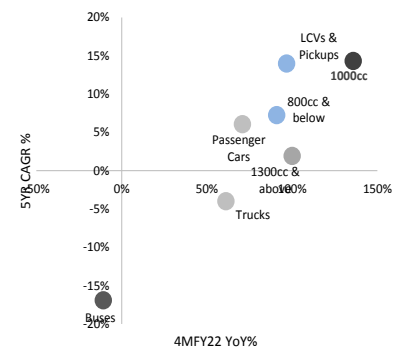


Another milestone for INDUS

- The total industry sales in Oct'21 clocked in at 26,847 units (+42%YoY) compared to 27,119 units in Sep'21 (-1%MoM). The sales consisted of 17,413 passenger cars, growing by 45%YoY but down 8%MoM. Other sales consist of 3,589 LCVs (+10%MoM/+72%YoY), 441 trucks (-5%MoM/+37%YoY) and 5,361 tractors (+22%MoM/20%YoY).
- 4MFY22 total industry sales ballooned by 61%YoY to stand at 109,238 units which consist of 74,961 passenger cars (+71%YoY), 14,954 LCVs (+97%YoY), 1,780 trucks (+61%YoY), and 17,386 tractors (+15%YoY). The volumes in 4MFY22 remain all time high on the back of budgetary measures, handsome GDP growth, low interest rate environment and rising farmers' income.
- Amongst major OEMs, INDU led the pack with 6,897 units (+10%MoM/+26%YoY), hitting all time high monthly volumes. PSMC registered sales of 10,247 units up 69%YoY but a slight decline of 8%MoM basis due to lower offtake in Cultus and Wagon-R. Similarly, HCAR remained laggard with 2,658 (-27%MoM/+19%YoY) units due to maintenance shut-down of its plant. During 4MFY22, the sales of INDU/PSMC/HCAR stand at 25,543/48,687/11,830 units, up 49/107/22%YoY.
- Displacement wise, the 800cc segment depicted growth of 13%MoM/72%YoY at 6,163 units while 1,300cc segment depicted slight decline of 2%MoM but grew by 34%YoY. In contrast, 1,000cc segment contracted by 44%MoM to stand at 2,631 units (+31%YoY).

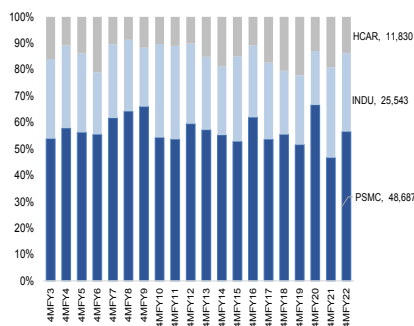
Saroash Saleem
saroash.saleem@akdsecurities.net
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Segment wise sales: Cumulative vs 5-yr CAGR

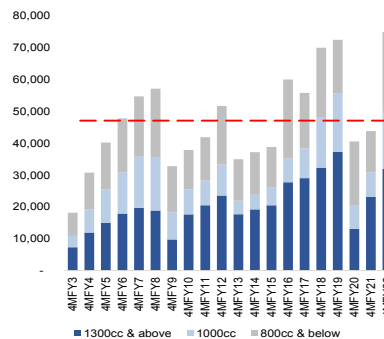


Source: PAMA & AKD Research

Top 3 OEM sales share over 4MFY22

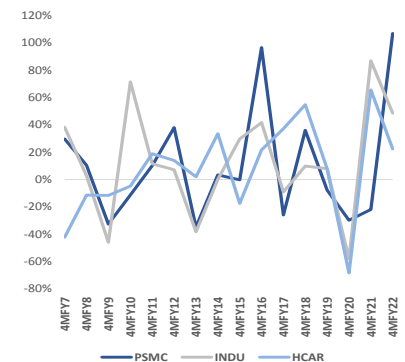


Total PC Sales in 4MFY22



Source: PAMA & AKD Research

HCAR, INDU, PSMC show robust growth in 4MFY22



Source: PAMA & AKD Research

PSMC – hindrance in form of chip shortage: In the aftermath of company halting new bookings in previous month due to the prevailing shortage of semiconductor chips, the sales of Cultus clocked in at 1,340 units, decreasing sharply by 56%MoM, however, the volumes remained on the upper hand on YoY basis (+64%YoY). Similar pattern has been observed in volumes of Wagon-R which stand at 1,291 units (-23%MoM/+8%YoY). On the other hand, Alto further firmed its position as company's cash cow, exceeding the mark of 5k units to stand at 5,092 units (+12% MoM/+76%YoY). Similarly, Bolan/Ravi sales depicted growth of 20/53%MoM and +58/400%YoY as they remain insulated from chip shortage. In Cumulative 4MFY22 period, PSMC sales remain robust at 48,687 units (+107%YoY), exceeding its previous high of 46.5k units in 4MFY18.

INDU – another milestone achieved: Toyota remains the national brand of Pakistan, known for its premium build quality and attractive resale value which makes it the favorite among locals, especially in the rural areas (~50% revenue contribution from rural areas) where rising farmers' income has kept the demand upbeat, especially in the upper end models. The sales of Corolla witnessed sharp increase of 43%MoM/154%YoY to register at 3,341 units. Similarly, the sales of



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Fortuner depicted growth of 43%MoM/265%YoY which is expected to improve the margins in next quarter. On the flipside, Yaris sales declined by 19%MoM/33%YoY mainly on account of competition from Honda City and Changan Alsvin. Similarly, Hilux sales contracted by 22% MoM/26%YoY to stand at 647 units.

HCAR — maintenance shutdowns: According to the dealers, the company's plant remained shut due to maintenance and prevailing shortage of semiconductor chips, thereby extending the delivery times. The combined sales of Civic & City remained under pressure at 2,651 units, down 21%MoM but remained above the sales in SPLY (+43%YoY). As for BR-V, the company was able to deliver only 7 units in Oct'21 compared to 268 units in previous month.

Pakistan Automotive Industry Sales Snapshot

(Units)	Oct-21	Sep-21	MoM	YoY	4MFY22	4MFY21	YoY
Ind. Perform.							
Total Industry Sales	26,847	27,119	-1%	42%	109,238	67,927	61%
Passenger Cars + LCV	21,002	22,235	-6%	49%	89,915	51,465	75%
Passenger Cars	17,413	18,971	-8%	45%	74,961	43,865	71%
LCVs & Pickups	3,589	3,264	10%	72%	14,954	7,600	97%
Trucks	441	466	-5%	37%	1,780	1,104	61%
Buses	43	41	5%	-4%	157	176	-11%
Tractors	5,361	4,377	22%	20%	17,386	15,182	15%
Company-Wise							
PSMC	10,247	11,188	-8%	69%	48,687	23,539	107%
INDU	6,897	6,292	10%	26%	25,543	17,196	49%
HCAR	2,658	3,635	-27%	19%	11,830	9,665	22%
MTL	3,503	2,257	55%	16%	10,700	10,232	5%
AGTL	1,858	2,120	-12%	26%	6,686	4,950	35%
Hyundai	497	464	7%	72%	1,580	781	102%
Segment-Wise							
1300cc & above	8,619	8,803	-2%	34%	31,934	23,146	38%
1000cc	2,631	4,734	-44%	31%	18,242	7,737	136%
800cc & below	6,163	5,434	13%	72%	24,785	12,982	91%
Passenger Cars	17,413	18,971	-8%	45%	74,961	43,865	71%
PSMC							
Swift	23	87	-74%	-87%	489	810	-40%
Cultus	1,340	3,056	-56%	64%	11,463	4,079	181%
Wagon R	1,291	1,678	-23%	8%	6,779	3,658	85%
Mehran	-	-	N/A	N/A	-	-	N/A
Alto	5,092	4,540	12%	76%	20,773	10,544	97%
Bolan	1,071	894	20%	58%	4,012	2,438	65%
Ravi	1,430	933	53%	398%	5,171	2,010	157%
INDU							
Corolla	3,341	2,334	43%	154%	9,937	4,928	102%
Yaris	2,037	2,515	-19%	-33%	9,277	9,067	2%
Fortuner	872	611	43%	265%	2,473	629	293%
Hilux	647	832	-22%	-26%	3,856	2,572	50%
HCAR							
Civic & City	2,651	3,367	-21%	43%	10,444	8,341	25%
BR-V	7	268	-97%	-98%	1,386	1,324	5%

Source: PAMA & AKD Research

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Buy	> 14.5% expected total return (Rf: 8.5% + Rp: 6%)
Neutral	> 8.5% to < 14.5% expected total return
Sell	< 8.5% expected total return (Rf: 8.5%)



AKD Securities Limited
602, Continental Trade Centre,
Clifton Block 8, Karachi, Pakistan.
research@akdsecurities.net