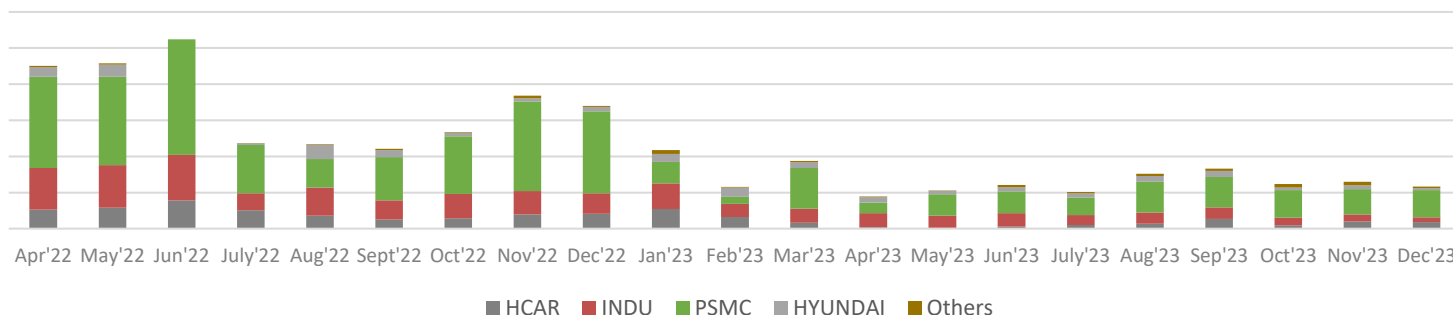


Automobile Sales decreased by 10% MoM for Dec23



Friday, 12 January, 2024

Monthly Sales



According to PAMA, automobile sales (including cars, Jeeps, and pickups) have decreased by almost 10% MoM, clocking at 5,816 for Dec23 as compared to 6,475 in Nov23. HCAR sales have decreased by 11% in Dec23 due to a decrease in sales of Civic/City by 14% MoM while sales for Honda BR-V increased by 10% MoM. Furthermore, INDU sales decreased by 29% in Dec23 due to a decrease in sales of Toyota Fortuner/IMVs by 51% MoM. Moreover, PSMC sales increased by 7% MoM in Dec23 due to an increase in sales of WagonR by 57% MoM. Hyundai sales decreased by 43% MoM in Dec 23 due to a decrease in sales of Hyundai Elantra and Hyundai Tucson by 63% and 52% respectively. Moreover, a decrease in the sales of other companies has also been witnessed in Dec23 as the sales clocked at 192 which is 58.8% lower compared to 466 in Nov23 amid new players entering the market.

Sales of Buses and Trucks decreased by 29% MoM in Dec23. Furthermore, a decrease of 26% MoM is witnessed in the sales of Tractors for Dec23. Also, sales of the 2/3 Wheelers decreased in Dec23 by 7% MoM. The sales of Honda decreased by 5.2% while sales of Suzuki increased by 32.6%. The market share of Hyundai, Honda, and INDU, for the period Dec23, has dropped from 8.2% to 5.2%, 15.7% to 15.5%, and 14.8% to 11.8% respectively MoM. On the other hand, PSMC is capturing the market rapidly as their market share for Dec23 increased to 64.2% as compared to 54.1% in Dec23.

We are optimistic about the future of this sector due to the government's relaxation of import restrictions. As IMF's concern is that no further restrictions be imposed on imports, as this is favorable for the Auto Sector. Additionally, the anticipation of decline in CPI for second half of fiscal year is encouraging for the industry. On the demand side, we also anticipate that a decrease in inflation will lead to a reduction in the central bank's policy rate, making auto financing more accessible and potentially boosting sales volumes.

Cars, Jeeps & Pick Ups	Dec'23	Nov'23	MoM	Dec'22	YoY	1HFY24	1HFY23	YoY
HCAR	901	1,015	11.2% ▼	2,079	56.7% ▼	4,885	11,103	56.0% ▼
INDU	684	956	28.5% ▼	2,823	75.8% ▼	7,198	18,307	60.7% ▼
PSMC	3,735	3,506	6.5% ▲	11,342	67.1% ▼	21,997	48,371	54.5% ▼
HYUNDAI	304	532	42.9% ▼	631	51.8% ▼	3,380	4,655	27.4% ▼
Others	192	466	58.8% ▼	137	40.1% ▲	1,994	901	121.3% ▲
Total	5,816	6,475	10.2% ▼	17,012	65.8% ▼	39,454	83,337	52.7% ▼
Trucks & Buses								
Total	105	147	28.6% ▼	286	63.3% ▼	982	1,947	49.6% ▼
Tractors								
Total	2,605	3,510	25.8% ▼	1,015	156.7% ▲	23,411	11,513	103.3% ▲
2/3 WHEELERS								
HONDA	72,096	76,043	5.2% ▼	85,062	15.2% ▼	470,399	522,770	10.0% ▼
SUZUKI	1,363	1,028	32.6% ▲	3,312	58.8% ▼	7,386	20,762	64.4% ▼
SAZGAR	275	773	64.4% ▼	428	35.7% ▼	4,928	3,868	27.4% ▲
Total	82,362	88,493	6.9% ▼	103,899	20.7% ▼	541,821	627,253	13.6% ▼

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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