

March 2025 Auto Sales: Ramadan Slows Momentum, but YoY Recovery Continues

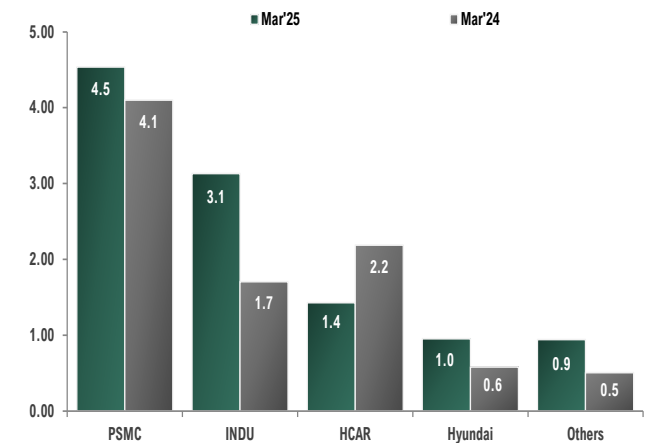
In March 2025, the Pakistan Automotive Manufacturers Association (PAMA) reported a moderate month-over-month (MoM) decline in automotive sales, with most segments reflecting a downward trend. Total car sales, including light commercial vehicles (LCVs) and SUVs, dipped by 8.06% compared to the previous month. This decline was mainly attributed to subdued activity during the month of Ramadan.

On a year-over-year (YoY) basis, total car sales rose by 18% to 11,098 units, supported by improving consumer confidence, lower inflation, and reduced interest rates. The continued YoY growth highlights the market's steady recovery amid evolving economic conditions.

PAMA's sales figures for March 2025 are as follows:

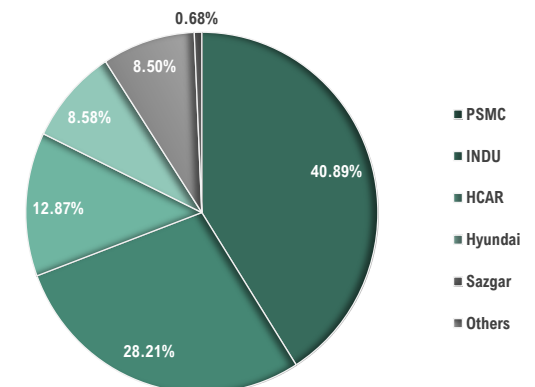
- **Passenger Cars:** Sales grew by 6% YoY to 8,130 units, compared to 7,672 units last year. On a MoM basis, the segment recorded an 8.3% decline.
- **LCVs, Pickups, and SUVs:** This segment posted a 74% YoY increase, reaching 2,968 units. The MoM dip was 7.3%.
- **Electric Vehicles (EVs):** No sales for the EV segment were recorded; however, sales are expected to emerge soon as various EV models have started appearing on roads, including BYD and GWM Ora.
- **Tractors:** Sales declined by 67% YoY to 1,538 units, reflecting weaker demand. The segment saw a marginal 0.3% MoM incline.
- **Trucks:** Sales recorded a 29% YoY growth, with 353 units sold, while MoM sales saw a 15% increase.
- **Buses:** Sales increased substantially by 174% YoY to 107 units, with a notable 53% MoM increase.
- **Motorcycles:** A total of 125,311 units were sold, marking a 34% YoY increase. On a MoM basis, sales fell slightly by 1%, amid lower demand.

Monthly Sales - YoY (in '000)



Source: PAMA, HMFS Research

Four Wheeler's Market Share - 9MFY25



Source: PAMA, HMFS Research

March 2025 Auto Sales: Ramadan Slows Momentum, but YoY Recovery Continues

Indus Motor Company (INDU) experienced strong momentum, with its market share rising by approximately 7% to 28%. The company posted an impressive 84% YoY increase in sales, totaling 3,131 units, while MoM sales also climbed 20%. This growth was primarily driven by key sedan models including Corolla, Yaris, and Corolla Cross, which saw a 31% MoM increase, while Toyota Hilux and Fortuner registered a 5% MoM dip to 753 units sold.

Sazgar Engineering Works (SAZEW) reported a modest MoM incline of 7% in four-wheeler sales, totaling 943 units. However, sales surged 87% YoY, driven by the Haval brand. In the three-wheeler segment, sales dropped 26% MoM to 1,976 units but showed 47% YoY growth.

Honda Atlas Cars Pakistan Limited (HCAR) saw a 30% MoM decline in total sales, reaching 1,428 units in March. The decrease was primarily driven by Honda City and Civic, which posted a 36% MoM dip, while the BR-V and HR-V lineup recorded a 31% MoM improvement.

Outlook

Looking ahead, the automotive sector is expected to continue its recovery in the coming months, despite the temporary slowdown in March 2025. While the Ramadan impact has slightly dampened MoM sales, the YoY growth trend remains positive, driven by factors like improving consumer confidence, lower inflation, and easing interest rates.

The growth of electric vehicles (EVs) and the continued strength in segments like SUVs and LCVs signal a potential shift in consumer preferences, which could provide a buffer against any future downturns. However, demand for tractors and buses may continue to face challenges due to their reliance on specific market conditions and economic stability.

Key risks include monetary tightening, renewed supply chain constraints, and rising global oil prices, which may weigh on the sector's recovery momentum.



AUTO SECTOR UPDATE

Friday, April 11, 2025

Sales	9MFY25	9MFY24	YoY	Mar-25	Mar-24	YoY	Feb-25	MoM
Cars & LCV's								
PSMC	49,946	35,533	41%	4,538	4,101	11%	5,330	-15%
INDU	21,618	13,701	58%	3,131	1,705	84%	2,611	20%
HCAR	12,776	9,929	29%	1,428	2,188	-35%	2,054	-30%
SAZEW	8,027	3,172	153%	943	505	87%	883	7%
Cars	75,265	54,089	39%	8,130	7,672	6%	8,869	-8%
LCV's + SUVs	25,471	14,989	70%	2,968	1,707	74%	3,202	-7%
Total	100,736	69,078	46%	11,098	9,379	18%	12,071	-8%
Tractors								
AGTL	8,712	12,106	-28%	601	1,581	-62%	410	47%
MTL	14,518	23,093	-37%	937	3,027	-69%	1,124	-17%
Total	23,230	35,199	-34%	1,538	4,608	-67%	1,534	0%
Trucks								
Isuzu	1,853	881	110%	193	212	-9%	271	-29%
Hino	211	147	44%	35	9	289%	26	35%
Master	635	411	55%	115	33	248%	103	12%
JAC	124	110	13%	10	19	-47%	16	-38%
Total	2,823	1,549	82%	353	273	29%	416	-15%
Buses								
Hino	116	109	6%	10	3	233%	26	-62%
Master	283	156	81%	34	28	21%	36	-6%
Isuzu	143	75	91%	63	8	688%	8	688%
Total	542	340	59%	107	39	174%	70	53%
Motorcycles								
Atlas Honda	917,598	724,683	27%	106,203	80,139	33%	108,169	-2%
Pak Suzuki	18,665	11,926	57%	2,396	1,610	49%	2,359	2%
Yamaha	4,059	5,503	-26%	472	285	66%	455	4%
Others	147,314	91,704	61%	16,240	11,572	40%	15,716	3%
Total	1,087,636	833,816	30%	125,311	93,606	34%	126,699	-1%
Three Wheelers								
SAZEW	19,528	10,022	95%	1,970	1,341	47%	2,654	-26%
Total	19,528	10,022	95%	1,970	1,341	47%	2,654	-26%

Source: PAMA, HMFS Research

This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report, nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by Habib Metropolitan Financial Services (HMFS) from publicly available information and sources that HMFS believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of HMFS gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of HMFS has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of HMFS. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of HMFS and/or their respective principals, directors, officers, and employees and their families may own, have positions or affect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

HMFS and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. HMFS prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis. Furthermore, it is stated that the research analyst (s) or their close relatives have neither served as a director/officer in the past 3 years nor have received any compensation from the subject company in the past 12 months. Additionally, as per regulation 8(2)(i) of the Research Analyst Regulations, 2015, research analysts currently do not have a financial interest in the securities of the subject company aggregating more than 1% of the value of the company. The research analyst(s) also certifies that any spouse(s) or dependents (if relevant) do not hold a beneficial interest in the securities that are subject of this report.

HMFS endeavors to make all reasonable efforts to disseminate its publication to all eligible clients in a timely manner through either physical or electronic distribution such as mail, fax and/or email. Nevertheless, not all clients may receive the material at the same time.

HMFS Stock Ratings System

Investors should carefully read the definitions of all rating used within every research reports. In addition, research reports carry an analyst's independent view and investors should ensure careful reading of the entire research reports and not infer its contents from the rating ascribed by the analyst. Ratings should not be used or relied upon as investment advice. An investor's decision to buy, hold or sell a stock should depend on said individual's circumstances and other considerations. HMFS uses a three-tier rating system: i) Buy, ii) Hold and iii) Sell with our rating being based on total stock returns. A table presenting HMFS' rating definitions is given below:

Valuation Methodology

To arrive at our fair value estimates, HMFS uses different valuation methodologies including but not limited to:

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

HMFS RATING GUIDE

BUY	More than 15% Upside
HOLD	Between 15% Upside & 15% Downside
SELL	More than 15% Downside

Note: All fair value estimates are for a twelve-month time horizon unless specified otherwise in the report
Upside/Downside represents the difference between the stated "Fair Value" & the prevailing "Market Price"
Total Return is based on both the Capital Gains return & the Dividend Yield & is exclusive of all applicable taxes