Monthly Automobile Assembler Sales

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April 2021: Auto sales down on sequential basis at the advent of Ramadan and Covid restriction

As per latest sales data released by Pakistan Automotive Manufacturers Association (PAMA), reports industry sales volume declined by 13%m/m to 171k units as all segments witnessed drop in their sales volume. Both seasonally (historically 1q sales are robust compared to 2q) and advent of Ramadan (resulting in reduced working hours) and restriction amid third wave of Covid-19 led to reduced sales volume during the month in our view.

- **Passenger cars and other company wise data:** Further dissecting, passenger car segment sales decreased by 16%m/m to 14k units, with majority sales decline coming from Above 1,300c engine size to 6.8k units. Meanwhile, LCV's & pickups sales lowered by 25%m/m to 2.7k units. Tractor sales down 19%m/m to 4.5k units while sales of 2/3 wheelers slipped by 12%m/m to 149k units. We attribute this decline during April-21 to restriction amid third wave of Covid-19 followed by high base effect and at the advent of Ramadan

- **INDU -- Sales take a dip :** After the best production month in Mar-21 the company registered a volumetric decline of 17%m/m to 4.9k units. To mention, Fortuner sales witnessed substantial decline of 28% to 364 units while Yaris sales dropped by 22% to 2.6k units (possibly due to start of Honda City variant booking) and Corolla down by 19%m/m to 1.7k units. Similarly, Hilux sales down by 10%m/m to 667 units, (likely due to withholding of consumers buying decision in an anticipation of launch of their facelift version before Jun-21).

- **PSMC -- Outgoing swift emerged as a laggard:** PSMC sales displayed 11%m/m decrease in its sales to 11.2k units. As all segment reported a decline except 2 wheelers. On a cumulative basis for 10mfy21 total sales have increased by 28% to 95k units owing to substantial increase in Wagon-R sales. We believe the m/m decline is mainly attributable to supply chain issues and international shipping issues resulting in long delivery times.
- **HCAR -- BR-V comes as laggard; total volumes for 10mfy21 up by +71%y/y to 24k units:** For the month of April-21, sales of combined duo of Civic/City plummeted by 21%m/m to 2k units while, BR-V showcasing a massive decline of 57%m/m to 234 units. Hence total company's sales volume are down by 27% to 2.3k units. The decline in duo is mainly attributable to withholding of consumer buying decision in an anticipation of launching of 6th generation city. We foresee, this trend to continues in the upcoming month.
- **Outlook:** We expect auto volumes will continue its recovery path deep into 2021 and 2022 with 10mFy21 sales data fortifying our view. While, we believe gross margins of auto OEMs are foreseen to remain up beat given timely imports of parts and PKR appreciation . Furthermore, the ongoing surge in commodity prices may force the OEMs to raise prices in the near future.. At current market price INDU remain our top pick in the auto space

Exhibit: Monthly Automobile Assemblers Sales Summary
Apr-21

units	Apr/21	Mar/21	m/m	Apr/20	y/y	10m21	10m20	y/y
Below 1,000cc	4,838	5,762	-16%	0	n.m.	40,374	34,125	18%
1,000cc<>1,300cc	2,759	2,896	-5%	0	n.m.	23,734	16,677	42%
Above 1,300cc	6,838	8,447	-19%	0	n.m.	62,571	34,531	81%
Passenger Cars	**14,435**	**17,105**	**-16%**	**0**	**n.m.**	**126,679**	**85,333**	**48%**
Trucks	282	508	-44%	36	8x	2,982	2,769	8%
Buses	51	67	-24%	3	17x	565	535	6%
Jeeps&SUVs	1,101	1,671	-34%	0	n.m.	9,191	3,140	3x
Pick-ups	1,697	2,037	-17%	39	44x	16,081	10,212	57%
Tractors	4,501	5,531	-19%	2,049	2x	41,456	25,562	62%
CV and SUVs	**7,632**	**9,814**	**-22%**	**2,127**	**4x**	**70,275**	**42,218**	**66%**
2-Wheeler	146,883	166,707	-12%	2,783	53x	1,545,586	1,151,835	34%
3-Wheeler	2,485	3,642	-32%	191	13x	41,975	32,071	31%
2/3 Wheeler	**149,368**	**170,349**	**-12%**	**2,974**	**50x**	**1,587,561**	**1,183,906**	**34%**
Grand Total	**171,435**	**197,268**	**-13%**	**5,101**	**34x**	**1,784,515**	**1,311,457**	**36%**

Source: IGI Research, PAMA

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

units	Apr/21	Mar/21	m/m	Apr/20	y/y	10m21	10m20	y/y
INDU	**5,355**	**6,695**	**-20%**	**0**	**n.m.**	**48,025**	**25,300**	**90%**
Corolla	1,724	2,126	-19%	0	n.m.	14,979	20,991	-29%
Yaris	2,600	3,317	-22%	0	n.m.	24,320	0	n.m.
Fortuner	364	508	-28%	0	n.m.	2,813	1071	3x
Toyota Hilux	667	744	-10%	0	n.m.	5,913	3,238	83%
PSMC	**11,216**	**12,570**	**-11%**	**0**	**n.m.**	**94,592**	**73,940**	**28%**
Swift	181	355	-49%	0	n.m.	2077	1548	34%
Cultus	1,312	1,637	-20%	0	n.m.	13,420	10,555	27%
Wagon R	1,447	1259	15%	0	n.m.	10,314	6,122	68%
Mehran	0	0	n.m.	0	n.m.	0	1702	n.m.
Bolan	747	1017	-27%	0	n.m.	7,245	4,467	62%
Alto	4,091	4,745	-14%	0	n.m.	33,129	27,956	19%
Ravi	828	1,148	-28%	0	n.m.	8,434	5,953	42%
PSMC 2/w	2,610	2,409	8%	0	n.m.	19,973	15,637	28%
HCAR	**2,287**	**3,153**	**-27%**	**0**	**n.m.**	**23,985**	**14,061**	**71%**
City/Civic	2,053	2,603	-21%	0	n.m.	20,869	11,992	74%
BRV	234	550	-57%	0	n.m.	3,116	2,069	51%

Source: IGI Research, PAMA

Exhibit: Automobile Assemblers Sales Summary
Apr-21

units	Apr/21	Mar/21	m/m	Apr/20	y/y	10m21	10m20	y/y
INDU	5,355	6,695	-20%	0	n.m.	48,025	25,300	90%
PSMC	8,606	10,161	-15%	0	n.m.	74,619	58,303	28%
HCAR	2,287	3,153	-27%	0	n.m.	23,985	14,061	71%
Hyundai	896	723	24%	22	41x	4,549	236	19x
AGTL	1,287	2,012	-36%	1029	25%	12,286	9,762	26%
MTL	3,214	3,519	-9%	1,006	3x	29,141	15,617	87%
HINO	55	80	-31%	14	4x	745	1252	-40%
GHNL	63	80	-21%	6	11x	733	372	97%
GHNI	194	345	-44%	36	5x	1816	1933	-6%
ATLH	115,001	125,030	-8%	2,783	41x	1,076,077	771,757	39%
SZEW	1,021	1,209	-16%	0	n.m.	12,811	8,689	47%

Source: IGI Research, PAMA

Exhibit: Historic Growth

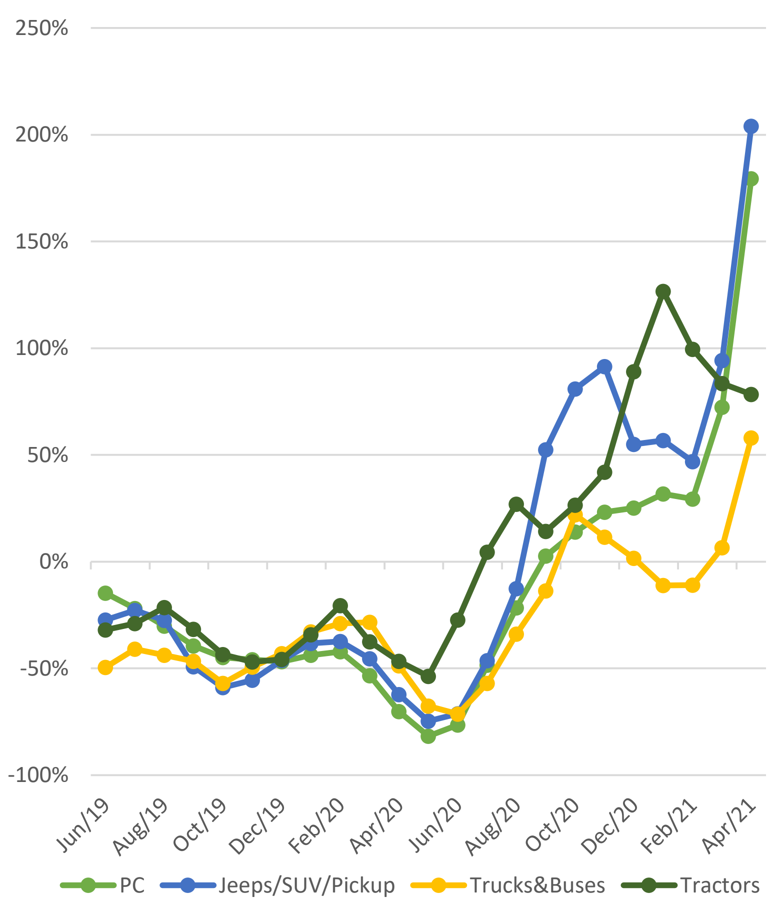
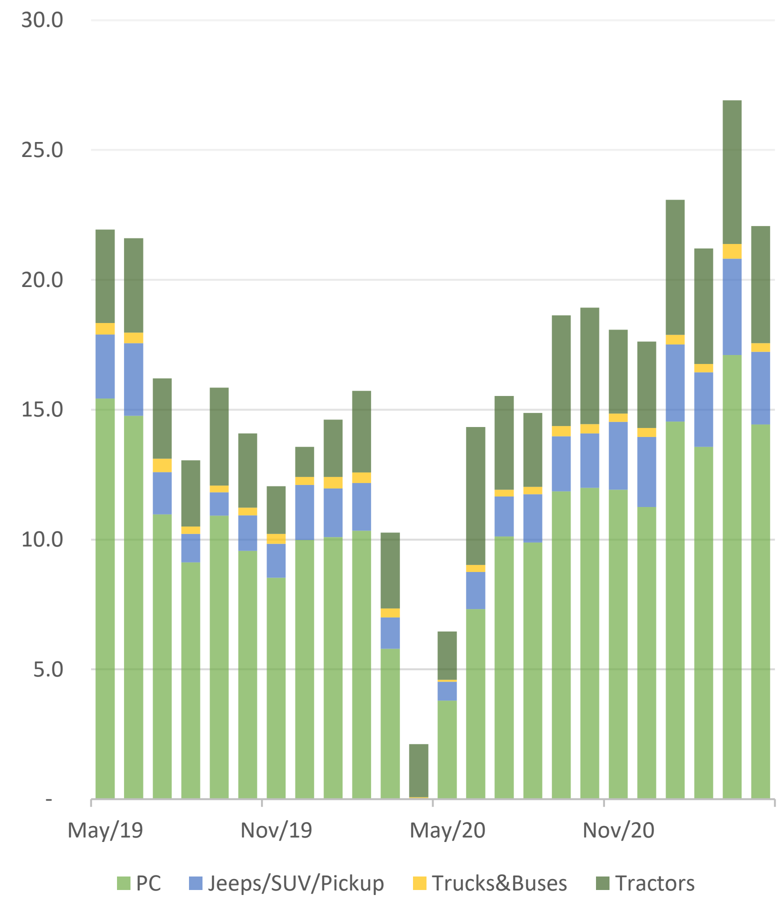


Exhibit: Passenger Cars and other commercial vehicles sales



Source: IGI Research, PAMA

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