

Pakistan Automobile Assemblers Sector May'24: Auto sales up by 4% MoM | 100% YoY to 10.9k units

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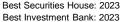
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Best Brokerage House: 2023 Corporate Finance House: 2023 Best Economic Research House: 2023 Best Equity Sales Person (Runner up): 2023



Best Investment Bank: 2022

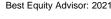


Top 25 Companies (2019, 2018 & 2017)



Best Equity House: 2022









Excellence Award Leading Brokerage House for RDA 2021

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Auto Sales

ARIF HABIB

May'24: Auto sales up by 4% MoM | 100% YoY to 10.9k units

- The auto sales increased to 10.9K units during May'24, depicting a 4% MoM increase and a substantial 100% YoY increase, as reported by PAMA. The total sales for 11MFY24 reached 90.5K units, indicating a decline of 25% YoY compared to the 120.9K units reported in SPLY.
- The MoM increase in sales is primarily driven by the rise in the 1300cc and above category, with Sazgar's Haval performing exceptionally well in this segment. The YoY increase in sales can be largely attributed to the low base effect amid plant shutdowns and import restrictions in May'23.
- Breaking down the segments, the 1,300cc and above category depicted an increase of 9% MoM, settling at 3,496 units. However, there was a 24% MoM decline in the 1,000cc segment, reaching 482 units. In addition, the below 1000cc segment witnessed a decline of 10% MoM, clocking in at 4,509 units.
- Indus Motors Company Ltd (INDU) reported a meagre MoM decline of 1% in volumetric sales in May'24, clocking in at 2,047 units, which primarily due to a 9% MoM decline in Corolla, Yaris and Corolla Cross sales. However, Fortuner and Hilux witnessed an increase of 41%
- Pak Suzuki (PSMC), did not experience any change during the period, maintaining sales at 6,010 units. PSMC's Ravi sales witnessed a significant jump of 28x jump MoM while Swift's sales augmented by 2x MoM. In contrast, sales of Cultus, Wagon R, and Alto declined by 28%, 20%, and 15%, respectively, on a MoM basis.
- Moreover, Honda Atlas Cars (HCAR) depicted an 18% MoM increase in May'24, on account of 3x MoM surge in Honda BRV/HRV sales and 10% MoM increase in Civic/City sales, respectively.
- Sazgar Engineering (SAZEW) registered a 42% MoM increase in sales, recording 780 units sold. This growth is primarily attributed to a 43% MoM increase in Haval sales.
- Two-wheeler sales volumes increased by 10% MoM and 21% YoY in May'24. Atlas Honda (ATLH) achieved sales of 103,297 units, showcasing a 9% MoM increase and a 19% YoY increase.
- Tractor sales remained stable on a MoM basis in May'24. AGTL recorded a 30% MoM decrease in sales, amounting to 731 units. Whereas, MTL reported a 15% MoM increase, arriving at 2,347 units.

Automobiles Sales Data								
Units	May-24	Apr-24	MoM	May-23	YoY	11MFY24	11MFY23	YoY
Passenger Cars	8,487	8,873	-4%	3,934	116%	71,449	92,554	-23%
1300cc and Above	3,496	3,212	9%	1,445	142%	30,925	42,942	-28%
1000cc	482	638	-24%	430	12%	6,575	11,961	-45%
Below 1000cc	4,509	5,023	-10%	2,059	119%	33,949	37,651	-10%
LCVs, Vans & Jeeps	2,462	1,642	50%	1,530	61%	19,093	28,291	-33%
Cars, LCVs, Vans & Jeeps	10,949	10,515	4%	5,464	100%	90,542	120,845	-25%
Trucks	203	198	3%	114	78%	1,949	3,075	-37%
Busses	44	31	42%	39	13%	415	612	-32%
Tractors	3,078	3,083	0%	3,508	-12%	41,360	27,952	48%
Two Wheelers	116,044	105,783	10%	96,017	21%	1,038,423	1,085,930	-4%
Three Wheelers	2,767	1,807	53%	1,172	136%	21,778	18,098	20%
Total	133,085	121,417	10%	106,314	25%	1,194,467	1,256,512	-5%

Company Wise Sna	apshot							
	May-24	Apr-24	MoM	May-23	YoY	11MFY24	11MFY23	YoY
Passenger Cars + LCVs								
INDU	2,047	2,065	-1%	1,718	19%	17,813	29,258	-39%
PSMC	6,010	6,000	0%	2,958	103%	47,543	62,354	-24%
HCAR	1,187	1,003	18%	87	1264%	12,119	16,572	-27%
SAZEW	780	551	42%	149	423%	4,503	1,599	182%
Trucks & Busses								
GHNL	105	80	31%	9	1067%	788	651	21%
GHNI	130	139	-6%	89	46%	1,330	1,753	-24%
HINO	24	29	-17%	22	9%	309	812	-62%
Bikes and Three Wheelers								
SAZEW	1,962	1,212	62%	522	276%	13,196	8,789	50%
ATLH	103,297	95,069	9%	87,133	19%	923,049	930,352	-1%
Tractors								
AGTL	731	1,038	-30%	2,003	-64%	13,875	11,466	21%
MTL	2,347	2,045	15%	1,505	56%	27,485	16,486	67%
Source (s): PAMA, AHL Researd	ch							



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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2024 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -15% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -15% from last closing of market price(s)

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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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