

### Toyota Motor Corp

Toyota Motor (Toyota) issued another disappointing result in Q2 FY 3/2023. Q2 revenues rose, thanks to growth in volume (vol.) sales, but operating profits (OP) remained under pressure, due to the semiconductor shortage, which persisted in the quarter. Production forecast for FY 3/2023 was revised downward, but management kept its operating profit forecast unchanged, although it still fell short of consensus (cons.). Retail sales vol. grew 5% y/y to 2.63m and overall shipment vol. increased 10% y/y. Furthermore, retail sales of Lexus and Toyota vehicles increased 26% y/y in China. Revenues rose 22% y/y and 9% q/q to JPY9.2trn as vol. sales grew. OP continued to deteriorate (-25% y/y and -3% q/q to JPY563bn, a 26% miss), due to shortages of semiconductors, soaring raw material costs, and one-off items (valuation loss from swaps and halting of vehicle production in Russia), despite positive effects from favourable FX rates. Geographically, OP for the Americas (-JPY203bn) and Europe (-JPY100bn) swung to losses. As a result, operating profit margins contracted to 6.1% (vs 9.9% in Q2 FY 3/2022 and 6.8% in Q1 FY 3/2023). Moreover, net profits (NP) declined 31% y/y (-41% q/q) to JPY434bn. Management raised its revenue guidance to JPY36.0trn (+15% y/y; vs JPY34.5trn previously) for FY 3/2023. However, management has kept its OP (JPY2.4trn; -20% y/y) and NP (JPY2.4trn; -17% y/y) guidance unchanged for FY 3/2023. Due to difficulties in procuring semiconductors, the production vol. forecast for FY 3/2023 has been revised downward to 9.2m units (vs 9.7m units previously). Toyota still expects higher y/y sales in FY 3/2024, despite significant production constraints in the US, Europe, and Japan in FY 3/2023. Toyota sold 7.76m vehicles in the first nine months of 2022, representing a decrease of 3.0% y/y.

Corporate Ratings	Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated	C	Data	Adjusted (If Available)
S&P	A+							
Outlook	Stable							
Moody's	A1							
Outlook	Stable							
Fitch	A+							
Outlook	Stable							

  

CDS Data	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
5 YR CDS	23.04										
% 3 Months	0.87										
% 6 Months	-16.07										
% 1 Year	53.57										
52 Week Low	13.83										
52 Week High	32.05										

  

Profitability	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
EBIT	2,397,381										
Operating Margin	7.13										
Pretax Margin	10.98										
Return on Assets	3.67										
Return on Common Equity	9.50										
Return on Capital	4.78										
Asset turnover	0.49										

  

Structure	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Current Ratio	1.06										
Quick Ratio	0.84										
Total Debt to Total Assets	40.01										
Total Debt to Com Equity	106.28										
Acct Receivable Turnover	3.29										
Inventory Turnover	7.76										
Gross Margin	16.95										
EBIT / Total Inter	24.47										

  

Growth Potential	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Sales 1yr Growth	15.30										
Asset 1yr Growth	8.71										
Capital 1yr Growth	7.65										

  

Income Statement Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Revenue	8,150,033.0										
Operating Income	987,941.0										
Pretax Income	1,141,174.0										
Income bef XO Items	867,508.0										
Net Income	838,696.0										
Basic EPS Before XO Items	59.99										
Basic EPS	--										
Diluted EPS Before XO Items	59.25										
Diluted EPS	59.25										
Dividends per Share	--										
EBITDA	--										
Return on Common Equity	7.1										

  

Balance Sheet Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Total Current Assets											
Total Long-Term Assets											
Total Assets											
Total Current Liabilities											
Total Long-Term Liabilities											
Total Liabilities											
Total Shareholders' Equity											
Shares Outstanding	13,979.7										
Book Value per Share	1,559.7										
Tangible Book Value / Sh	1,484.0										
Shareholder Equity/Total Liab	39.0										

  

Cash Flow Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Net Income	838,696.0										
Depreciation and Amortization	--										
Change in Working Capital	-254,088.0										
Cash - Operating Activities	544,575.0										
Capital Expenditures	-979,856.0										
Cash - Investing Activities	-1,767,258.0										
Cash - Financing Activities	188,238.0										
Net Changes in Cash	-1,034,445.0										
Free Cash Flow	-435,281.0										

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