

Day Break

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Sector

Automobile Assemblers

Automobile Assemblers

May-24: Auto Sales increased by +25%/y/y; Passenger Car Sales up by +2.2xy/y

- For the month of May-24, total automobile sales increased by +25%/y/y to 133k units, while on monthly basis overall sales inclined by +10%/m/m.
- In our opinion, decline in prices of few variants, introduction of new models, overall recovery in economic activity and declining trend in inflation led to the increase in automobile sales.
- Going forward, auto sales volume are expected to improve further on the back of improved economic activity. The recent cut in policy rate will also improve auto financing which will further boost sales.

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

Monthly automobile sales incline by +25%/y/y

For the month of May-24, total automobile sales increased by +25%/y/y to 133k units, while on monthly basis overall sales inclined by +10%/m/m.

Exhibit: Segment-wise Sales Data for May-24								
in Units	May/24	Apr/24	m/m	May/23	y/y	11M/24	11M/23	y/y
Passenger Cars	8,487	8,873	-4%	3,934	116%	71,451	92,556	-23%
Trucks	203	198	3%	114	78%	1,950	3,075	-37%
Buses	44	31	42%	39	13%	415	612	-32%
Jeeps/SUV/Pickup	2,462	1,642	50%	1,530	61%	19,096	27,781	-31%
Tractors	3,078	3,083	0%	3,508	-12%	41,360	27,952	48%
2-Wheeler	116,044	105,783	10%	96,017	21%	1,038,429	1,085,930	-4%
3-Wheeler	2,767	1,807	53%	1,172	136%	21,788	18,098	20%
Grand Total	133,085	121,417	10%	106,314	25%	1,194,489	1,256,004	-5%

Source: PAMA, IGI Research

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Segment-wise, passenger cars sales posted a +2.2xy/y increase (down by -4%/m/m) to 8.5k units, while jeeps/pickups segment recorded an increase of +13%/y/y (42%/m/m) in total sales. Under commercial vehicles, trucks & buses increased by +61%/y/y (up by +8%/m/m) to 0.25k units. Whereas

tractors sales recorded remained flat on a m/m basis while declining by -12%/y to 3.1k units.

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

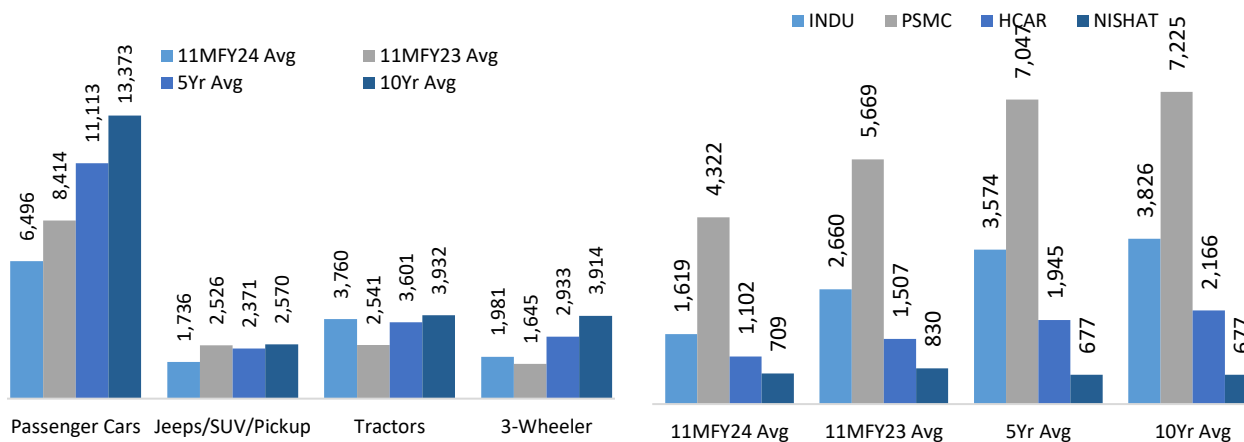
- Decline in prices of few variants, introduction of new models, overall recovery in economic activity and declining trend in inflation led to the increase in automobile sales.
- However on a y/y basis, the significant jump in total sales can be attributed to a low base from last year amid import restrictions and plant shutdowns.

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 with almost 50% decline compared to their historic average.



Source: PAMA, IGI Research

- **INDU:** Sales volume decreased by -1%m/m to 2.0k units (+19%/y). Under the passenger car segment, Corolla & Yaris witnessed a decline of -9%m/m to 1.6k units, whereas combined units sold under the variant Fortuner & Hilux recorded a +41%m/m increase to 485 units and on yearly basis sales are down by -44%/y.
- **PSMC:** Volumes remained flat on m/m basis at 6.0k units (+2xy/y). Alto sales (down by -15%m/m), Wagon R (down by -20%m/m), Cultus (up by -28% m/m), Swift (up by 2.2xm/m), whereas Bolan sales surged by +89%m/m. However, Ravi, under pick-up segment recorded a significant increase to 0.31k units.

- **HCAR:** Sales of Civic & City for the month of May-24 inclined by +10%m/m to 1.05k units bringing total sales of HCAR to 1.2k units, up by +18%m/m, BRV sales increased by 2.9xm/m leading to 0.14k units.

Outlook:

Going forward, auto sales volume are expected to improve further on the back of improved economic activity. The recent cut in policy rate will also improve auto financing which will further boost sales.

Exhibit: Company-wise Sales Data for May-24								
units	May-24	Apr-24	m/m	May-23	y/y	11M/24	11M/23	y/y
Corolla & Yaris	1,562	1,722	-9%	853	83%	14,012	17,854	-22%
Fortuner & Hilux	485	343	41%	865	-44%	3,801	11,404	-67%
INDU	2,047	2,065	-1%	1,718	19%	17,813	29,258	-39%
Civic & City	1,049	956	10%	56	1773%	10,519	12,596	-16%
BRV & HRV	138	47	194%	31	345%	1,600	3,976	-60%
HCAR	1,187	1,003	18%	87	1264%	12,119	16,572	-27%
Swift	714	328	118%	332	115%	4,628	9,061	-49%
Cultus	229	320	-28%	282	-19%	3,352	6,692	-50%
Wagon R	253	318	-20%	148	71%	3,223	5,269	-39%
Bolan	447	237	89%	157	185%	2,418	4,185	-42%
Alto	4,062	4,786	-15%	1,902	114%	31,531	33,466	-6%
Ravi	305	11	2673%	137	123%	2,391	3,682	-35%
PSMC	6,010	6,000	0%	2,958	103%	47,543	62,355	-24%
Elantra	108	111	-3%	69	57%	997	2,074	-52%
Sonata	63	95	-34%	135	-53%	769	1,356	-43%
Tucson	298	253	18%	194	54%	2,980	4,461	-33%
Porter	214	227	-6%	105	104%	1,759	1,239	42%
Santa Fe	143	140	2%	0	0%	1,291	0	0%
Nishat	826	826	0%	503	64%	7,796	9,130	-15%
AGTL	731	1,038	-30%	2,003	-64%	13,875	11,466	21%
MTL	2,347	2,045	15%	1,505	56%	27,485	16,486	67%
ATLH	103,297	95,069	9%	87,133	19%	923,049	930,352	-1%
PSMC (2w)	1,696	1,684	1%	820	107%	15,306	28,911	-47%

Source: PAMA, IGI Research

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