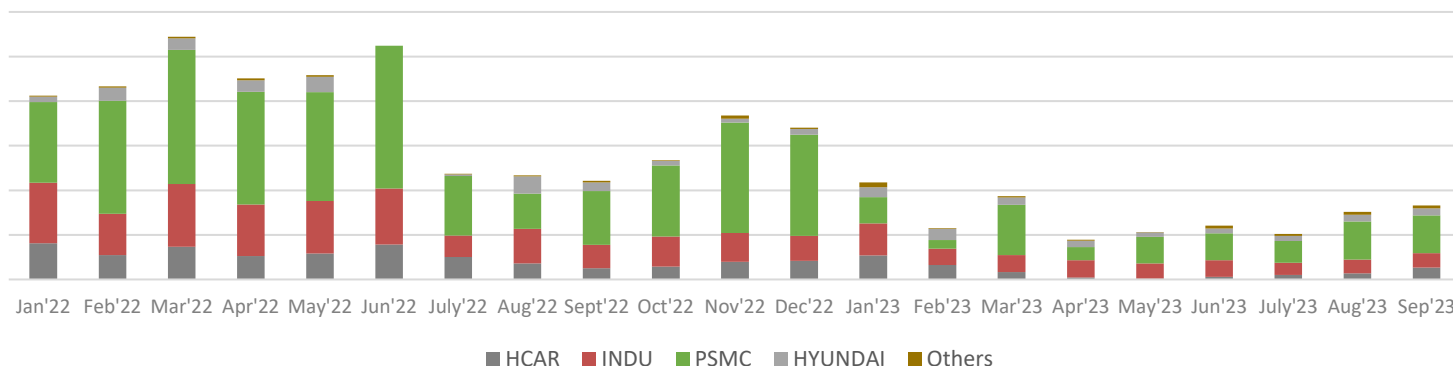


Automobile Sales Increased by 10% MoM for Sep23

Thursday, 12 October, 2023

Monthly Sales



According to PAMA, automobile sales (including cars, Jeeps, and pickups) have increased by almost 10% MoM, clocking at 8,312 for Sep23 as compared to 7,579 in Aug23. HCAR sales have increased by 99% in Sep23 due to an increase in sales of Civic/City by 136% MoM while sales for Honda BR-V remained the same MoM. Furthermore, INDU sales increased by 3% in Sep23 due to an increase in sales of Toyota Fortuner/IMVs 27% MoM. Moreover, PSMC sales dropped by 0.8% MoM in Sep23 due to a decrease in sales of Alto by 8% MoM. Hyundai sales increased by 5.4% MoM in Sep 23 due to an increase in sales of Hyundai Porter and Hyundai Sonata by 47.5% and 24.75% respectively. Moreover, an increase in the sales of other companies has also been witnessed in Sep23 as the sales clocked at 321 which is 3.2% higher compared to 311 in Aug23 amid new players entering the market.

Sales of Buses and Trucks increased by 10.8% MoM in Sep23. Furthermore, an increase of 37.3% MoM is witnessed in the sales of Tractors for Sep23. Also, sales of the 2/3 Wheelers have increased in Sep23 by 21.2% MoM. The sales of Honda increased by 26.5% while sales of Suzuki decreased by 36.4%. The market share of Hyundai, PSMC and INDU, for the period Sep23, has dropped from 10.3% to 9.9%, 56.3% to 50.9% and 20.4% to 19.2% respectively MoM. On the other hand, Honda is capturing the market rapidly as their market share for Sep23 increased to 16.1% as compared to 8.9% in Aug23.

We are optimistic about this sector going forward because of government relaxation of import restrictions, which facilitates smoother procurement of raw materials for auto manufacturers. Additionally, the continuous decline of the US dollar in the interbank market is encouraging for 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	Sep'23	Aug'23	MoM	Sept'22	YoY	FY23	FY22	YoY
HCAR	1,342	674	99.1% ▲	1,280	4.8% ▲	16,879	35,549	52.5% ▼
INDU	1,595	1,548	3.0% ▲	2,617	39.1% ▼	31,104	68,224	54.4% ▼
PSMC	4,234	4,268	0.8% ▼	6,006	29.5% ▼	65,362	134,270	51.3% ▼
HYUNDAI	820	778	5.4% ▲	967	15.2% ▼	9,688	11,261	14.0% ▼
Others	321	311	3.2% ▲	176	82.4% ▲	2,070	1,584	30.7% ▲
Total	8,312	7,579	9.7% ▲	11,046	24.8% ▼	125,103	250,888	50.1% ▼
Trucks & Buses								
Total	185	167	10.8% ▲	378	51.1% ▼	3,836	5,909	35.1% ▼
Tractors								
Total	5,445	3,967	37.3% ▲	2,149	153.4% ▲	30,942	51,357	39.8% ▼
2/3 WHEELERS								
HONDA	94,974	75,071	26.5% ▲	85,042	11.7% ▲	1,005,408	1,249,614	19.5% ▼
SUZUKI	1,096	1,722	36.4% ▼	3,040	63.9% ▼	29,274	34,578	15.3% ▼
SAZGAR	1,026	1,089	5.8% ▼	1,194	14.1% ▼	9,381	13,886	32.4% ▼
Total	107,084	88,318	21.2% ▲	99,581	7.5% ▲	1,186,387	1,679,257	29.4% ▼

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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- II. Dividend Discount Model
- III. Relative Valuation Model
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