JS Research Beep

Pakistan Auto Sector

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JS Global Capital Limited

GHNI: FY26 Corporate analyst briefing takeaways

Ghandara Industries Limited (GHNI) conducted its corporate briefing today to discuss FY26/1QFY27 results and outlook. For FY26, GHNI reported EPS of Rs162.57, up 51% YoY, driven by 62% YoY growth in topline to Rs60.7bn and a 55% YoY increase in vehicle sales to ~5.3k units. In 1QFY27, EPS grew 65% YoY to Rs60.89.

The stock trades at an attractive forward multiple of 6.01x.

- GHNI recorded a 47% YoY increase in truck sales to 4,261 units in FY26, while D-Max sales surged to 795 units compared to just 36 units in FY25. Conversely, bus sales declined by 23% YoY during the year.
- The overall market size for trucks and buses grew 61% to 8,424 units in FY26, with GHNI's market share clocked in at 53% for FY26.
- Management apprised that the company has sold 61 CBU units of Zhongtong buses since the launch and expects to commence CKD bus production within the next two months. The company estimates the annual market size for this segment at 300–400 units.
- Zhongtong CBU buses are currently available in two variants: 12.5-metre and 10-metre. The 12.5-metre variant is priced at Rs44mn, around Rs4–5mn lower than its closest competitor, Yutong. However, it is also slightly smaller than Yutong, with a seating capacity of 41–43 passengers.
- Management shared that the total capex for setting up CKD production of Zhongtong buses is estimated at Rs2–3bn. However, this also includes investments in solar and other infrastructure, which will support production across the company's existing model lineup as well. The company may even look to launch the EV variant of Zhongtong buses in future.
- During the first year of CKD production for Zhongtong, the emphasis would be volumes instead of margins.
- The company intends to introduce additional features in the D-Max pickup, including ADAS. However, Japanese manufacturers generally tend to be slower in granting approvals and accommodating changes compared to their Chinese counterparts, which could delay the process.

GHNI: Key multiples

	FY26	FY27E	Mkt Cap (Rsmn)
P/E (x)	5.08	6.01	49,943
D/Y	1%	1%	

Source: Company accounts, JS Research
FY26 Multiples calculated on average price

- The company shared that their toll assembly charges for manufacturing through Ghandhara Automobiles Ltd (GAL) is 18%.
- The company will become the sole supplier of UD trucks in Pakistan and currently the plan is to only sell CBU units. UD trucks are higher end products and are more expensive then Isuzu and Chinese trucks both.
- The company's advances to customers as of 1QFY27 stand at ~Rs18bn. Management apprised that they receive 25% to 35% in advance. The delivery time for most of the models is 2 months.
- The management attributed the rise in volumes in the last 2-3 years to strict implementation of axle load, expanding road infrastructure, especially Punjab and lack of other modes of transport in the country.
- The company sold a total of 5,294 units in FY26, management targets 6,000+ units for FY27.

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