

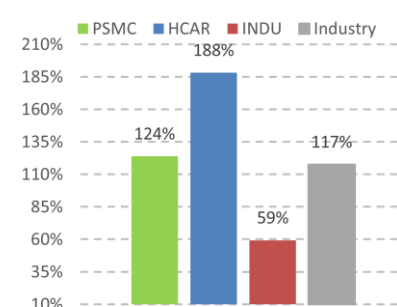
Autos: Prebuying led 59%/117% MoM/YoY jump in Dec-21 sales

- Pre-booking of passenger segment vehicles in response to potential price increases by all major OEMs resulted in a significant increase in car sales during Dec-21, up 59% MoM and 117% YoY. Cumulatively, car sales increased 71% in 1HFY22 to 114,765 units.
- PSMC saw a twofold surge (+124% YoY) in the passenger cars segment in Dec-21. The exponential growth is mainly contributed by 2.8x increase in 'Alto' sales.
- LCVs & Pickups volume continued to lag in Dec-21, declining 15% MoM. However, on YoY basis, sales increased by 6%. Cumulatively, industry sales increased by 64% YoY in 1HFY22, led by INDU with an 84% YoY increase.
- Trucks & Buses also witnessed volumetric decline of 37% MoM, on account of 36% MoM decline in GHNI's volumes. However, industry sales increased by 57% YoY in 1HFY22.
- Tractor sales went down 3% MoM, owing to the end of the Rabi sowing session. However, sales have increased by 35% YoY. On a six-month basis, industry sales increased by 22% YoY.
- We believe that increased duties and taxes on locally assembled vehicles in mini budget FY22, combined with the SBP's decision to restrict auto financing amid rising interest rates, will have a negative effect on auto sales going forward.

Auto Sale Volumes (Dec-21)								
Period	Dec-20	Nov-21	Dec-21	MoM	YoY	1HFY21	1HFY22	YoY
Cars								
INDU	3,235	4,761	5,151	8%	59%	21,272	29,126	37%
PSMC	6,483	7,255	14,509	100%	124%	33,796	65,271	93%
HCAR	1,529	2,771	4,405	59%	188%	11,958	17,620	47%
Hyundai	-	564	397	-30%	NA	-	2,748	NA
Industry	11,247	15,351	24,462	59%	117%	67,026	114,765	71%
LCV & Pickups								
INDU	766	1,554	1,063	-32%	39%	4,867	8,946	84%
PSMC	1,111	1,267	994	-22%	-11%	4,140	7,432	80%
HCAR	235	239	303	27%	29%	1,708	1,928	13%
Hyundai	511	184	365	98%	-29%	1,764	2,129	21%
GHNI	20	40	58	45%	190%	141	253	79%
GHNL	66	75	86	15%	30%	308	479	56%
Industry	2,709	3,363	2,869	-15%	6%	12,928	21,201	64%
Trucks & Buses								
HINO	100	72	73	1%	-27%	443	501	13%
GHNI	139	255	164	-36%	18%	872	1,389	59%
GHNL	21	16	21	31%	0%	93	112	20%
Industry	342	532	335	-37%	-2%	1,947	3,062	57%
Tractors								
MTL	2,975	3,254	3,300	1%	11%	15,538	17,254	11%
AGTL	345	1,363	1,176	-14%	241%	6,198	9,225	49%
Industry	3,320	4,617	4,476	-3%	35%	21,765	26,479	22%
Three-Wheelers								
SAZEW	991	865	-	NA	NA	7,021	5,078	-28%
Industry	3,705	3,182	2,067	-35%	-44%	26,070	18,505	-29%
Motorcycles								
ATLH	106,030	128,503	115,080	-10%	9%	618,040	678,655	10%
Industry	153,411	163,549	139,766	-15%	-9%	924,801	919,251	-1%

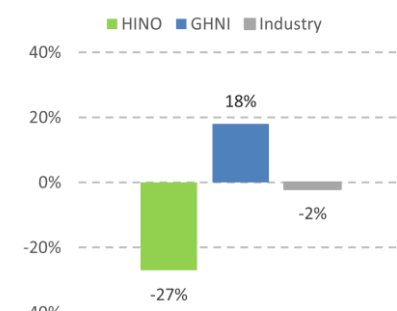
Source: PAMA, Akseer Research

YoY % change in car sales (Dec-21)



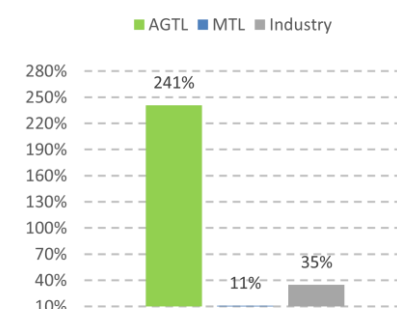
Source: PAMA, Akseer Research

YoY % change in truck & buses sales (Dec-21)



Source: PAMA, Akseer Research

YoY % change in tractor sales (Dec-21)



Source: PAMA, Akseer Research

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Car Segment: PSMC and HCAR's double-digit growth boosted industry sales

During Dec-21, passenger cars sales clocked in at 24,462 units, up 59% MoM (+117% YoY). This massive increase in volumes can be attributed to the prebuying effect caused by the potential price increase of all OEM's. PSMC saw the biggest increase with sales increasing twofold (+124% YoY) due to 2.8x MoM increase in 'Alto' sales (+2.1x YoY). Wagon-R sales clocked in at 2,861 units (+44%/205% MoM/YoY). HCAR volumes went up 59% MoM (+188% YoY) due to increase in sales of new Honda City. INDU saw nominal growth of 8% MoM (+59%YoY) with the largest increase coming from the flagship 'Corolla' (sales up 14%MoM) while Yaris's sales remained flat in Dec-21, owing to continued competition from new entrants. Hyundai's volumes continue to decline as the company delivered fewer vehicles due to parts shortages. Cumulatively, industry sales increased by 71% YoY in 1HFY22.

LCVs & Pickups segment: Higher Prices causing depressed sales

LCVs & Pickups sales continued to remain weak, down 15% MoM in Dec-21 due to a slowdown in sales of INDU and PSMC. INDU saw a 32% MoM decrease in volumes due to decline in 'Fortuner' and 'Hilux' volume. GHNI, on the other hand, saw a massive jump of 190% YoY due to high demand of 'D-Max' brand. During 1HFY22, LCVs & Pickups sales grew 64%YoY due to low base effect, with INDU and PSMC in the lead.

Trucks & Buses segment: Industry volumes down 37% MoM

Trucks & Buses segment sales decreased 37% MoM/ 2% YoY in Dec-21, with GHNI volumes down 36% MoM (+18% YoY). Cumulatively, during 1HFY22, the trucks & buses volumes grew 57% YoY.

Tractor segment: Volumes decreased as the Rabi sowing season ends.

During Dec-21, tractor sales volumes decreased 3% MoM (+35% YoY) as the Rabi sowing season ended. AGTL volumes declined 14% MoM (+241% YoY). However, during 1HFY22, industry volumes saw an increase of 22% YoY.

Industry Outlook: Volumetric growth to subside

Going forward, auto sales growth is likely to slow down on the back of i) continuous hike in prices by all listed auto players ii) tightening of regulations for auto financing and iii) interest rate hikes and iv) increased duties and taxes on locally assembled vehicles in mini budget FY22.

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