

Pakistan Automobile Assemblers

Dec'23: Passenger Car Sales Plunged By 64% YoY

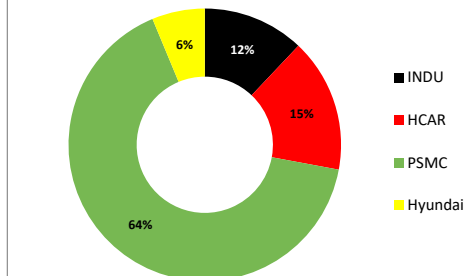
Pakistan Automotive Manufacturing Association (PAMA) has released the sales and production data for the month of Dec'23, where passenger car sales are up by 1% MoM to clock in at 4,916 units vs 4,875 units in Nov'23. However, sales are down by 64% YoY mainly due to muted demand and supply side constraints. In 1HFY24, cumulative passenger car sales plunged by ~56% YoY, to clock in at 30.6k units due to supply constraints and economic slowdown resulting in subdued demand.

- Jeeps/SUVs & pickups sales witnessed a decrease of 44% MoM to reach at 0.9K units. In 1HFY24, Jeeps/SUVs & pickups sales fell by 42% YoY due to aforementioned reasons. Similarly, trucks & buses sales decreased by 29% MoM to clocked in at ~0.1k units in Dec'23. Cumulatively in 1HFY24, trucks & buses sales fell by 50% YoY. Moreover, tractors sales also fell by 26% MoM due to seasonal factor. Whereas, during 1HFY24, tractors sales increased by 103%, primarily due to better agricultural activity.
- Company wise, PSMC sales increased by 7% MoM in Dec'23. Wherein, Bolan, Wagon R, and Swift are the leading contributor with an increase of 93%, 57%, and 37%, respectively on MoM basis. This increase is led by better availability of inventory resulting in enhanced production. To highlight, PSMC's plant remained fully operational in Dec'23 vs. 5 day shutdown in Nov'23.
- INDU sales decreased by 28% MoM to clock in at ~0.6K units compared to ~0.9K units in Nov'23. Fortuner & Hilux are the leading contributor of this decline, as their sales are down by 51% MoM.
- HCAR sales decreased by 11% MoM to clock in at ~0.9K units in Dec'23. Civic & City are the leading contributor in this decline, with their sales down by 14% MoM.
- Hyundai volumetric sales posted an decrease of 46% MoM to clocked in at ~0.3K units.
- MTL volumes witnessed a decrease of 25% MoM to stand at ~2.1k units. Similarly, AGTL sales are down by 28% MoM to stand at ~0.5k units.

Outlook

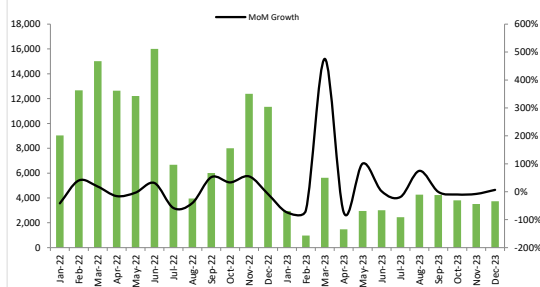
We believe that automobile industry will remain under pressure on demand front due to slowdown in economic activity coupled with lower purchasing power which will continue to hurt the demand of the sector. However, recent promotional activities and introduction of new vehicles can partially lift up the demand. Whereas, on supply side, we might expect some improvement as evident by the non closure of plants during Dec'23 which indicates slight improvement in imports situation.

Dec'23: Car Sales Volume Breakup



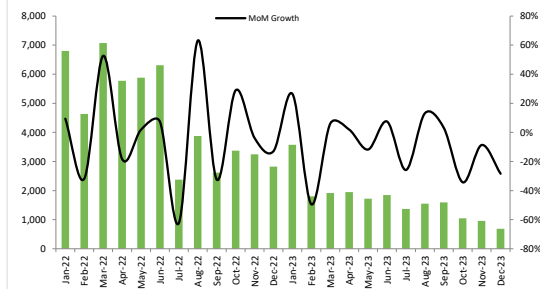
Source: PAMA, Insight Research

PSMC Sales Volume vs. MoM Change



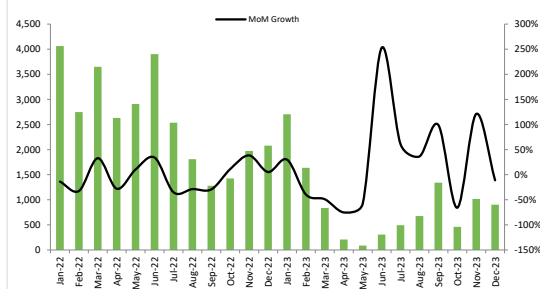
Source: PAMA, Insight Research

INDU Sales Volume vs. MoM Change



Source: PAMA, Insight Research

HCAR Sales Volume vs. MoM Change







Source: PAMA, Insight Research

Automobile Sales

Dec-23	Dec-23	Nov-23	MoM	Dec-22	YoY	1HFY24	1HFY23	YoY
Passenger Cars	4,916	4,875	1%	13,780	-64%	30,662	68,912	-56%
Trucks & Buses	105	147	-29%	286	-63%	982	1,947	-50%
Jeeps & Pick-Ups	900	1,600	-44%	3,232	-72%	8,792	15,204	-42%
Tractors	2,605	3,510	-26%	1,015	157%	23,411	11,513	103%
Three/Two wheelers	82,362	88,493	-7%	103,899	-21%	541,821	627,835	-14%

Passenger Cars

INDU 	684	956	-28%	2,823	-76%	7,198	18,307	-61%
Corolla & Yaris	554	693	-20%	1,879	-71%	5,279	12,065	-56%
Fortuner & Hilux	130	263	-51%	944	-86%	1,919	6,242	-69%
HCAR 	901	1,015	-11%	2,079	-57%	4,885	11,103	-56%
Civic & City	787	912	-14%	981	-20%	3,938	8,906	-56%
BR-V & HR-V	114	103	11%	1,098	-90%	947	2,197	-57%
PSMC 	3,735	3,506	7%	11,342	-67%	21,997	48,371	-55%
Cultus	297	469	-37%	1,057	-72%	1,908	5,143	-63%
Alto	2,099	1,944	8%	6,898	-70%	13,405	27,614	-51%
Wagon R	409	260	57%	872	-53%	1,829	3,769	-51%
Bolan	326	169	93%	464	-30%	1,179	2,436	-52%
Ravi	226	388	-42%	623	-64%	1,446	2,273	-36%
Swift	378	276	37%	1,428	-74%	2,230	7,136	-69%
Hyundai 	356	655	-46%	631	-44%	3,730	4,655	-20%
Elantra	39	105	-63%	145	-73%	465	1,282	-64%
Sonata	27	47	-43%	56	-52%	429	560	-23%
Porter	137	171	-20%	63	117%	827	569	45%
Tucson	101	209	-52%	367	-72%	1,659	2,244	-26%
Tractors	2,605	3,510	-26%	1,015	157%	23,411	11,513	103%
Fiat	506	701	-28%	514	-2%	8,312	5,212	59%
Massey Ferguson	2,099	2,809	-25%	501	319%	15,099	6,301	140%

Source: PAMA, Insight Research

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TP	Target Price	DCF	Discounted Cash Flows	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DDM	Dividend Discount Model
SOTP	Sum of the Parts	P/E	Price to Earnings ratio	P/Bv	Price to Book ratio
P/S	Price to Sales	EVA	Economic Valued Added	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	DY	Dividend Yield
ROE	Return on Equity	ROA	Return on Assets	CAGR	Compounded Annual Growth Rate

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