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Quarterly vehicle industry performance – Q2 FY23

Prepared for ACMA

*Strictly private
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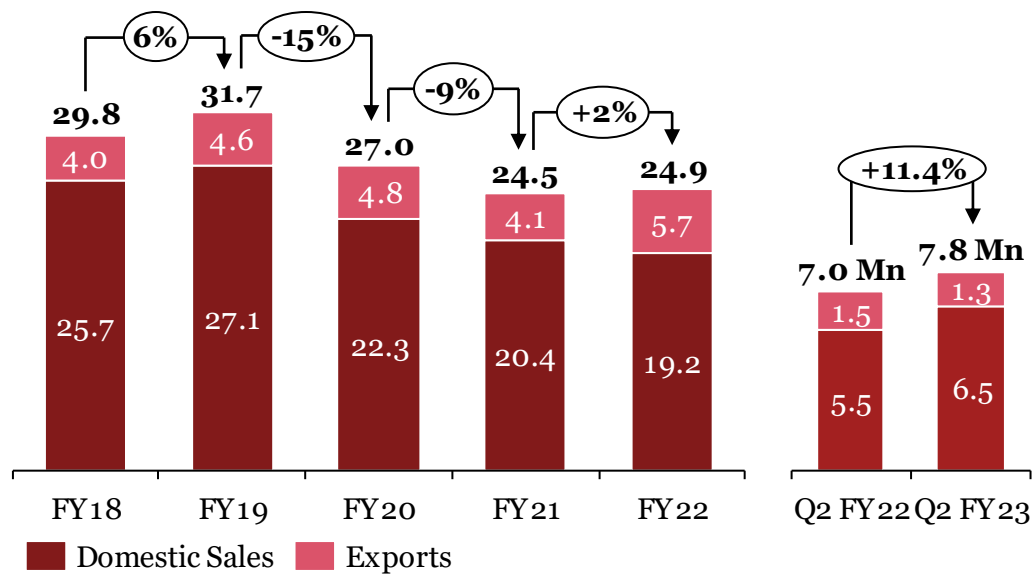
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Executive Summary

Automotive industry performance overview

Q2-FY23

OEM - Domestic sales and exports | million units



Indian automotive domestic sales and exports grew at an overall CAGR of 2% over last 5 years.

Rebound in sales due to the onset of the festive season and improved chip supply

- Rise in demand due to onset of a Covid-free festive season after two years
- Introduction of new models by various OEMs and shorter waiting periods

Vehicle segment	Dom. Sales	Exports
	Q-o-Q Q2 FY 22-Q2 FY23	Q-o-Q Q2 FY 22-Q2 FY23
	▲ 13%	▼ 14%
	▲ 38%	▲ 2%
	▲ 39%	▼ 2%
	▲ 5%	▼ 1%
	▲ 64%	▼ 5%
TOTAL	▲ 18%	▼ 11%

Key Updates

Past Trends

- In FY 22, Passenger and Commercial vehicle sales rose, as improvement in demand from consumers and industries.
- All the segments have seen a increase in exports; two-wheelers achieved their highest ever exports.
- Increase in exports worldwide is known for their quality, cost and performance.
- EV segment saw a high growth largely driven by attractive central and state subsidies.
- Last mile mobility drives the growth of electric 3w largely as it is emerging as convenient and eco-friendly mode of transportation.
- The central government slashes fuel taxes by ₹8 for petrol and ₹6 for each litre of diesel.
- Later, in H2-FY22 easing supply side constraints of semiconductor; driven the sales slightly

Going Forward

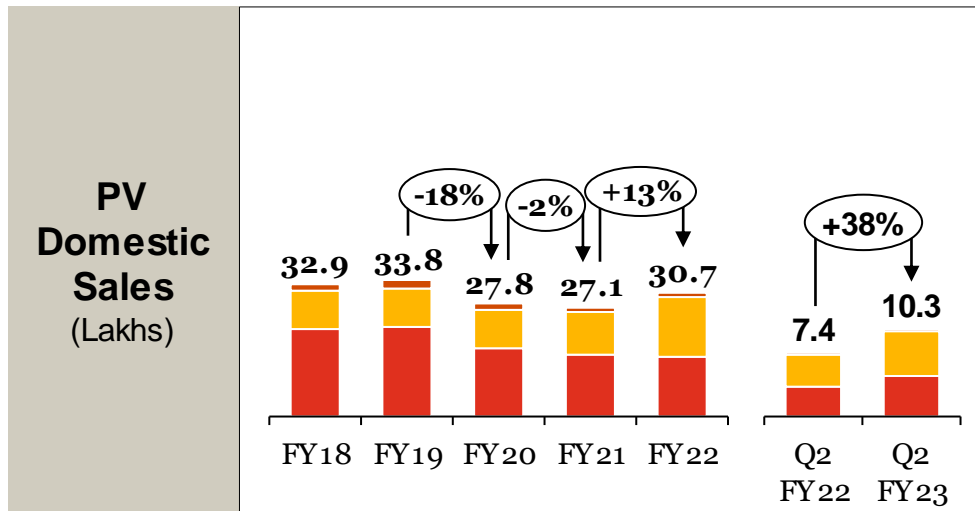
- Moving ahead, the market structure tends to change more towards SUVs and MPV.
- **Increase in connectivity of vehicle:** Decade driven by technology, the use of artificial intelligence, virtual reality and Internet of Things (IOT) will drive a shift in connectivity and better experience to customers.
- EV sector to bring disruptive innovation to automotive sector; continuous support from government and increasing charging infrastructure will increase sales in coming years
- Green charging to be in play at charging stations to achieve net-zero emission
- Automotive dealerships are expected to become smaller, more digital and move increasingly to a D2C business sales model.
- Strong agricultural incomes are expected to continue helping grow the rural market.
- Electrification of public transport is expected to grow in next 10 years

Segment wise Q2 FY23 industry performance

Passenger vehicles

(Internal combustion engine)

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans

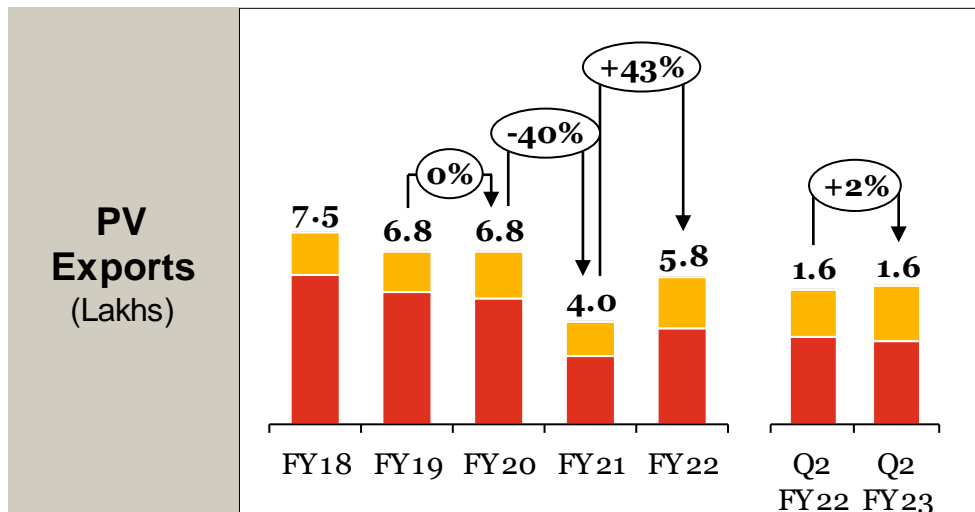


Market Share Q2 FY23

Maruti Suzuki India Ltd	41.45%
Hyundai Motor India Ltd	14.59%
Tata Motors Ltd**	14.02%
Kia Motors India Pvt Ltd	6.84%
Other	23.11%

Key Trends

- Sales saw an improved performance owing to the easing of chip supplies, reduced waiting periods, softening of commodity prices, new launches, and the onset of a Covid-free festive season for the first time in 2 years



Market Share Q2 FY23

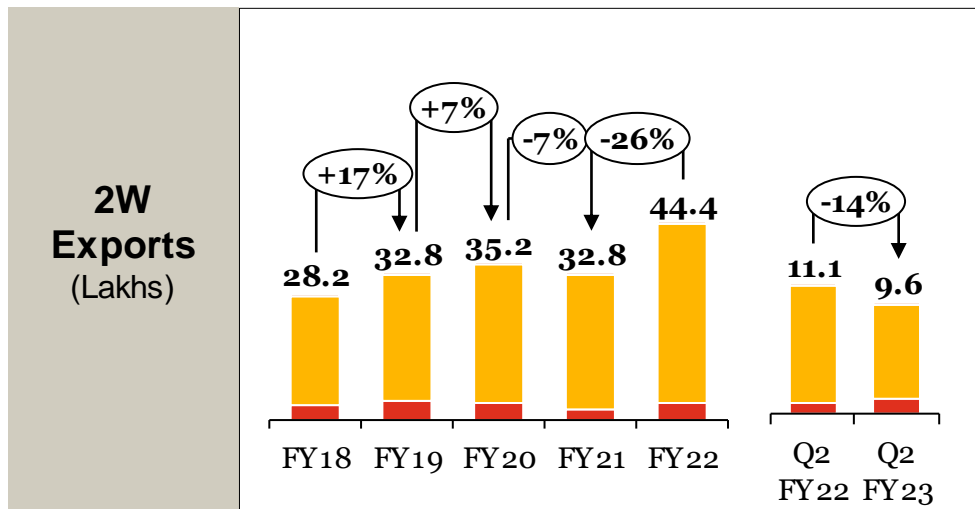
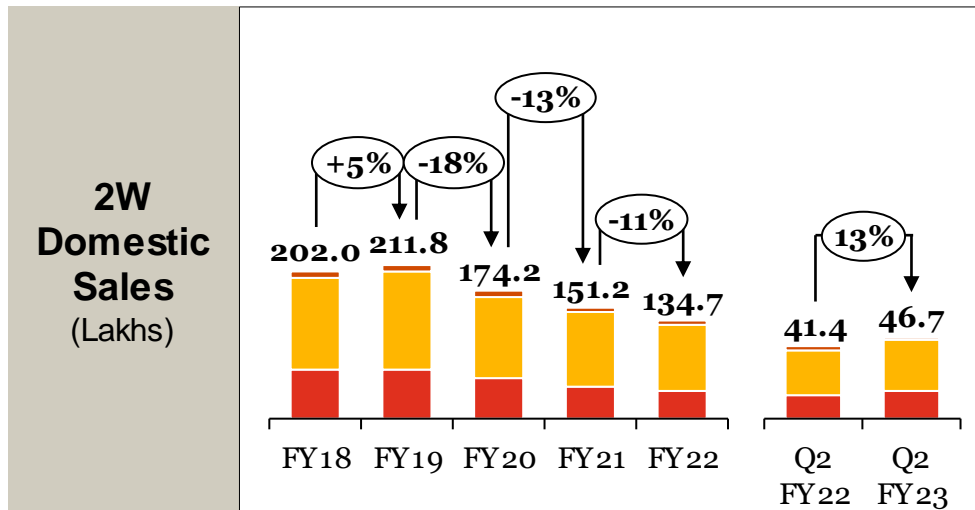
Maruti Suzuki India Ltd	47.18%
Kia Motors India Pvt Ltd	17.56%
Nissan Motor India Pvt Ltd	10.94%
Hyundai Motor India Ltd	8.02%
Other	16.30%

- Exports increased slightly on the back of robust demand, as well as better availability of semiconductors for export-oriented units.
- Maruti Suzuki dominated exports, with its top export markets including Latin America, Africa, and the Middle East

2 wheelers

(Internal combustion engine)

■ Scooter/Scooterette ■ Motor cycles/Step- Throughs ■ Mopeds



Market Share Q2 FY23

Hero MotoCorp Ltd	29.72%
Honda Motorcycle & Scooter India Pvt Ltd	28.13%
TVS Motor Company Ltd	15.51%
Bajaj Auto Ltd	13.29%
Other	13.34%

Market Share Q2 FY23

Bajaj Auto Ltd	44.21%
TVS Motor Company Ltd	26.01%
Honda Motorcycle & Scooter India Pvt Ltd	10.10%
India Yamaha Motor Pvt Ltd	7.63%
Other	12.05%

Key Trends

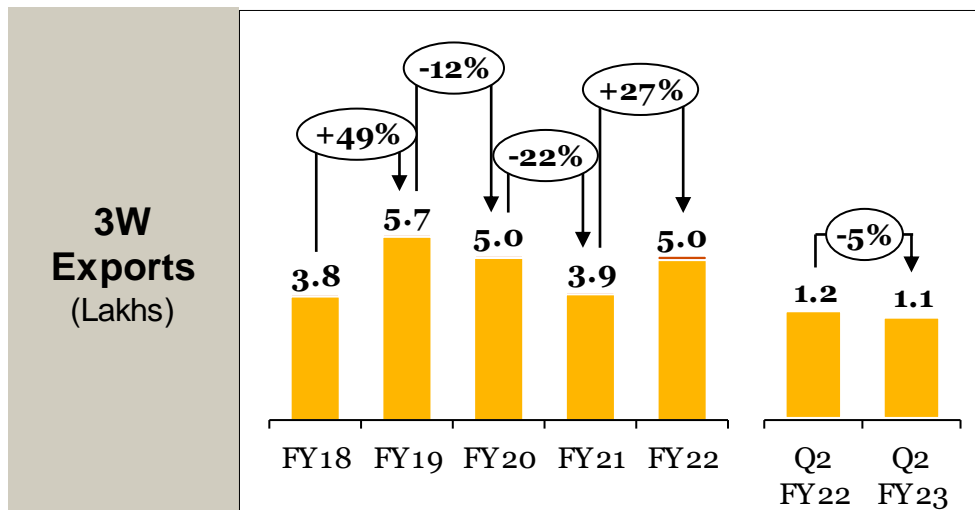
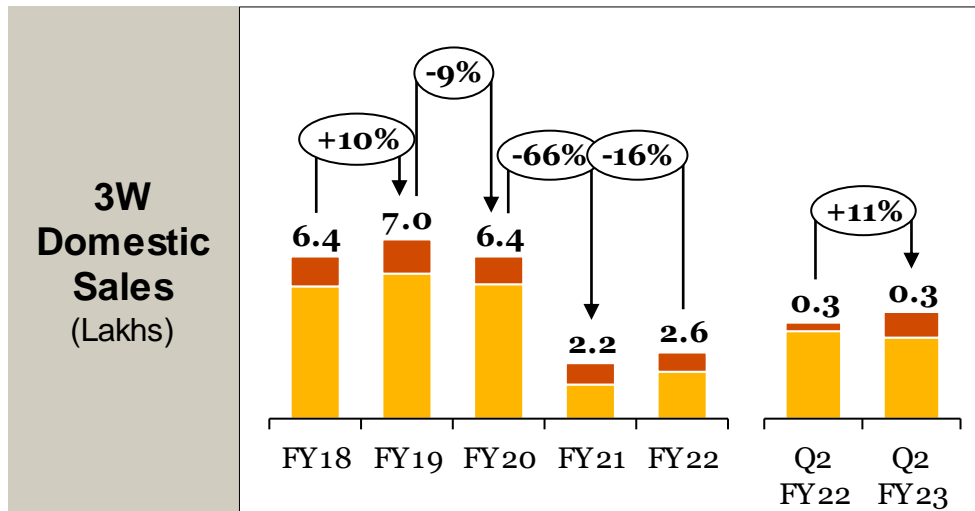
- While wholesale sales had picked up owing to the easing of supply chain constraints, retail sales remained sluggish for the 2W sector in Q2
- End-consumer demand saw a marginal uptick due to opening of offices and schools as well as the upcoming festive season

- Exports witnessed a downturn due to adverse currency movement (imports becoming expensive) and adverse economic conditions in foreign nations
- Bajaj Auto remains the market leader in exporting 2-wheelers from India

3 wheelers

(Internal combustion engine)

Passenger Carrier Goods Carrier



Market Share Q2 FY23		Key Trends
Bajaj Auto Ltd	60.72%	
Piaggio Vehicles Pvt Ltd	17.18%	
Mahindra & Mahindra Ltd	12.40%	
Atul Auto Ltd	4.59%	
Other	5.11%	

- Three-wheeler domestic sales saw a growth of 11% Y-o-Y due to increase in end-user demand
- Reopening of schools, public places boosted short-distance travel
- Bajaj Auto remains to dominate this segment

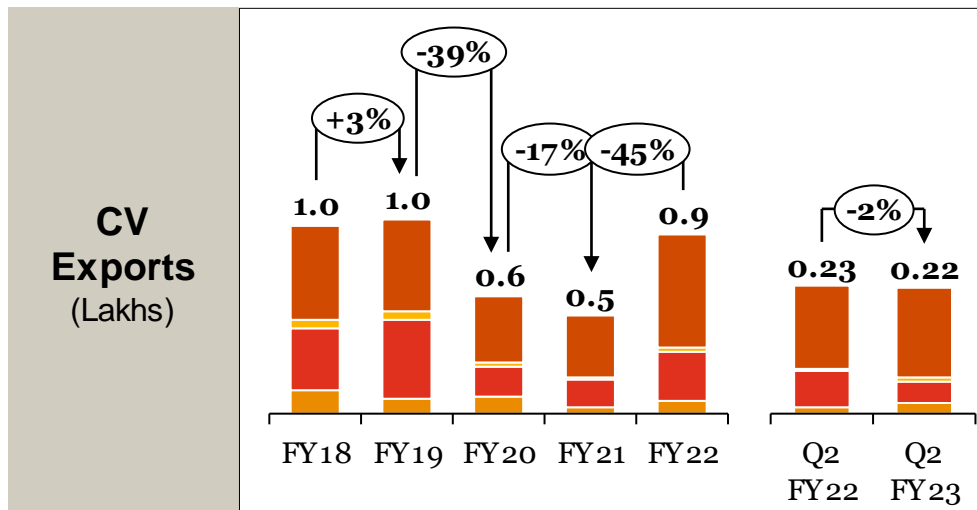
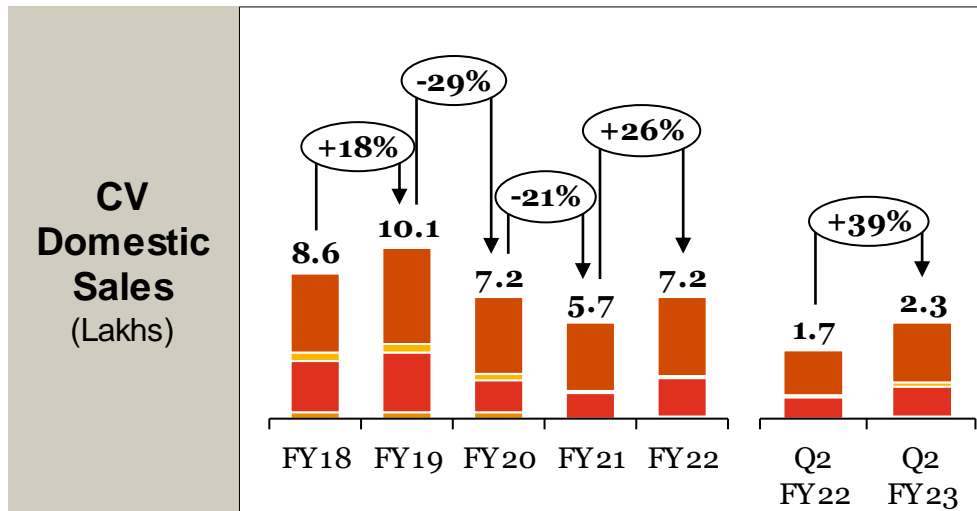
Market Share Q2 FY23		Key Trends
Bajaj Auto Ltd	50.82%	
TVS Motor Company Ltd	40.33%	
Piaggio Vehicles Pvt Ltd	7.39%	
Force Motors Ltd	0.73%	
Other	0.72%	

- Fear of recession and inflation decreased Indian exports by 5%
- TVS Motor Company became the largest exporter of 2Ws, capturing more than 50% of the market

Commercial vehicles

(Internal combustion engine)

■ M&HCV Passenger
 ■ M&HCV Goods
 ■ LCV Passenger
 ■ LCV Goods



Market Share Q2 FY23

Tata Motors Ltd	39.81%
Mahindra & Mahindra Ltd	27.66%
Ashok Leyland Ltd	18.35%
VECV-Eicher	6.85%
Other	7.32%

Key Trends

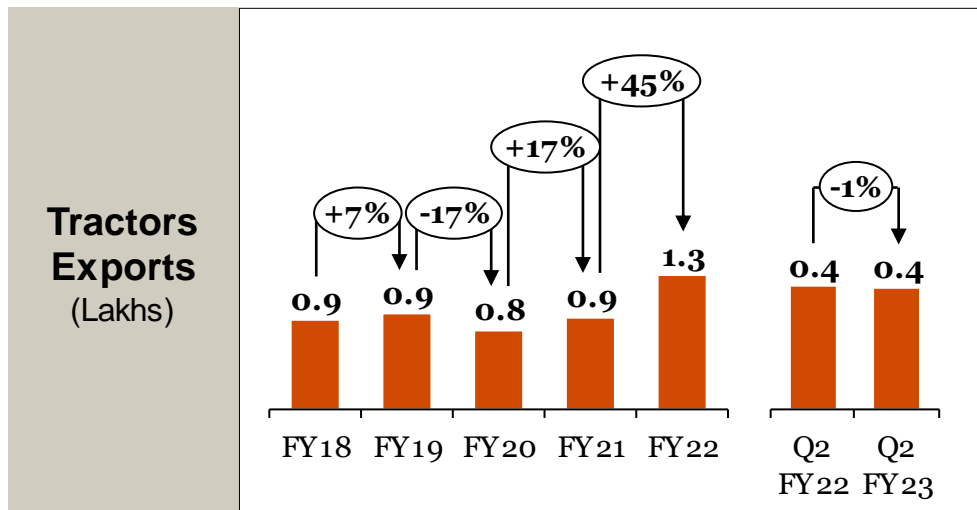
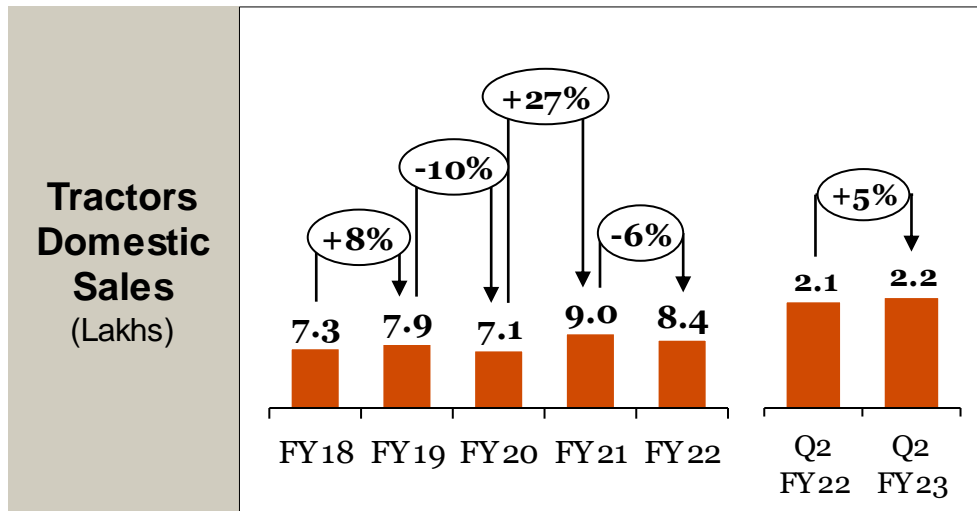
- CV domestic sales saw a spike of 39% Y-o-Y on the back of replacement demand, the government's infrastructure push, and new offerings in this segment
- Tata Motors remained the market leader, with Mahindra & Mahindra following

Market Share Q2 FY23

Tata Motors Ltd	29.96%
Mahindra & Mahindra Ltd	27.28%
Isuzu Motors India Pvt Ltd	18.95%
Ashok Leyland Ltd	12.37%
Other	11.44%

- Exports declined by 2% due to recessionary trends in major economies in the West
- Global economic and supply chain pressures felt across the industry leading to low exports

Tractors



Market Share Q2 FY23

Mahindra & Mahindra Ltd.	53.09%
TAFE	21.55%
Escorts Ltd.	10.30%
International Tractors Ltd.	6.16%
Other	8.90%

Market Share Q2 FY23

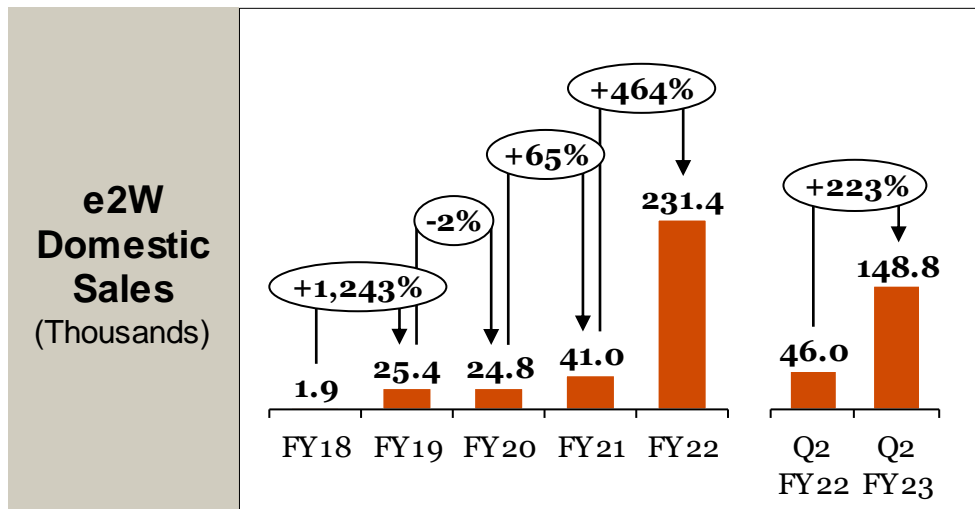
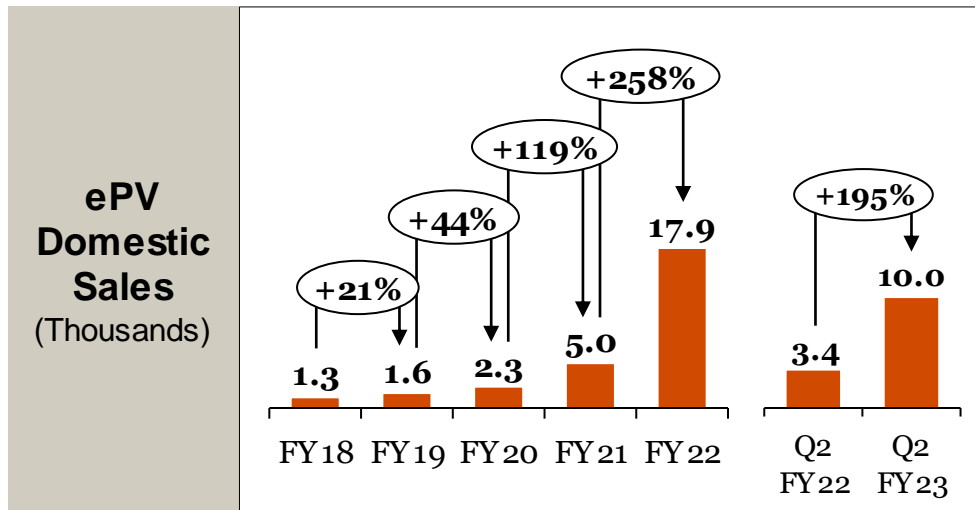
International Tractors Ltd.	30.51%
Johndeere	17.20%
TAFE	13.16%
New Holland India	12.61%
Other	26.53%

Key Trends

- With the Kharif crop harvest starting soon and crop prices holding firm, customer sentiment was positive leading to a growth in sales
- Despite the floods, water logging and heavy rains in July, Tractors sales recovered and increased as compared to Q2FY22

- Tractors exports decreased slightly by 1% Y-o-Y
- Low HP Tractors (under 30 HP) constitute over 20% of the total exports

Electric Vehicles – 2W & PV



Market Share Q2 FY23

Tata Motors Ltd	84.53%
Mg Motor India Pvt Ltd	8.70%
Hyundai Motor India Ltd	2.09%
Mahindra & Mahindra Limited	1.55%
Other	3.13%

Key Trends

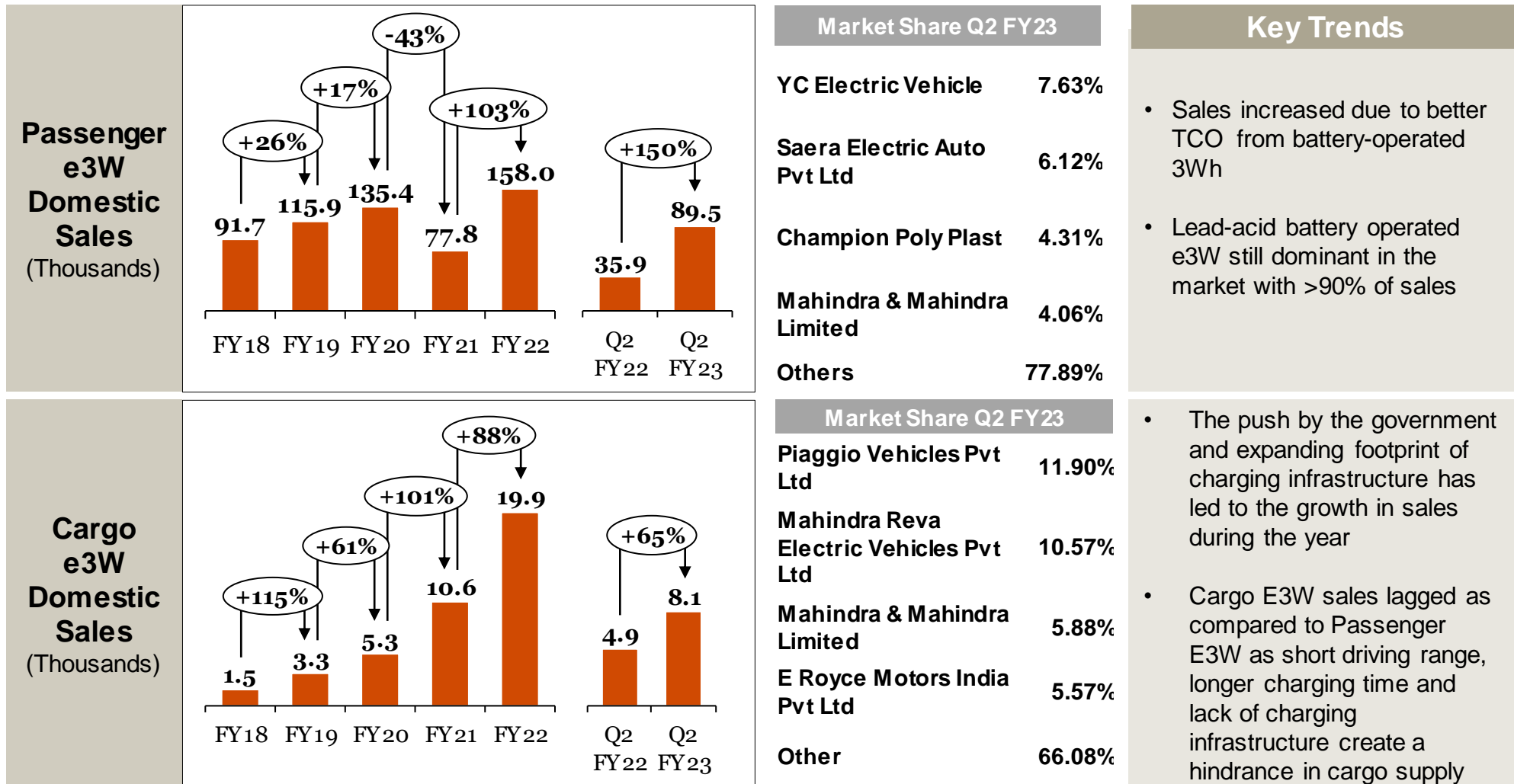
- Sales increased due to reducing range anxiety and improved network effects coupled with covid-free festive season.
- Tata motors dominated with 84.53% market share

Market Share Q2 FY23

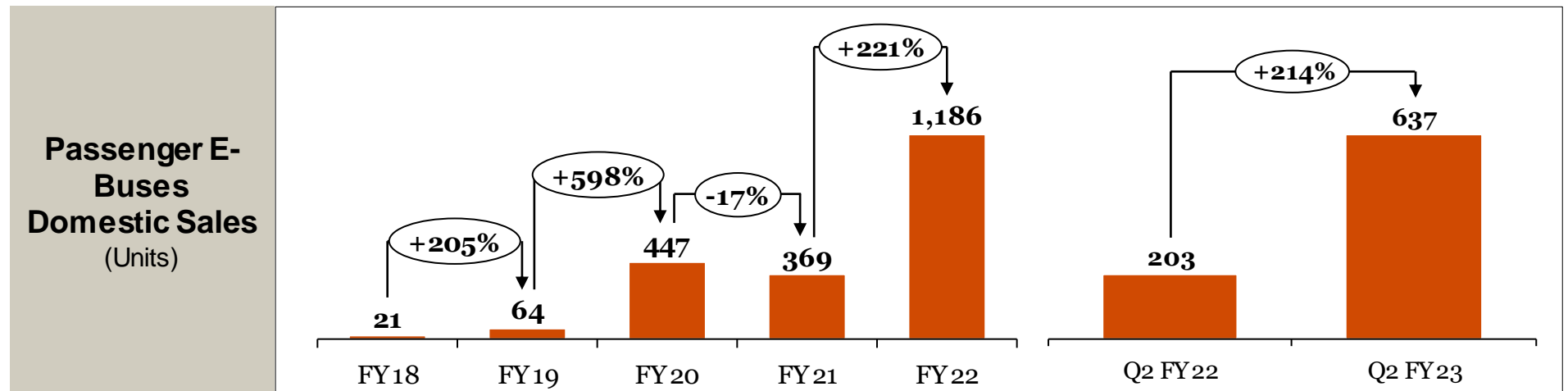
Hero Electric Vehicles Pvt. Ltd	18.65%
Okinawa Autotech Pvt Ltd	16.98%
Ampere Vehicles Private Limited	13.00%
Ola Electric Technologies Pvt Ltd	11.56%
Others	39.81%

- Sales more than tripled due to a reduction in end-user prices as well as the introduction of new models
- Strong consumer preference towards adoption of personal mobility further boosted sales
- 12-17% of new 2W to be electric vehicles by 2024 (CRISIL)

Electric Vehicles – 3W



Electric Vehicles – Buses



Market Share Q2 FY23

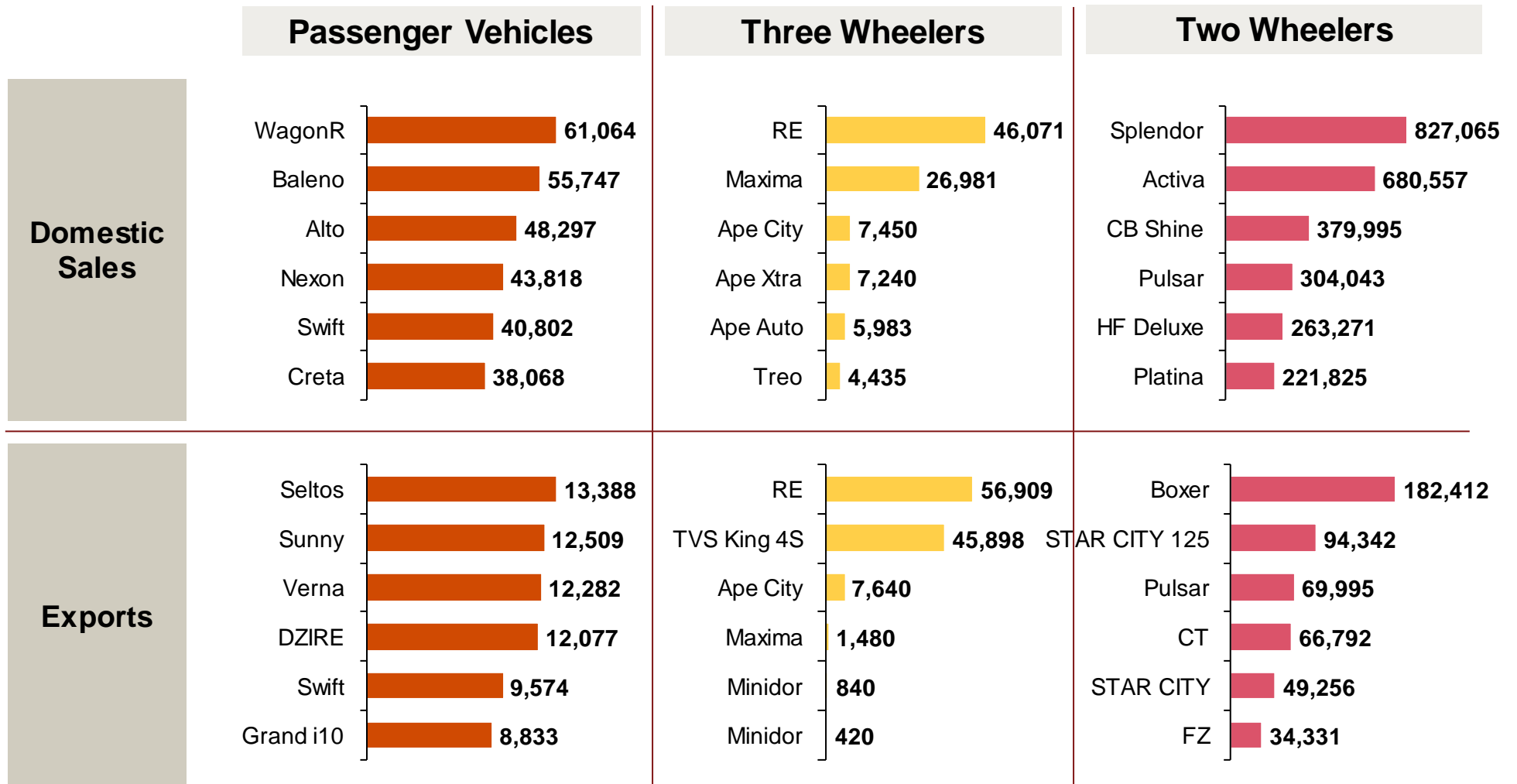
PMI Electro Mobility Solutions Private Limited	29.41%
Switch Mobility Automotive Ltd	28.62%
Olectra Greentech Ltd	26.55%
Jbm Auto Limited	10.97%
Other	4.45%

Key Trends

- Increase in public transport and relaxation of covid-19 restrictions.
- The Central and the state governments are supporting EVs through various incentives like the FAME II scheme, PLI scheme, exemption in road tax, and lower GST.
- Convergence Energy Services Limited (CESL) announced floating a tender for deployment of 5,690 electric buses
- The biggest challenge for e-bus sector expansion revolves around financing as banks are concerned about the EV battery life and the residual value of e-buses

Q2 FY23 Model-wise Sales

(Internal combustion engine)





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