

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

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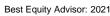
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Auto Sales Jul'24: Auto Sales fall to 8.6k units, down by 35% MoM

- 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						
Jul-24	Jun-24	MoM	Jul-23	YoY		
5,857	10,128	-42%	3,702	58%		
2,465	4,522	-45%	1,694	46%		
235	898	-74%	422	-44%		
3,157	4,708	-33%	1,586	99%		
2,732	3,156	-13%	1,390	97%		
8,589	13,284	-35%	5,092	69%		
251	260	-3%	165	52%		
56	39	44%	30	87%		
1,460	4,134	-65%	2,678	-45%		
82,597	87,294	-5%	72,421	14%		
2,396	2,601	-8%	1,167	105%		
95,349	107,612	-11%	81,553	17%		
	5,857 2,465 235 3,157 2,732 8,589 251 56 1,460 82,597 2,396	5,857 10,128 2,465 4,522 235 898 3,157 4,708 2,732 3,156 8,589 13,284 251 260 56 39 1,460 4,134 82,597 87,294 2,396 2,601	5,857 10,128 -42% 2,465 4,522 -45% 235 898 -74% 3,157 4,708 -33% 2,732 3,156 -13% 8,589 13,284 -35% 251 260 -3% 56 39 44% 1,460 4,134 -65% 82,597 87,294 -5% 2,396 2,601 -8%	5,85710,128-42%3,7022,4654,522-45%1,694235898-74%4223,1574,708-33%1,5862,7323,156-13%1,3908,58913,284-35%5,092251260-3%165563944%301,4604,134-65%2,67882,59787,294-5%72,4212,3962,601-8%1,167		

Company Wise Snapsho	t				
	Jul-24	Jun-24	МоМ	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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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

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

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

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