TAURUS
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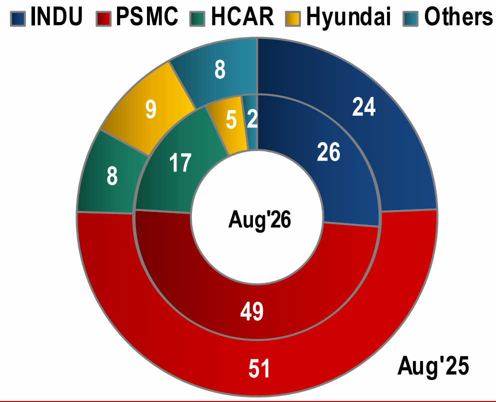
Insight—Automobile Assemblers Sales Aug'26

REP- 040
Tuesday, September 15, 2026

Aug'26: Passenger Vehicle Sales down 22%MoM

- Automobile sales declined ~22%MoM in Aug'26 due to drop in sales of Passenger Cars, LCVs, HCVs and Farm tractors by 20%, 29%, 5% and 15% respectively. On the basis of cumulative data for the 2MFY27, sales surged 40% compared to the SPLY, wherein the sales of Passenger Cars, HCVs and tractors went up by 80%, 73% and 5% respectively, whereas the sales of LCVs went down 44%. HCAR and Hyundai's market share increased 4ppts and 1ppt to 17% and 5% respectively, while PSMC witnessed a decline of 2ppts. Meanwhile, INDU maintained broadly stable market share MoM.
- The overall YoY growth reflects easing inflationary pressures, improved credit availability and strengthening macroeconomic indicators. However, the increase in volumes is largely a reflection of the low base effect from preceding years, leaving total industry volumes well below the historic peak achieved in FY22. On a MoM basis, the sudden double-digit decline in sales reflects consumers adopting a "wait-and-see" approach amid policy uncertainty, as buyers remain hesitant to purchase vehicles given the potential for significant price changes under the new policy framework. Going forward, we remain optimistic about industry sales growth in FY27, driven by the expected release of a favorable Auto Policy 2026–31, while the recent reduction in GST on hybrid cars from 25% to 18% could also provide an additional boost to demand.

Passenger Vehicle Market Share (%)



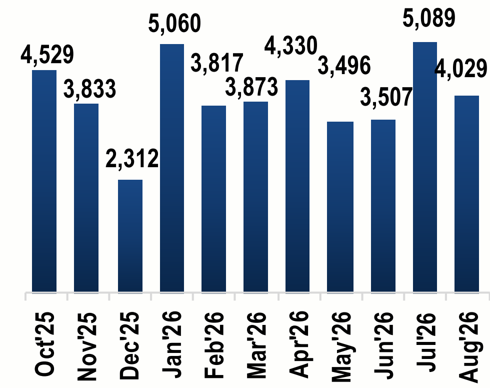
Source: PAMA & TSL Research

**include passenger cars, LCV and Jeeps*

INDU: Volumes down 21%MoM/up 19%YoY

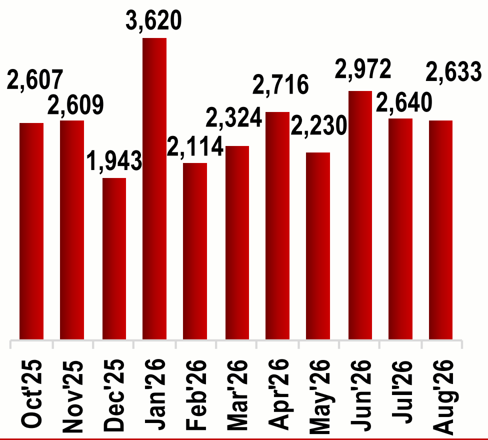
- INDU's sales amounted to 4,029 units in Aug'26, up 19%YoY. On a MoM basis, sales decreased by 21%, experienced the normalized sales after an extraordinary surge in sales last month.
- The combined sales of Corolla, Yaris, and Corolla Cross amounted to 3,079 units, down 28%MoM. Meanwhile, Fortuner and IMV sales rose to 950 units, reflecting a 18%MoM increase.
- Despite the decrease in the Company's sales, INDU managed to maintain its market share at 26%.
- INDU plans to invest PKR 5.1Bn in CAPEX to enhance the localization of parts and components, with the investment expected to be completed by CY27. Currently, the Company's localization

INDU - Sales Trend (units sold)



Source: PAMA & TSL Research

HCAR - Sales Trend (units sold)



Source: PAMA & TSL Research

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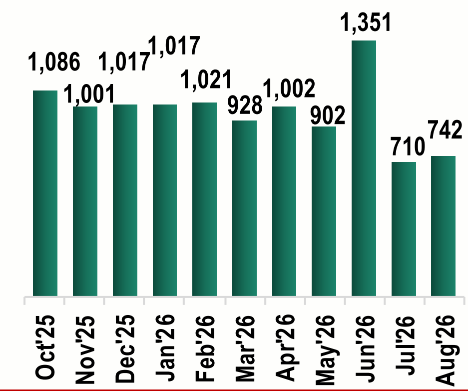
level stands at ~60%. Increased localization is expected to increase gross margins over the long term.

HCAR: Sales down 0%MoM/up 1.5xYoY

- HCAR's sales declined marginally by 0%MoM but drastically surged 1.5xYoY to 2,633 units in Aug'26, compared with 2,640 units in the previous month and 1,073 units in SPLY. Sales of Civic & City rose to 2,553 units, up 1%MoM/2.7xYoY, meanwhile BR-V & HR-V sales amounted to 80 units, down 28%MoM/79%YoY. Market share stood at 17% as compared to 8% in the SPLY.

HYUNDAI - Sales Trend (units sold)



Source: PAMA & TSL Research

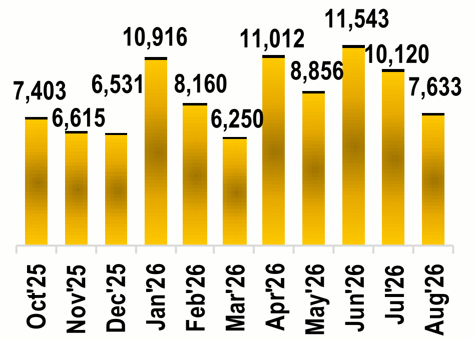
Hyundai: Sales up 5%MoM /down 39%YoY

- During Aug'26, Hyundai recorded sales of 742 units, reflecting an increase of 5%MoM and a decrease of 39%YoY. Among its models, Tucson, Sonata, Elantra, Porter, and Santa FE sales stood at 2 units, 30 units, 458 units, 252 units and 0 units, respectively. However, market share decreased by 4ppts to 5% as compared to the SPLY.

GAL: JAC X-200 sales down 23%MoM /up 2.1xYoY

- JAC X-200 sold 275 units, down 23%MoM/up 2.1xYoY in Aug'26.

PSMC - Sales Trend (units sold)

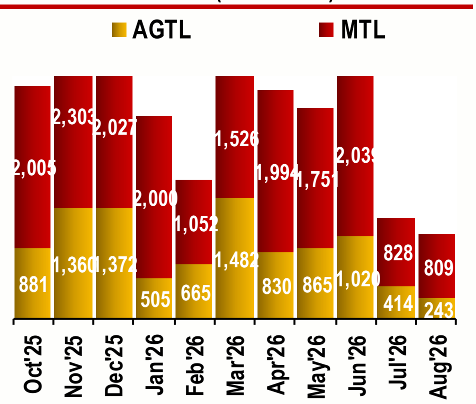


Source: PAMA & TSL Research

PSMC: Sales down 25%MoM /up 7%YoY

- PSMC's sales stood at 7,633 units in Aug'26, down 25%MoM. The decline was primarily attributed to decrease in sales of Swift, Alto, Cultus and Every i.e. down 27%, 26%, 24% and 16%MoM.
- However, on a yearly basis sales increased 7%YoY driven by higher sales of Alto(27%) and Every(10%) respectively.
- Finally, PSMC's market share decreased 2ppts to 49% in Aug'26, compared to the previous month.

Tractor Sales Trend (units sold)



Source: PAMA & TSL Research

Tractor sales down 15%MoM /up 6%YoY

- Tractor sales for the month stood at 1,052 units, down 15%MoM/up 6%YoY. AGTL reported sales of 243 units, reflecting a decrease of 41% MoM and 23%YoY, while MTL's sales stood at 809 units, down 2% MoM/up 19%YoY, respectively.
- Farm tractor sales have remained subdued following the expiry of the Government's support scheme for tractor purchases. While the Government has announced plans to launch a new scheme, its implementation is still awaited, resulting in potential buyers delaying their pur-

chase decisions. Until the new scheme is announced, demand for tractors is expected to remain muted as mostly buyers will adopt a wait-and-see approach.

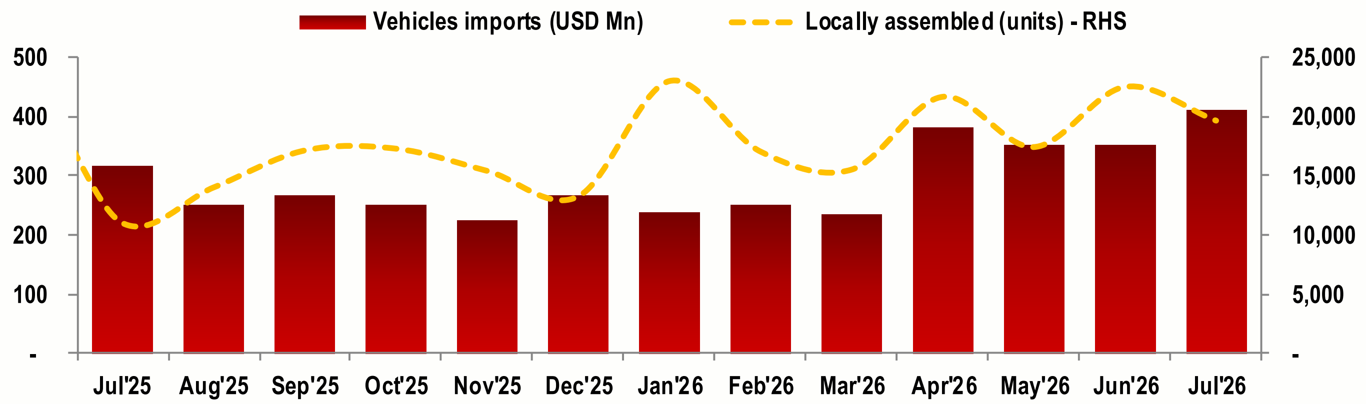
Update on Auto Policy 2026-31

- With the AIDEP 2026-31 already matured in Jun'26. Manufacturers and consumers are left navigating a complete regulatory vacuum. The lack of a clear follow up framework has created severe bottlenecks, particularly regarding the sales tax treatment for green vehicles. Total uncertainty over tax rates for HEV, PHEV, and REEV has weighed on sales activity. This ongoing deadlock has already resulted in significant sales losses as consumers defer their vehicle purchase decisions.
- Given the auto sector's importance to the national economy, PAMA has urged the Government to announce the new auto policy to provide regulatory clarity, support manufacturing investment and restore consumer confidence.
- Nevertheless, the recent status of the new auto policy is that the PM has approved the draft Auto Policy 2026–31, incorporating certain inter-ministerial amendments. The policy is expected to be finalized once approved by the IMF, likely by the end of Sep'26 or next month.

Auto Financing up 1%MoM/30%YoY

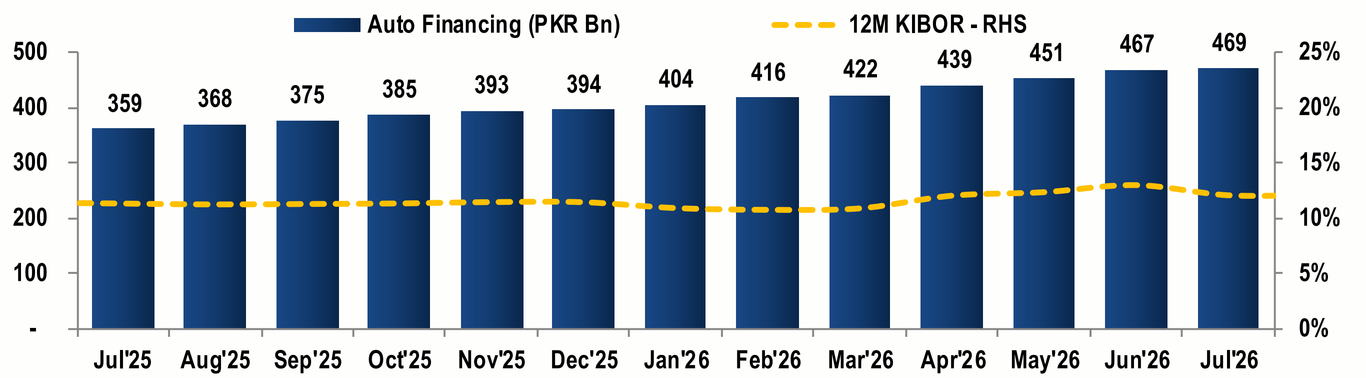
- Auto financing as of the month of Jul'26 clocked-in at PKR 469Bn, up 1%MoM. On YoY basis, auto financing increased ~30% as compared to Jun'25.

Locally Assembled Vehices & Imports Trend - MoM



Source: SBP & TSL Research

Auto financing increased 1%MoM in Jul'26



Source: SBP & TSL Research

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Auto Sales for the month of August 2026

Passenger Cars, LCV & Jeeps	Aug'26	Aug'25	YoY	Jul'26	MoM	2MFY27	2MFY26	YoY
INDU	**4,029**	**3,400**	**19%**	**5,089**	**-21%**	**9,118**	**6,737**	**35%**
Corolla, Yaris & Corolla Cross	3,079	2,553	21%	4,283	-28%	7,362	4,971	48%
Fortuner & IMVs	950	847	12%	806	18%	1,756	1,766	-1%
PSMC	**7,633**	**7,154**	**7%**	**10,120**	**-25%**	**17,753**	**10,834**	**64%**
Cultus	296	497	-40%	392	-24%	688	736	-7%
Wagon R	0	22	N/M	0	N/M	0	47	N/M
Bolan	0	0	N/M	0	N/M	0	0	N/M
Swift	1,472	1,473	0%	2,018	-27%	3,490	1,995	75%
Alto	5,339	4,193	27%	7,217	-26%	12,556	6,520	93%
Ravi	0	593	N/M	0	N/M	0	930	N/M
Every	415	376	10%	493	-16%	908	606	50%
Fronx	111	0	N/M	0	N/M	111	0	N/M
HCAR	**2,633**	**1,073**	**1.5x**	**2,640**	**0%**	**5,273**	**2,573**	**1.0x**
Civic & City	2,553	699	2.7x	2,529	1%	5,082	1,842	1.8x
BR-V & HR-V	80	374	-79%	111	-28%	191	731	-74%
Hyundai	**742**	**1,212**	**-39%**	**710**	**5%**	**1,452**	**2,437**	**-40%**
Tuscon	2	631	-1.0x	171	-99%	173	1,177	-85%
Sonata	30	58	-48%	25	20%	55	124	-56%
Elantra	458	145	2.2x	211	1.2x	669	286	1.3x
Porter	252	314	-20%	286	-12%	538	709	-24%
Santa FE	0	64	N/M	17	N/M	17	141	-88%
SAZEW	**0**	**1,045**	**N/M**	**663**	**N/M**	**663**	**2,124**	**-69%**
Haval / Tank	0	1,045	N/M	663	N/M	663	2,124	-69%
GAL	**275**	**88**	**2.1x**	**357**	**-23%**	**632**	**237**	**1.7x**
Cherry Tiggo	0	0	N/M	0	N/M	0	0	N/M
JAC X-200	275	88	2.1x	357	-23%	632	237	1.7x
GHNI	**39**	**13**	**2.0x**	**44**	**-11%**	**83**	**22**	**2.8x**
D-Max	39	13	2.0x	44	-11%	83	22	2.8x
DFML	**75**	**41**	**83%**	**48**	**56%**	**123**	**65**	**89%**
Honri VE	75	41	83%	48	56%	123	65	89%
Total	**15,426**	**14,026**	**10%**	**19,671**	**-22%**	**35,097**	**25,029**	**40%**

Tractor, Trucks & Buses	Aug'26	Aug'25	YoY	Jul'26	MoM	2MFY27	2MFY26	YoY
Tractor sales	**1,052**	**996**	**6%**	**1,242**	**-15%**	**2,294**	**2,191**	**5%**
AGTL	243	314	-23%	414	-41%	657	634	4%
MTL	809	682	19%	828	-2%	1,637	1,557	5%
Trucks & Buses sales	**875**	**666**	**31%**	**919**	**-5%**	**1,794**	**1,040**	**73%**
HINO	43	38	13%	50	-14%	93	82	13%
Master	215	237	-9%	378	-43%	593	408	45%
GHNI	501	341	47%	380	32%	881	468	88%
GAL	116	50	1.3x	111	5%	227	82	1.8x

Source: PAMA & TSL Research

SECP Research Entity Notification Number: REP-040

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Valuation Methodology

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

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

SECP JamaPunji Portal link: https://jamapunji.pk/

Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flows	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book