Monthly Automobile Assembler Sales

July 2021: Promising growth – Auto sales up by 81%m/m on sequential basis

As per the latest data released by Pakistan Automotive Manufacturers Association (PAMA), reports industry sales volume increased by 81%m/m and 2.14xy/y to clock in at 24,918 units. This increase is mainly attributable to relief measures taken by government to reduce FED across the board and sales tax reduction for cars which resulted in reduction in car prices and consequently higher sales volumes. Moreover, low interest rate regime played its vital part as auto financing increased drastically by PKR 97bn to PKR 341bn during FY21.

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- **Passenger cars & company wise data:** Further dissecting passenger cars segment, sales increase by 79%m/m and 2xy/y respectively. With majority sales increase coming from below 1000cc cars to 7060 units. Likewise, CV’s and SUV’s sales increased by 17%m/m and 65%y/y respectively with majority sales coming from pickups which increased by 3xm/m and y/y respectively.
- **INDU: All variants across the board maintaining the company’s growth trajectory up by 48%m/m and 66%y/y.** We witnessed excellent growth across the product portfolio with total volumes reaching 6,715 units (+48% M/M). Corolla/Yaris/Fortuner/Hilux sold 2,320/2,700/418/1,277 units (+25%/44%/1%/3x M/M). Wherein, Toyota Hilux alone accounted for 19%. Whereas, Corolla+Yaris accounted for 75%.

- **PSMC: Once again stole the show:** PSMC sales displayed 2xm/m increase in its sales to 17,896 units arriving at their all time high sales since inception. The bulk of this growth is attributable to Bolan, Alto and Ravi which increased by 5x/5x/4x respectively. We believe, this massive increase in mainly accredited to sales tax reduction on small cars. The m/m increase in ravi sales is attributable to rising commercial activity amid eid ul adha season.
- **HCAR: Combined Duo of Civic/City comes as laggard :** For the month of July'21, sales of combined duo Civic/City plummeted by 40%m/m and 23%y/y respectively. We believe, this decline in combined duo is due to phasing out of old city model. While, BR-v sales increased by 27%m/m and 2xy/y respectively. Hence total company's sales volume are down by 30%m/m and meager 6%y/y respectively.
- **Outlook:** We expect auto volumes will continue its recovery path deep into 2021 and 2022 with Fy21 and 1QFY22 sales data fortifying our view. While, we believe gross margins of auto OEMs are foreseen to remain up beat given timely imports of parts . Furthermore, the ongoing surge in commodity prices and PKR volatility may force the OEMs to raise prices in the near future. In addition, recent reduction in car prices will provide further momentum especially in economy car segment where PSMC being the prime beneficiary. At current, we maintain out "overweight" stance on the big three giants.

Source: IGI Research, PAMA, CV=Commercial Vehicle

Exhibit: Monthly Automobile Assemblers Sales Summary

Jul-21

units	Jul/21	Jun/21	m/m	Jul/20	y/y	12m21	12m20	y/y
Below 1,000cc	7,060	1,403	5x	2,677	3x	45,916	32,468	41%
1,000cc<>1,300cc	6,344	3,124	2x	1,643	4x	30,169	17,240	75%
Above 1,300cc	7,265	7,042	3%	5,803	25%	75,097	35,782	2x
Passenger Cars	**20,669**	**11,569**	**79%**	**10,123**	**2x**	**151,182**	**85,490**	**77%**
Trucks	320	352	-9%	218	47%	3,695	2,681	38%
Buses	23	53	-57%	37	-38%	652	441	48%
Jeeps&SUVs	1,200	1,122	7%	403	3x	11,306	3,143	4x
Pick-ups	3,049	1,059	3x	1133	3x	18,909	10,738	76%
Tractors	4,332	5,018	-14%	3,613	20%	50,685	29,638	71%
CV and SUVs	**8,924**	**7,604**	**17%**	**5,404**	**65%**	**85,247**	**46,641**	**83%**
2-Wheeler	132,343	151,101	-12%	145,197	-9%	1,841,777	1,216,956	51%
3-Wheeler	1,083	5,489	-80%	4,724	-77%	50,103	39,200	28%
2/3 Wheeler	**133,426**	**156,590**	**-15%**	**149,921**	**-11%**	**1,891,880**	**1,256,156**	**51%**
Grand Total	**29,593**	**175,763**	**-83%**	**165,448**	**-82%**	**2,128,309**	**1,388,287**	**53%**

Exhibit: Top Three Monthly Automobile Assemblers Sales Summary
Jul-21

units	Jul/21	Jun/21	m/m	Jul/20	y/y	12m21	12m20	y/y
INDU	**6,715**	**4,535**	**48%**	**4,043**	**66%**	**57,236**	**25,965**	**2x**
Corolla	2,320	1,862	25%	1,528	52%	18,355	20,159	-9%
Yaris	2,700	1,876	44%	1,883	43%	28,295	1327	21x
Fortuner	418	412	1%	146	3x	3,543	1089	3x
Toyota Hilux	1277	385	3x	486	3x	7,043	3,390	2x
PSMC	**17,896**	**7,872**	**2x**	**6,273**	**3x**	**112,883**	**73,127**	**54%**
Swift	225	208	8%	182	24%	2316	1654	40%
Cultus	4,213	2,270	86%	1077	4x	17,510	11,099	58%
Wagon R	2,131	854	2x	566	4x	12,659	6,141	2x
Mehran	0	0	n.m.	0	n.m.	0	1309	n.m.
Bolan	950	187	5x	519	83%	8,196	4,827	70%
Alto	6,110	1,216	5x	2158	3x	37,720	26,332	43%
Ravi	1,552	371	4x	489	3x	9,631	6,078	58%
PSMC 2/w	2,715	2,766	-2%	1,282	2x	24,851	15,687	58%
HCAR	**2,307**	**3,305**	**-30%**	**2,467**	**-6%**	**29,291**	**14,696**	**99%**
City/Civic	1,700	2,826	-40%	2,210	-23%	25,276	12,642	100%
BRV	607	479	27%	257	2x	4,015	2,054	95%

Source: IGI Research, PAMA

Exhibit: Automobile Assemblers Sales Summary
Jul-21

units	Jul/21	Jun/21	m/m	Jul/20	y/y	12m21	12m20	y/y
INDU	6,715	4,535	48%	4,043	66%	57,236	25,965	2x
PSMC	15,181	5,106	3x	4,991	3x	88,032	57,440	53%
HCAR	2,307	3,305	-30%	2,467	-6%	29,291	14,696	99%
Hyundai	627	604	4%	66	10x	5,790	334	17x
AGTL	1,406	1,542	-9%	1401	0%	15,129	10,703	41%
MTL	2,926	3,476	-16%	2,205	33%	35,527	18,768	89%
HINO	85	49	73%	45	89%	852	1160	-27%
GHNL	70	161	-57%	64	9%	955	385	2x
GHNI	276	265	4%	155	78%	2336	1989	17%
ATLH	100,002	110,001	-9%	94,003	6%	1,292,096	793,897	63%
SZEW	829	1,942	-57%	1115	-26%	15,665	10,878	44%

Source: IGI Research, PAMA

Exhibit: Historic Growth

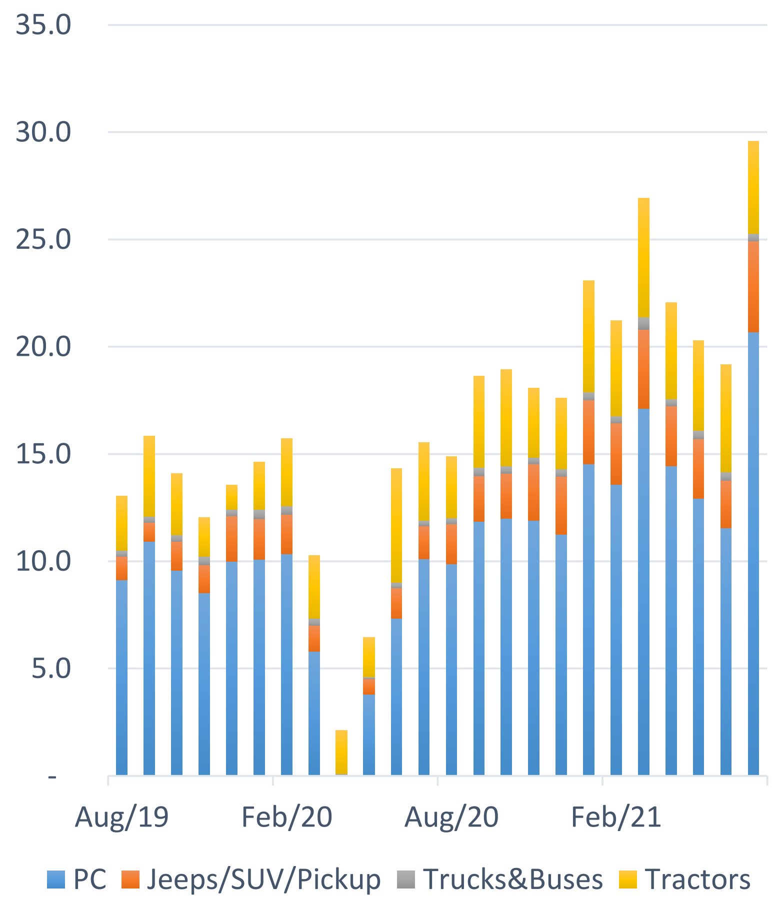
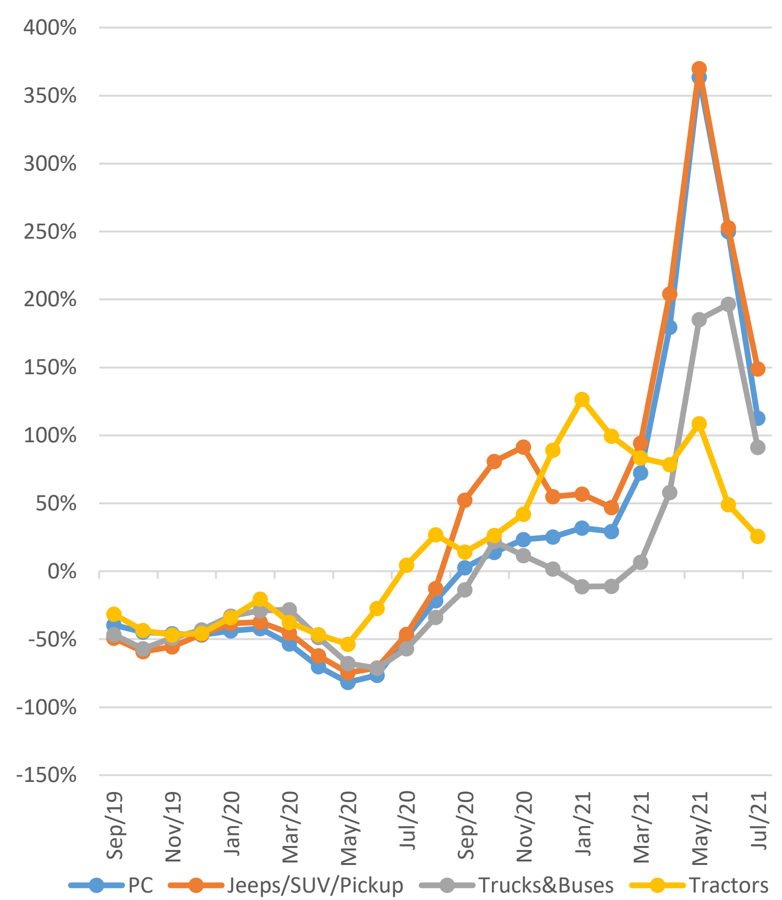


Exhibit: Passenger Cars & other commercial vehicles sales



Source: IGI Research, PAMA

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