

Automobile Sales Increased by 54% in FY22



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According to PAMA, automobile sales (including cars, Jeeps, and pickups) have increased by almost 54% YoY, clocking at 279,267 for FY22 as compared to 181,397 in SPLY.

HCAR sales have increased by 35% in FY22 due to an increase in sales of Civic/City and BRV by 39% and 6% respectively. INDU sales have also increased by 30% in FY22 due to an increase in sales of Toyota Fortuner & IMVs and Corolla & Yaris by 70% and 21% respectively. Moreover, PSMC sales have grown exceptionally by 71% in FY22 due to an increase in sales of Swift, Alto, and WagonR by 167%, 89%, and 83% respectively.

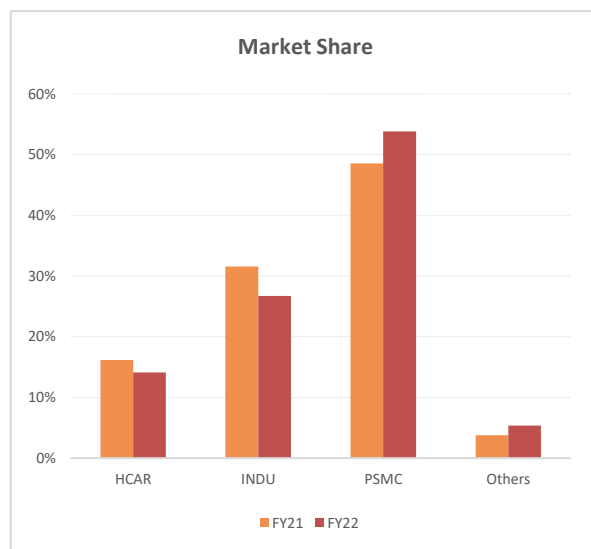
Lastly, a major increase in the sales of other companies (highest contribution from Hyundai) has been witnessed this year as the sales clocked at 15,003, 119% higher as compared to 6,838 in SPLY.

Healthy growth of about 50% is witnessed in the sales of Buses and Trucks for the FY22. Furthermore, sales of tractors have also increased by 16% in FY22.

Lastly, sales of the 2/3 Wheelers have decreased by 4.3% in FY22. However, the sales of HONDA, SUZUKI and SAZGAR have shown an increase of 5.3%, 52.3% and 0.1% respectively.

The market share of PSMC has increased from 49% to 54% for the period FY22 as compared to the SPLY. However, the market share of HCAR and INDU has dropped from 16% to 14% and 32% to 27% respectively due to the entry of new players as Hyundai has the highest percentage of sales among other companies.

Going forward, the Pakistani auto industry is likely to face a downturn in the coming year because of the current macroeconomic condition of the country where rising fuel prices, depreciation of the rupee, and increased taxation because of IMF conditions are likely to dampen the demand.



Cars, Jeeps & Pick Ups	Jun-22	May-22	MoM	Jun-21	YoY	FY22	FY21	YoY
HCAR	3,903	2,910	34.1% ▲	3,305	18.1% ▲	39,452	29,291	34.7% ▲
INDU	6,309	5,882	7.3% ▲	4,535	39.1% ▲	74,533	57,236	30.2% ▲
PSMC	16,009	12,212	31.1% ▲	5,106	213.5% ▲	150,279	88,032	70.7% ▲
Others	2,158	1,889	14.2% ▲	804	168.4% ▲	15,003	6,838	119.4% ▲
Total	28,379	22,893	24.0% ▲	13,750	106.4% ▲	279,267	181,397	54.0% ▲
Trucks & Buses								
Total	589	486	21.2% ▲	405	45.4% ▲	6,498	4,347	49.5% ▲
Tractors								
Total	7,590	4,906	54.7% ▲	5,029	50.9% ▲	58,947	50,920	15.8% ▲
2/3 WHEELERS								
HONDA	110,789	115,328	3.9% ▼	110,001	0.7% ▲	1,360,403	1,292,096	5.3% ▲
SUZUKI	3,268	3,580	8.7% ▼	2,766	18.1% ▲	37,846	24,851	52.3% ▲
SAZGAR	1,797	1,173	53.2% ▲	1,942	7.5% ▼	15,683	15,665	0.1% ▲
Total	142,629	148,002	3.6% ▼	156,590	8.9% ▼	1,821,886	1,903,932	4.3% ▼

Source; PAMA

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TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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- III. Relative Valuation Model
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