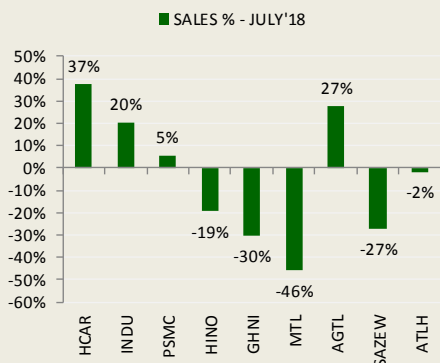


Monthly Update

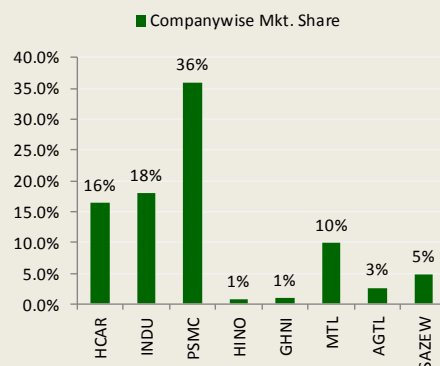
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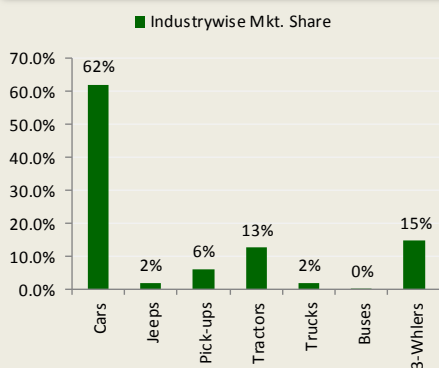
Sales Performance %MoM - July'18



Company Mkt Share in % - July'18



Industry Mkt Share in % - July'18



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Data Sources: PAMA & DSL Research

Auto sales surged 3.2%MoM, while declined -1.9%YoY

Pakistan Automotive Manufacture Association has disclosed sales volume of automobile industry for July'18. The industry witnessed a surge in sales by 3.2%MoM with volume of 176,574 units in July'18 as compared to 171,137 units recorded in June'18. Growth in sales figures is mainly coming from passenger cars, which grew by 15.5%YoY.

Considering the performance for July'18, Honda Cars (HCAR) sales showed an impressive escalation of 37%MoM for the month of July, while for the period of 7MCY18 the unit sales rose 15%YoY with sales number of 31,695 units as compared to sales number for June'18, 27,630 units. Performance of HCAR is mainly attributable to the combined increase in the Civic & City model by 21%YoY and 57%MoM respectively, whereas the BR-V model sales tumbled down to 372 units in July'18 from 691 units in SPLY, by 46%YoY.

Indus Motors Company (INDU) also showed hefty growth, as sales of INDU witnessed an incline of 18%YoY in July'18 on the back of surge in Corolla by 29%MoM and 18%YoY. Also it is predicted that amid the rising car prices, the introduction of automatic transmission Xli model will boost up future sales of INDU. Similarly, PSMC also showed the growth of 4%YoY respectively with their respective units sold 10,895 in July'18.

Pak Suzuki Motors Company (PSMC) showed an overall incline of 4%YoY and 5%MoM in July,18 owing to the upward movement in the sales of WagonR and Swift by 43%YoY and 68%YoY. However, this upsurge was suppressed by the downward trajectory of Cultus, Bolan and Ravi sales by -12% YoY, -19%YoY and -34%YoY respectively because of the increase in car prices due to PKR devaluation.

Converging to the categorize sales for July'18, only the passenger cars has shown impressive growth of 16%YoY. The growth is mainly observed in higher demand of 1300+CC and 1000CC, which grew by 21% and 16% respectively. Conversely, all the other auto categories showed decline because of the rising inflation taking a toll on car prices.

INDUSTRY-WISE								
FIG. IN Units	Jul-18	Jun-18	MoM	Jul-17	YoY	7Mcy-18	7Mcy-17	YoY
Passenger Cars	18,875	15,652	20.6%	16,337	15.5%	132,229	116,744	13%
LCVs, Vans & Jeeps	592	1,099	-46.1%	961	-38.4%	6,665	4,290	55%
Pick-Ups	1,877	1,767	6.2%	2,279	-17.6%	16,944	14,656	16%
Farm Tractors	3,872	3,895	-0.6%	4,619	-16.2%	42,449	38,678	10%
Turck & Buses	694	752	-7.7%	792	-12.4%	6,078	5,540	10%
Three Wheelers	4,490	3,524	27.4%	5,326	-15.7%	35,775	42,591	-16%
Motor Cycle	146,174	144,448	1.2%	149,617	-2.3%	1,026,433	947,699	8%
Grand Total	176,574	171,137	3.2%	179,931	-1.9%	1,266,573	1,170,198	8%
COMPANY-WISE								
FIG. IN Units	Jul-18	Jun-18	MoM	Jul-17	YoY	7Mcy-18	7Mcy-17	YoY
HCAR	4,981	3,626	37%	4,511	10%	31,695	27,630	15%
INDU	5,468	4,548	20%	4,618	18%	38,402	36,023	7%
PSMC	10,895	10,344	5%	10,448	4%	85,741	72,037	19%
HINO	260	322	-19%	302	-14%	2,424	2,233	9%
GHNI	300	430	-30%	306	-2%	2,590	2,095	24%
AGTL	814	1,505	-46%	1,505	-46%	16,592	13,867	20%
MTL	3,006	2,358	27%	3,101	-3%	25,559	24,551	4%
SAZEW	1,468	2,014	-27%	1,675	-12%	13,412	13,679	-2%
ATlh	90,009	91,507	-2%	91,599	-2%	695,337	593,009	17%

Source: PAMA & DSL Research



Notified Research Entity

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- | | |
|---|---------------------|
| If; | |
| • Expected return >15% | - Buy Call |
| • Expected Return is in between 0% to 15% | - Neutral/Hold Call |
| • Expected Return <0% | - Sell Call |

Valuation Methodology

To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: www.JamaPunji.pk

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