Automobile Assemblers

Aug-24: Auto Sales down by 22%m/m; Passenger Car Sales up by 10%m/m

- For the month of Aug-24, total automobile sales increased by +22%m/m to 115.8k units, while on yearly basis overall sales inclined by +16%y/y.
- In our opinion, the y/y increase in sales is due to the low base effect from last year on the back of severe challenges faced by the automobile industry such as supply chain disruptions, hindrances in opening of LCs and depressed auto demand leading to plant shutdowns.
- Going forward, auto sales volume are expected to improve given the potential decline in interest rates which can lead to increase in demand.

We review recently automobile assembler's sales data published by Pakistan Automobile Manufactures and Assemblers (PAMA) for the month of Aug-24.

Monthly automobile sales incline by 22%m/m

For the month of Aug-24, total automobile sales increased by +22%m/m to 115.8k units, while on yearly basis overall sales inclined by +16%y/y.

Exhibit: Segment-wise Sales Data for Aug-24

in Units	Aug/24	Jul/24	m/m	Aug/23	y/y	2M/25	2M/24	y/y
Passenger Cars	6,417	5,857	10%	5,909	9%	12,274	9,611	28%
Trucks	249	251	-1%	133	87%	500	298	68%
Buses	51	56	-9%	34	50%	107	64	67%
Jeeps/SUV/Pickup	2,235	2,732	-18%	1,670	34%	4,968	3,060	62%
Tractors	2,670	1,460	83%	3,967	-33%	4,130	6,645	-38%
2-Wheeler	101,633	82,597	23%	86,504	17%	184,230	158,925	16%
3-Wheeler	2,601	2,396	9%	1,814	43%	4,997	2,981	68%
Grand Total	**115,856**	**95,349**	**22%**	**100,031**	**16%**	**211,206**	**181,584**	**16%**

Source: PAMA, IGI Research

Segment-wise, passenger cars sales posted a +10%m/m increase (up by 9%y/y) to 5.9k units, while jeeps/pickups segment recorded a decline of -18%m/m (while increasing by 34%y/y) in total sales. Under commercial vehicles, sales of trucks & buses decreased by -2%m/m (up by +80%m/m) to 0.30k units. Whereas tractors sales surged by +83%m/m (-33%y/y) to 2.7k units.

Analyst

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Low base effect leads to YoY jump in overall automobile sales

In our opinion, the said increase in sales is due to multiple factors, including;

- The y/y increase in sales is due to the low base effect from last year on the back of severe challenges faced by the automobile industry such as supply chain disruptions, hindrances in opening of LCs and depressed auto demand leading to plant shutdowns.
- However sales (excluding 2/3 wheelers) remained flat on a YoY basis mainly attributable to a 33% decline in tractor sales.

Exhibit: Historic Average Monthly Sales (units)
Automobile sector sales especially passenger cars stand below their historic average monthly sales depicting significant slowdown in demand.

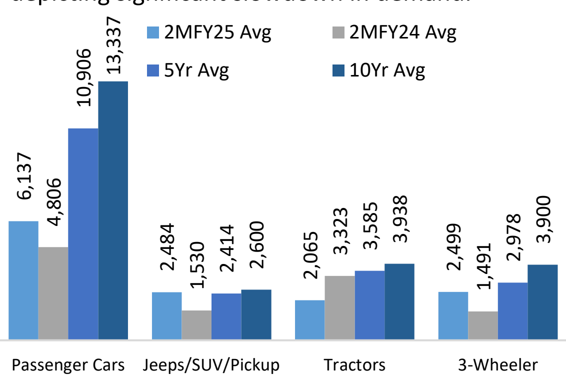
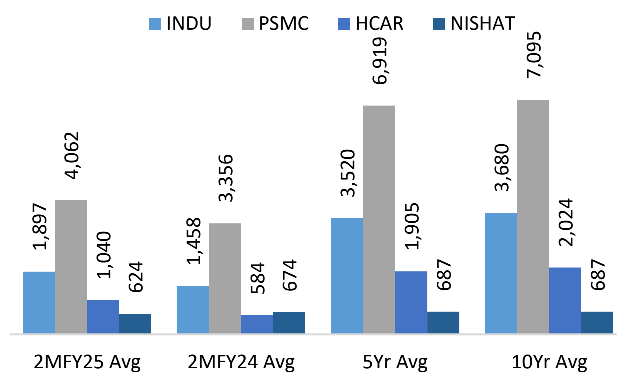


Exhibit: Company-wise historic average monthly sales
Automobile companies have witnessed a substantial slowdown in volumes from its long term average.



Source: PAMA , IGI Research

- **INDU**: Sales volume increased by 28%m/m to 2.1k units (+38%y/y). Under the passenger car segment Corolla & Yaris augmented by 42%m/m to 1.5k units and combined units sold under the variant Fortuner & Hilux also registered a marginal increase of 1%m/m (+31%y/y) to 564 units.
- **PSMC**: Volumes declined by -18%m/m to 3.6k units (-14%y/y). Alto sales (down by -29%m/m), Wagon R (up by +37%m/m), Cultus (up by +36% m/m), Swift (up by +11%m/m), and Bolan sales up by 2.6xm/m. However, Ravi, under pick-up segment plummeted by -99%m/m.
- **HCAR**: Sales of Civic & City for the month of Aug-24 reduced by +36%m/m to 1.0k units bringing total sales of HCAR to 1.1k units, up by +23%m/m, BRV sales decreased by -47%m/m leading to 75 units sold.

Outlook:

Going forward, auto sales volume are expected to improve given the potential decline in interest rates which can lead to increase in demand.

Exhibit: Company-wise Sales Data for Aug-24

in Units	Aug-24	Jul-24	m/m	Aug-23	y/y	2M/25	2M/24	y/y
Corolla & Yaris	1,565	1,106	42%	1,119	40%	2,671	2,186	22%
Fortuner & Hilux	564	558	1%	429	31%	1,122	730	54%
INDU	**2,129**	**1,664**	**28%**	**1,548**	**38%**	**3,793**	**2,916**	**30%**
Civic & City	1,073	790	36%	492	118%	1,863	700	166%
BRV & HRV	75	141	-47%	182	-59%	216	468	-54%
HCAR	**1,148**	**931**	**23%**	**674**	**70%**	**2,079**	**1,168**	**78%**
Swift	559	502	11%	506	10%	1,061	755	41%
Cultus	131	96	36%	305	-57%	227	482	-53%
Wagon R	190	139	37%	359	-47%	329	604	-46%
Bolan	743	288	158%	166	348%	1,031	312	230%
Alto	2,023	2,869	-29%	2,769	-27%	4,892	4,209	16%
Ravi	7	576	-99%	163	-96%	583	350	67%
PSMC	**3,653**	**4,470**	**-18%**	**4,268**	**-14%**	**8,123**	**6,712**	**21%**
Elantra	70	33	112%	92	-24%	103	172	-40%
Sonata	63	34	85%	101	-38%	97	191	-49%
Tucson	276	113	144%	465	-41%	389	793	-51%
Porter	182	349	-48%	120	52%	531	191	178%
Santa Fe	70	58	21%	0	0%	128	0	0%
Nishat	**661**	**587**	**13%**	**778**	**-15%**	**1,248**	**1,347**	**-7%**
AGTL	**1,452**	**855**	**70%**	**1,555**	**-7%**	**2,307**	**2,577**	**-10%**
MTL	**1,218**	**605**	**101%**	**2,412**	**-50%**	**1,823**	**4,068**	**-55%**
ATLH	**90,483**	**70,255**	**29%**	**75,071**	**21%**	**160,738**	**137,083**	**17%**
PSMC (2w)	**1,906**	**1,643**	**16%**	**1,722**	**11%**	**3,549**	**2,679**	**32%**

Source: PAMA, IGI Research

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