%** | | **36%** | **35%** | |
| Selling/distribution expenses | -68 | -86 | 26% | -14 | -27 | 93% |
| Administrative expenses | -156 | -204 | 31% | -37 | -51 | 38% |
| **Operating profit** | **343** | **541** | **58%** | **136** | **189** | **39%** |
| Depreciation & amortisation | 41 | 48 | 17% | 11 | 15 | 36% |
| EBITDA | 384 | 589 | 53% | 147 | 204 | 39% |
| Financial charges | -3 | -3 | 0% | 0 | -1 | N/A |
| Other income | 160 | 118 | -26% | 43 | 15 | -65% |
| Other charges | -44 | -80 | 82% | -22 | -47 | 114% |
| Profit before tax | 456 | 576 | 26% | 157 | 156 | -1% |
| Taxation | -141 | -264 | 87% | -47 | -125 | 166% |
| Profit after tax | 316 | 313 | -1% | 110 | 32 | -71% |
| **Net Margin** | **14%** | **11%** | | **21%** | **4%** | |
| EPS - Basic | 23.67 | 23.44 | | 8.28 | 2.36 | -71% |
| DPS | 13.0 | 20.0 | | 7.0 | 10.0 | 43% |

## Important Disclosures

**Disclaimer:**

This report has been prepared by Chase Securities Pakistan (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation or any offer to buy. While reasonable care has been taken to ensure that the information contained in this report is not untrue or misleading at the time of its publication, Chase Securities makes no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Chase Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report Chase Securities as a firm may have business relationships, including investment banking relationships with the companies referred to in this report This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report and Chase Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents At the same time, it should be noted that investments in capital markets are also subject to market risks This report may not be reproduced, distributed or published by any recipient for any purpose.