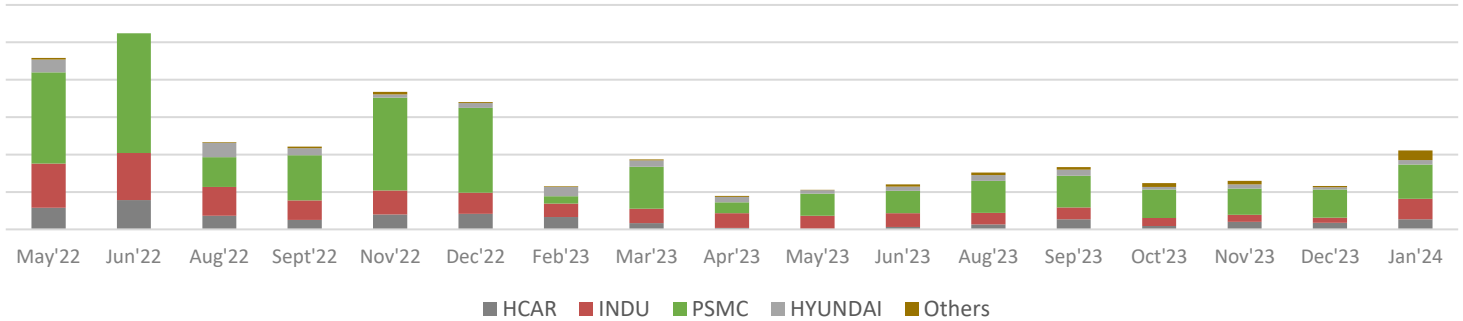


Automobile Sales increased by 81% MoM for Jan24



Wednesday, 14 February, 2024

Monthly Sales



According to PAMA, automobile sales (including cars, Jeeps, and pickups) have increased by almost 81% MoM, clocking at 10,536 for Jan24 as compared to 5,816 in Dec23. HCAR sales have increased by 49% in Jan24 due to an increase in sales of Civic/City by 53% MoM while sales for Honda BR-V increased by 10% MoM. Furthermore, INDU sales increased by 304% in Jan24 due to an increase in sales of Toyota Fortuner/IMVs by 376% MoM. Moreover, PSMC sales increased by 22% MoM in Jan24 due to an increase in sales of Swift by 57% MoM. Hyundai sales increased by 100% MoM in Jan24 due to an increase in sales of Hyundai Elantra and Hyundai Tucson by 238% and 195% respectively. Moreover, an increase in the sales of other companies has also been witnessed in Jan24 as the sales clocked at 1,278 which is 565% higher compared to 192 in Dec23 amid New Year purchasing, as individuals aim to buy vehicles for registration in the new year.

Sales of Buses and Trucks increased by 130% MoM in Jan24. Furthermore, an increase of 46% MoM is witnessed in the sales of Tractors for Jan24. Also, sales of the 2/3 Wheelers increased in Jan24 by 27% MoM. The sales of Honda increased by 27.7% while sales of Suzuki increased by 9%. The market share of Hyundai and INDU, for the period Jan24, has increased from 5.2% to 5.8% and 11.8% to 26.2% respectively MoM. On the other hand, PSMC & Honda market share for Jan24 decreased to 43.2% as compared to 64.2% & 15.5% to 12.7% in Jan24 respectively.

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 & the launch of new vehicles will also boost demand.

Cars, Jeeps & Pick Ups	Jan'24	Dec'23	MoM	Jan'23	YoY	1HFY24	1HFY23	YoY
HCAR	1,339	901	48.6% ▲	2,704	50.5% ▼	4,885	11,103	56.0% ▼
INDU	2,762	684	303.8% ▲	3,570	22.6% ▼	7,198	18,307	60.7% ▼
PSMC	4,550	3,735	21.8% ▲	2,945	54.5% ▲	21,997	48,371	54.5% ▼
HYUNDAI	607	304	99.7% ▲	1,140	46.8% ▼	3,380	4,655	27.4% ▼
Others	1,278	192	565.6% ▲	508	151.6% ▲	1,994	901	121.3% ▲
Total	10,536	5,816	81.2% ▲	10,867	3.0% ▼	39,454	83,337	52.7% ▼
Trucks & Buses								
Total	242	105	130.5% ▲	470	48.5% ▼	982	1,947	49.6% ▼
Tractors								
Total	3,814	2,605	46.4% ▲	3,406	12.0% ▲	23,411	11,513	103.3% ▲
2/3 WHEELERS								
HONDA	92,041	72,096	27.7% ▲	90,047	2.2% ▲	470,399	522,770	10.0% ▼
SUZUKI	1,484	1,363	8.9% ▲	2,223	33.2% ▼	7,386	20,762	64.4% ▼
SAZGAR	2,229	275	710.5% ▲	2,003	11.3% ▲	4,928	3,868	27.4% ▲
Total	104,619	82,362	27.0% ▲	109,558	4.5% ▼	541,821	627,253	13.6% ▼

Source: PAMA

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

DEFINITION OF TERMS

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

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

Stock Rating	Expected Total Return
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

RESEARCH ANALYST

M. Fawad Naveed

Phone: (+92) 42 38302028; Ext 117

Email: fawad@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com