



Mar 2018 Auto Sales +9% YoY (-1% MoM)

In-line with expectation

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March Sales clock-in at 22.4k units; HCAR Leads the pack

Pakistan Car Sales Numbers						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
PSMC	107,294	84,743	27%	11,232	4%	-14%
INDU	46,427	45,744	1%	5,804	-2%	14%
HCAR	39,013	28,120	39%	5,344	41%	19%
Total	192,734	158,607	22%	22,380	9%	-1%

Source: PAMA, Topline Securities

- According to the latest PAMA data, Pakistan local car assemblers (including LCVs, Vans and Jeeps) managed to sell 22,380 units in Mar 2018, up 9% YoY. A nominal decline of 1% was seen in Mar 2018 on sequential basis despite normal working days in the month indicating slow down in demand growth as 1Q of calendar year is generally a robust period for auto sales. These numbers are in line with our estimates. The change in import procedure, availability of auto finance at lower rates and demand from online ride hailing services have contributed to demand in outgoing month. Cumulatively, industry sales during 9MFY18 exhibited 22% YoY growth to 192,734 units.
- Sales of Honda (HCAR) have outperformed peers, posting 41%/19% YoY/MoM growth. These are the highest monthly sales in history of the company at 5,344 units due to success of recently revamped City, strong demand for Civic and rebound in sales of SUV variant BRV. 9MFY18 sales were up 39% YoY for HCAR to 39,013 units.
- PSMC sales witnessed slow down after 8 months of double digit growth. Sales only grew by 4% YoY in Mar 2018 as price conscious models exhibited flat sales growth, however demand picked up for higher price variants Cultus up 14% and Swift up 13% YoY. 9MFY18 sales were up 27% YoY for PSMC to 107,294 units.
- Toyota's Indus Motors (INDU) lagged behind peers with decrease of -2%/14% YoY/MoM as it continues to face capacity constraints, though 9MFY18 units sales are up 1% YoY.

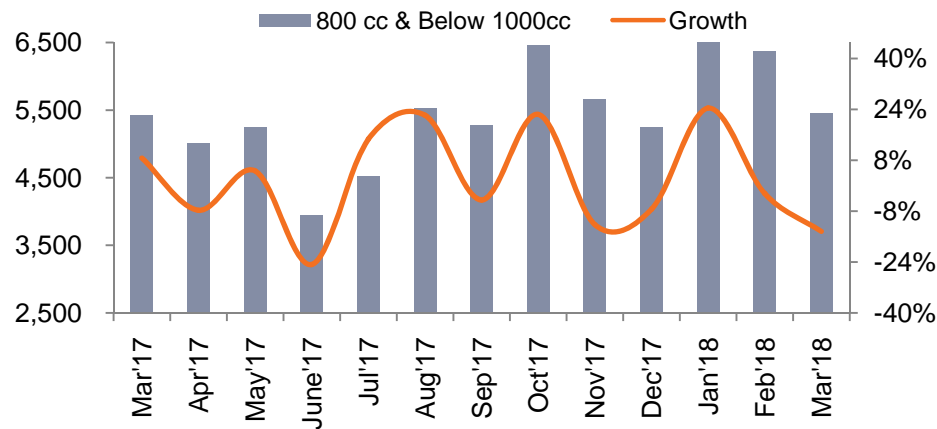
Company Wise Auto Sales

Pak Suzuki (PSMC)						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
Mehran	34,802	28,036	24%	3,899	3%	-11%
Wagon R	20,771	12,595	65%	1,835	3%	-12%
Cultus	15,624	11,905	31%	1,927	14%	-10%
Swift	3,593	3,281	10%	461	13%	-4%
Bolan	16,263	14,938	9%	1,559	-6%	-23%
Ravi	16,241	13,988	16%	1,551	6%	-21%
Total sales	107,294	84,743	27%	11,232	4%	-14%
Indus Motors (INDU)						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
Corolla	38,244	40,694	-6%	4,642	-11%	15%
Hilux	5,442	4,239	28%	708	42%	-20%
Fortuner	2,741	811	238%	454	92%	147%
Total sales	46,427	45,744	1%	5,804	-2%	14%
Honda Car (HCAR)						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
Civic & City	32,074	28,120	14%	4,665	23%	20%
BRV	6,260	-	NM	679	0%	13%
Total sales	38,334	28,120	36%	5,344	41%	19%
Grand Total	192,055	158,607	21%	22,380	9%	-1%

Source: PAMA, Topline Securities

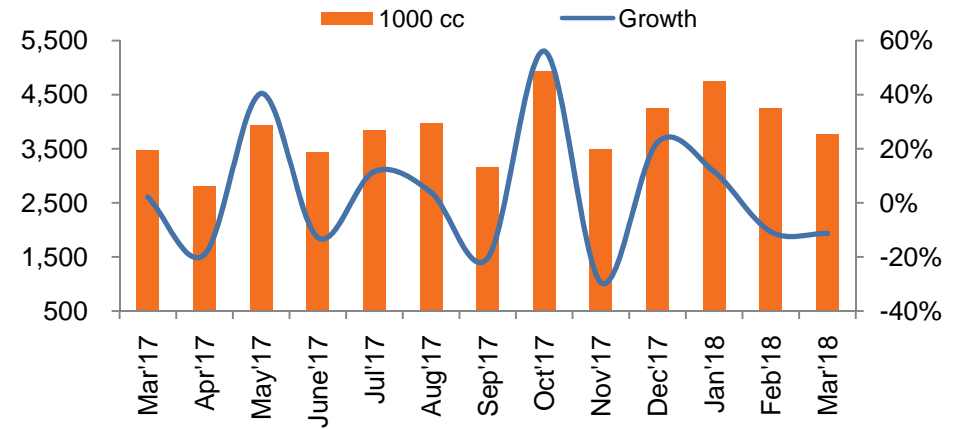
Segment Wise Auto Sales

Passenger Cars: 800cc & below segment



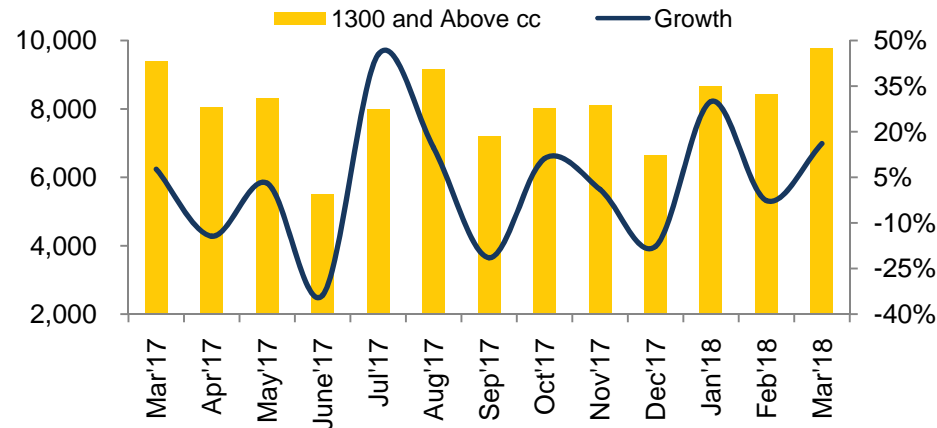
Source: PAMA, Topline Research

Passenger Cars: 1000-1200cc segment



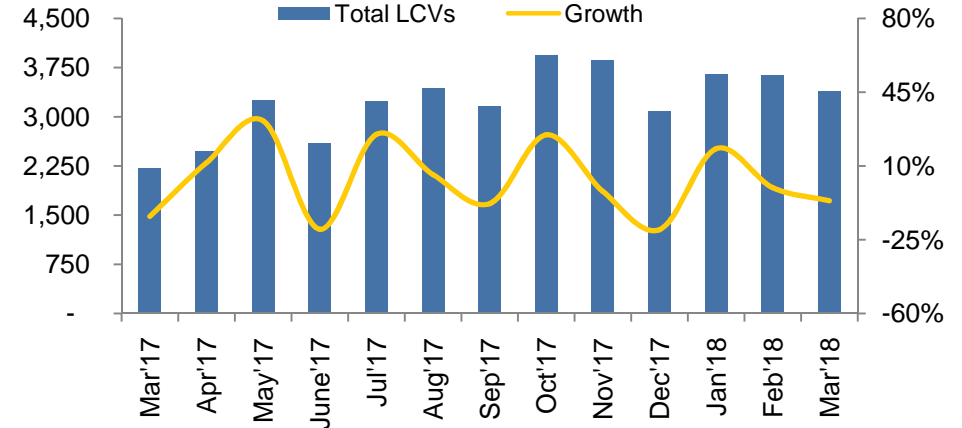
Source: PAMA, Topline Research

Passenger Cars: 1300-1800cc segment



Source: PAMA, Topline Research

Light Commercial Vehicles (LCVs)



Source: PAMA, Topline Research

Tractors and Trucks off-take on upward trajectory

Pakistan Tractors Sales Numbers						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
Millat	31,179	24,159	29%	4,407	10%	26%
AGTL	17,686	13,926	27%	3,202	23%	10%
Orient	169	535	-68%	24	-40%	-31%
Total Tractors	49,034	38,620	27%	7,633	15%	18%

Source: PAMA, Topline Securities

- Tractor sales continue to exhibit upward trajectory with sales growing by 15% YoY in Mar 2018. Al-Ghazi Tractors (AGTL) outperformed exhibiting 23% YoY growth. During 9MFY18 tractor sales reached 49,034 units up 27% YoY. Going forward, we expect lower GST on tractor purchase, fertilizer cash subsidy, along with Rs2bn subsidy for farmers on tractor purchase recently announced in FY18 Sindh provincial budget, which will improve farmers purchasing power & thus support overall tractor sales going forward.

Pakistan Trucks & Buses Sales Numbers						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
Hino	3,228	2,759	17%	465	54%	32%
Nissan	18	602	-97%	-	NM	
Master	1,296	896	45%	211	61%	69%
Isuzu	2,763	1,917	44%	350	40%	16%
Total	7,305	6,174	18%	1,026	40%	32%

Source: PAMA, Topline Securities

- Truck & Bus sales of PAMA member companies in Mar 2018 remained robust growing by 40% YoY, while during 9MFY18 sales rose 18% YoY. We foresee this trend to continue fueled by CPEC, higher road connectivity, low financing rate, robust growth in LSM sector and change in enforcement of axle load limit per truck on highways.

Bike sales continue to post strong sales

Motorbikes and Three wheelers						
Units	9MFY18	9MFY17	YoY	Mar'18	YoY	MoM
ATLH	838,395	711,395	18%	108,736	27%	28%
PSMC	15,971	12,037	33%	1,964	26%	-4%
SAZEW (3 wheeler)	16,576	14,712	13%	1,693	-4%	2%
Others	73,415	52,551	40%	40,658	29%	36%
Total sales	944,357	790,695	19%	153,051	27%	29%

Source: PAMA, Topline Securities

- Motorcycle/3-wheeler sales Mar 2018 have increased by 27% YoY. ALTH have outperformed peers, posting 27%/28% YoY/MoM. These are the highest monthly sales in history of the company at 108,736 units. 9MFY18 sales are up 19% YoY due to rising disposable income of lower middle class.

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Market Weight	= Weight in KSE-100 Index
Under Weight	< Weight in KSE-100 Index

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