

PAKISTAN  
AUTOS

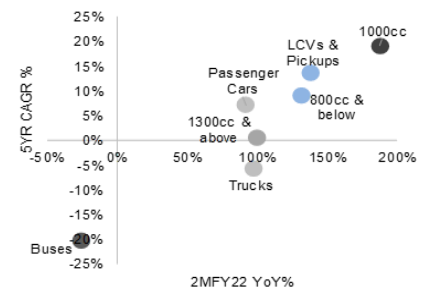
REP-019  
**MARKET  
VISTA**

## Auto Sales remain robust in 2MFY22

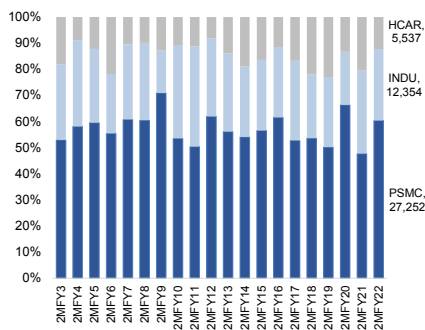
- The total industry sales in Aug'21 clocked in at 25,679 units (+73%YoY) compared to 29,593 units in Jul'21 (-13%MoM). The sales consisted of 17,908 passenger cars, a contraction of 13%MoM after hitting abnormally high volumes in Jul'21. Cumulative 2MFY22 sales, on the other hand, ballooned by 82%YoY. Other sales consist of 3,852 LCVs (-9% MoM/+107%YoY), and 553 trucks (73%MoM/148%YoY).
- 2MFY22 total industry sales of 55,272 units (+82%YoY) consist of 38,577 passenger cars (+93%YoY), 8,101 LCVs (+139%YoY) and 873 trucks (+98%YoY), hitting all time high in the back of price reductions, handsome GDP growth, low interest rate environment and rising farmers' income.
- Amongst major OEMs, PSMC/INDU registered sales of 12,071/5,639 units, down 20/60% MoM but up 101/71%YoY. The volumes of HCAR, on the other hand, grew by 40/43% MoM/YoY as the company started delivering the 6th generation City. During 2MFY22, the sales of PSMC/INDU/HCAR stand at 27,252/12,354/5,537, up 148/68/17%YoY.
- In terms of displacement wise sales, the sales of 1,300CC+ segment stood flat at 7,247 units whereas the 1,000/800CC segment contracted by 29/13%MoM but rose by 113/104%YoY to clock in at 4,533/6,128 units.

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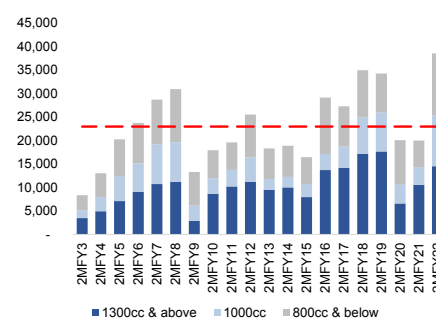
Segment wise sales: Cumulative vs 5-yr CAGR



Top 3 OEM sales share over 2MFY22

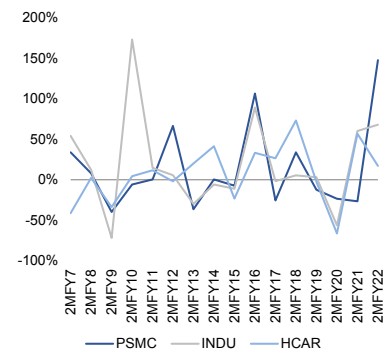


PC Sales hitting all time high



Source: PAMA & AKD Research

HCAR, INDU, PSMC show robust growth in 2MFY22



Source: PAMA & AKD Research

**PSMC – sales remain robust:** The demand for small passenger cars remains robust following the decrease in prices. The sales of Cultus clocked in at 2,854 units, increasing 104%YoY but contracted by 32%MoM on account of semi-conductor chip shortage, severely impacting the production. Similar pattern has been observed in volumes of Wagon-R, which rose by 129%YoY but contracted 21%MoM basis due to supply side constraints. Volumes of Alto clocked in at 5,031 units, staying above its 6-month average of 4,000 units (+111%YoY) but slightly declined by 18%MoM coming out from previous month's high base. Similarly, Ravi sales depicted a growth of 87%YoY but a contraction of 19%MoM, clocking in at 1,256 units whereas Bolan sales entered the 4-digit mark 1,097 units, up 15/78%YoY. On Cumulative 2MFY22 period, PSMC sales remain robust (+148%YoY), hitting the levels never witnessed before.

**INDU – resilient demand:** The 1300CC+ segment is the most resilient among all others in the back premium build quality and a general preference towards sedans. INDU remains the favorite brand among the locals, especially in the rural areas where rising farmers' income has kept the demand upbeat. The sales of Corolla clocked in at 1,942 units (~equal to its 6-month average), growing 124%YoY (although 16%MoM decline has been witnessed due to an all time high base in previous month). Yaris follows the exact same trajectory, clocking in at 2,025 units (-25% MoM/+19%YoY). Similarly, Hilux sales registered a volume of 1,100 units (-14%MoM/+79%YoY)



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whereas Fortuner turned out INDU's start performer for the month, registering a phenomenal growth of 37%MoM/373%YoY.

**HCAR — The new City is finally here:** The company finally started the delivery of 6th generation Honda City, driving the sales of HCAR north. Civic & City combined recorded the sales of 2,726 units, up 60%MoM/38%YoY while BRV sales declined by 17%MoM but stayed above the 500 unit mark (504 units, +81%YoY). We expect the volumes of HCAR to remain robust in upcoming months as the order book for City is above 10k units. Civic on the other hand has started to phase out, waiting eagerly for the next generation.

#### Pakistan Automotive Industry Sales Snapshot

(Units)	Aug-21	Jul-21	MoM	YoY	2MFY22	2MFY21	YoY
<b>Ind. Perform.</b>							
<b>Total Industry Sales</b>	25,679	29,593	-13%	73%	55,272	30,384	82%
<b>Passenger Cars + LCV</b>	21,760	24,918	-13%	85%	46,678	23,401	99%
Passenger Cars	17,908	20,669	-13%	81%	38,577	20,008	93%
LCVs & Pickups	3,852	4,249	-9%	107%	8,101	3,393	139%
Trucks	553	320	73%	148%	873	441	98%
Buses	50	23	117%	-18%	73	98	-26%
Tractors	3,316	4,332	-23%	17%	7,648	6,444	19%
<b>Company-Wise</b>							
PSMC	12,071	15,181	-20%	101%	27,252	10,994	148%
INDU	5,639	6,715	-16%	71%	12,354	7,350	68%
HCAR	3,230	2,307	40%	43%	5,537	4,725	17%
MTL	2,014	2,926	-31%	-9%	4,940	4,410	12%
AGTL	1,302	1,406	-7%	106%	2,708	2,034	33%
<b>Segment-Wise</b>							
1300cc & above	7,247	7,265	0%	53%	14,512	10,551	38%
1000cc	4,533	6,344	-29%	113%	10,877	3,776	188%
800cc & below	6,128	7,060	-13%	104%	13,188	5,681	132%
Passenger Cars	17,908	20,669	-13%	81%	38,577	20,008	93%
<b>PSMC</b>							
Swift	154	225	-32%	-21%	379	378	0%
Cultus	2,854	4,213	-32%	104%	7,067	2,477	185%
Wagon R	1,679	2,131	-21%	129%	3,810	1,299	193%
Mehran	-	-	N/A	N/A	-	-	N/A
Alto	5,031	6,110	-18%	111%	11,141	4,547	145%
Bolan	1,097	950	15%	78%	2,047	1,134	81%
Ravi	1,256	1,552	-19%	87%	2,808	1,159	142%
<b>INDU</b>							
Corolla	1,942	2,320	-16%	124%	4,262	2,395	78%
Yaris	2,025	2,700	-25%	19%	4,725	3,588	32%
Fortuner	572	418	37%	373%	990	267	271%
Hilux	1,100	1,277	-14%	79%	2,377	1,100	116%
<b>HCAR</b>							
Civic & City	2,726	1,700	60%	38%	4,426	4,190	6%
BR-V	504	607	-17%	81%	1,111	535	108%

Source: PAMA & AKD Research

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Sell	< 8.5% expected total return (Rf: 8.5%)



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