

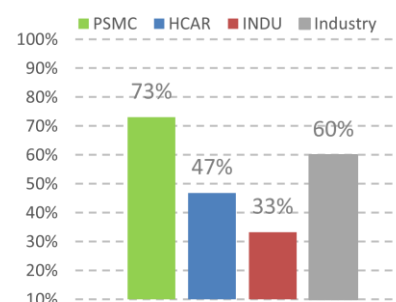
Autos: Another buoyant quarter for the sector; sales up 84% YoY

- Supported by the FY22 budgetary incentives, auto sector witnessed one of the highest sales, overall industry sales growing by 84% YoY during 1QFY22 to 68,889 units, (Sept-21 sales grew 2% MoM/ 59% YoY to 22,235 units).
- In the Passenger cars segment, PSMC witnessed 5% MoM (up 73% YoY) volumetric decline during Sept-21 driven by low 'Alto' sales. Cumulatively, during 1QFY22, sales grew 81% YoY, PSMC leading with 120% YoY growth, followed by INDU and HCAR with 44% YoY and 20% YoY increase respectively. New entrant HYUNDAI sold 1,220 units during 1Q.
- LCV & Pickups volumes receded 15% MoM in Sept-21, however, on yearly basis, sales grew 54% YoY. Cumulatively, in 1QFY22, industry sales were up by 106% YoY led by INDU with a significant increase of 130% YoY due to surge in 'Fortuner' sales.
- Trucks & Buses volumes were also down 16% MoM during Sept-21 to 507 units, with only HINO sales increasing by 16% MoM. During 1QFY22, industry sales increased by 85% YoY, where GHNI saw an increase of 84%, whereas HINO volumes grew 57% YoY.
- Better farm economics supported tractor sales, up 32% MoM and 2% YoY to 4,377 units. Quarter basis, industry sales rose 12% YoY, AGTL leading the segment.
- We expect the growth momentum to slow down in coming months due to rising interest rates and recent changes in the prudential regulations of the auto financing.

Auto Sale Volumes (Sept-21)								
Period	Sept-20	Aug-21	Sept-21	MoM	YoY	1QFY21	1QFY22	YoY
Cars								
INDU	3,640	3,967	4,849	22%	33%	9,623	13,836	44%
PSMC	5,927	10,806	10,255	-5%	73%	15,762	34,690	120%
HCAR	2,293	2,726	3,367	24%	47%	6,483	7,793	20%
Hyundai	-	400	500	25%	N/A	-	1,220	N/A
Industry	11,860	17,899	18,971	6%	60%	31,868	57,539	81%
LCV & Pickups								
INDU	725	1,672	1,443	-14%	99%	2,092	4,810	130%
PSMC	564	1,256	933	-26%	65%	1,723	3,741	117%
HCAR	417	504	268	-47%	-36%	952	1,379	45%
Hyundai	215	192	325	69%	51%	237	692	192%
GHNI	34	30	65	117%	91%	96	131	36%
GHNL	66	63	91	44%	38%	160	206	29%
Industry	2,122	3,837	3,264	-15%	54%	5,515	11,350	106%
Trucks & Buses								
HINO	68	86	100	16%	47%	173	271	57%
GHNI	170	300	205	-32%	21%	405	745	84%
GHNL	27	22	22	0%	-19%	54	62	15%
Industry	385	603	507	-16%	32%	924	1,711	85%
Tractors								
MTL	2,815	2,014	2,257	12%	-20%	7,225	7,197	0%
AGTL	1,441	1,302	2,120	63%	47%	3,475	4,828	39%
Industry	4,272	3,316	4,377	32%	2%	10,729	12,025	12%
Three-Wheelers								
SAZEW	1,561	1,242	1,172	-6%	-25%	3,898	3,243	-17%
Industry	5,492	3,325	2,585	-22%	-53%	14,250	8,492	-40%
Motorcycles								
ATLH	109,002	100,037	110,002	10%	1%	288,005	310,041	8%
Industry	152,296	146,880	151,461	3%	-1%	434,486	440,956	1%

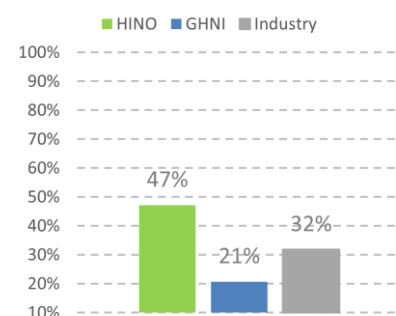
Source: PAMA, Akseer Research

YoY % change in car sales (Sept-21)



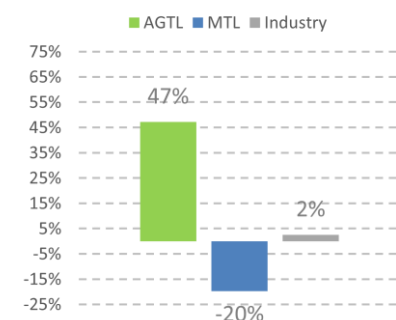
Source: PAMA, Akseer Research

YoY % change in truck & buses sales (Sept-21)



Source: PAMA, Akseer Research

YoY % change in tractor sales (Sept-21)



Source: PAMA, Akseer Research

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Car Segment: Industry sales increased 60% YoY as all OEMs recorded impressive double-digit growth

During Sept-21, volumetric sales of passenger cars segment surged 60% YoY. PSMC sales rose 73% YoY, with 'Cultus' being the primary driver with 2.89x increase YoY (+7% MoM). MoM PSMC witnessed 5% decline due to 10% MoM decrease in 'Alto' sales (though up 46% YoY). HCAR's volumetric sales grew 47% YoY during the month while INDU saw an increase of 33% YoY. Flagship 'Corolla' saw an increase of 91% YoY (+20% MoM), while 'Yaris' recorded an increase of 24% YoY (+4% MoM). Hyundai on the other hand recorded a 25% MoM with 'Elentra' and 'Sonata' sales being upbeat. Cumulatively, industry sales were up 81% YoY during 1QFY22, where PSMC reported an increase of 120% YoY, While INDU and HCAR reported an increase of 44% and 20% respectively.

LCV & Pickups segment: Volumes receded 15% MoM

LCV & Pickups sales were down 15% MoM during Sept-21 due to slowdown in INDU, PSMC and HCAR sales. On YoY basis INDU lead the segment growth of 54% mainly due to high sales of 'Fortuner' variant. During 1QFY22, LCV & Pickup sales were up 106% YoY where Hyundai recorded a massive increase of 284% YoY due to low base effect, whereas INDU and PSMC witnessing an increase of 130% YoY and 117% YoY in their volumes respectively.

Trucks & Buses segment: Sales down 16% MoM, however, up 32% YoY

Trucks & Buses segment sales volume increased by 32% YoY in Sept-21 due to resumption of full economic activity. However, on MoM basis they were down 16% due to 32% MoM reduction in GHNI's volumes. Cumulatively, during 1QFY22, the trucks & buses segment saw an increase of 85% YoY during the period.

Tractor segment: better farm economic supporting the growth

During Sept-21, tractor sales volumes increased 32% MoM/ 2% YoY where AGTL led with an increase of 47% YoY, while, MTL recorded a decline of 20% YoY (+12% MoM) in sales. Similarly, during the 1QFY22, industry tractor volumes saw an increase of 12% YoY.

Industry Outlook: Volumes to grow at a low pace going forward

The recent measures taken by the Central Bank regarding the auto financing to control unabating growth in the auto sales coupled with interest rate cycle reversal will result in slowdown in the auto sales.

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