

Pakistan Automobile Assemblers Sector

Jul'24: Auto sales fall to 8.6k units, down by 35% MoM

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Best Equity Advisor: 2021



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Jul'24: Auto Sales fall to 8.6k units, down by 35% MoM

- In Jul'24, the automotive industry saw a decline in sales, dropping to 8,600 units—a 35% decrease MoM but a 60% increase YoY, according to PAMA.
- The MoM decline is mainly attributed to the high base effect from Jun'24, when sales spiked due to a surge in pre-buying ahead of the increase in vehicle taxes, specifically WHT, in the FY25 federal budget.
- Breaking down the segments, the 1,300cc and above category saw a 45% MoM decline, with sales dropping to 2,465 units. The 1,000cc segment experienced a 74% MoM decrease, totaling 235 units. Additionally, the below 1,000cc segment recorded a 33% MoM decline, with sales reaching 3,157 units.
- Indus Motors Company Ltd (INDU) reported a 44% MoM decrease in volumetric sales for Jul'24, totaling 1,664 units. This decline was primarily driven by a significant 52% MoM drop in sales of the Corolla, Yaris, and Corolla Cross models, as well as a 16% MoM decrease in sales of the Fortuner and Hilux models.
- Pak Suzuki (PSMC), reported a 35% decrease MoM, maintaining sales at 4,470 units. PSMC's Cultus sales witnessed a 82% MoM drop. In addition, sales of Swift, Ravi, Wagon R, Alto and Bolan declined by 47%, 69%, 63%, 34% and 19% respectively, on a MoM basis.
- Moreover, Honda Atlas Cars (HCAR) depicted a 15% MoM decrease in Jul'24, on account of 20% MoM dip in Civic/City sales while, 25% MoM increase in Honda BRV/HRV sales.
- Sazgar Engineering (SAZEW) registered a 5% MoM decrease in sales, recording 825 units sold. This decline is primarily attributed to a 4% MoM decrease in Haval sales.
- Two-wheeler sales volumes declined by 5% MoM in Jul'24. Atlas Honda (ATLH) achieved sales of 70,255 units, showcasing a 12% MoM decrease.
- Three-wheeler sales volumes decreased by 8% MoM in Jul'24. Sazgar Engineering (SAZEW) reported sales of 1,624 units in the three-wheeler segment, marking an 11% MoM decline.
- Tractor sales depicted a decline of 65% on MoM basis in Jul'24. AGTL recorded a 40% MoM decrease in sales, amounting to 855 units. Whereas, MTL reported a 78% MoM decline, arriving at 605 units.

Automobiles Sales Data

Units	Jul-24	Jun-24	MoM	Jul-23	YoY
Passenger Cars	5,857	10,128	-42%	3,702	58%
1300cc and Above	2,465	4,522	-45%	1,694	46%
1000cc	235	898	-74%	422	-44%
Below 1000cc	3,157	4,708	-33%	1,586	99%
LCVs, Vans & Jeeps	2,732	3,156	-13%	1,390	97%
Cars, LCVs, Vans & Jeeps	8,589	13,284	-35%	5,092	69%
Trucks	251	260	-3%	165	52%
Busses	56	39	44%	30	87%
Tractors	1,460	4,134	-65%	2,678	-45%
Two Wheelers	82,597	87,294	-5%	72,421	14%
Three Wheelers	2,396	2,601	-8%	1,167	105%
Total	95,349	107,612	-11%	81,553	17%

Company Wise Snapshot

	Jul-24	Jun-24	MoM	Jul-23	YoY
Passenger Cars + LCVs					
INDU	1,664	2,957	-44%	1,368	22%
PSMC	4,470	6,885	-35%	2,444	83%
HCAR	931	1,095	-15%	494	88%
SAZEW	825	871	-5%	135	511%
Trucks & Busses					
GHNL	115	101	14%	70	64%
GHNI	181	157	15%	78	132%
HINO	37	23	61%	20	85%
Bikes and Three Wheelers					
SAZEW	1,624	1,818	-11%	761	113%
ATLH	70,255	80,204	-12%	62,012	13%
Tractors					
AGTL	855	1,416	-40%	1,022	-16%
MTL	605	2,718	-78%	1,656	-63%

Source (s): PAMA, AHL Research

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

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