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# *Quarterly vehicle industry performance – Q2 FY22*

Prepared for ACMA

*Strictly private  
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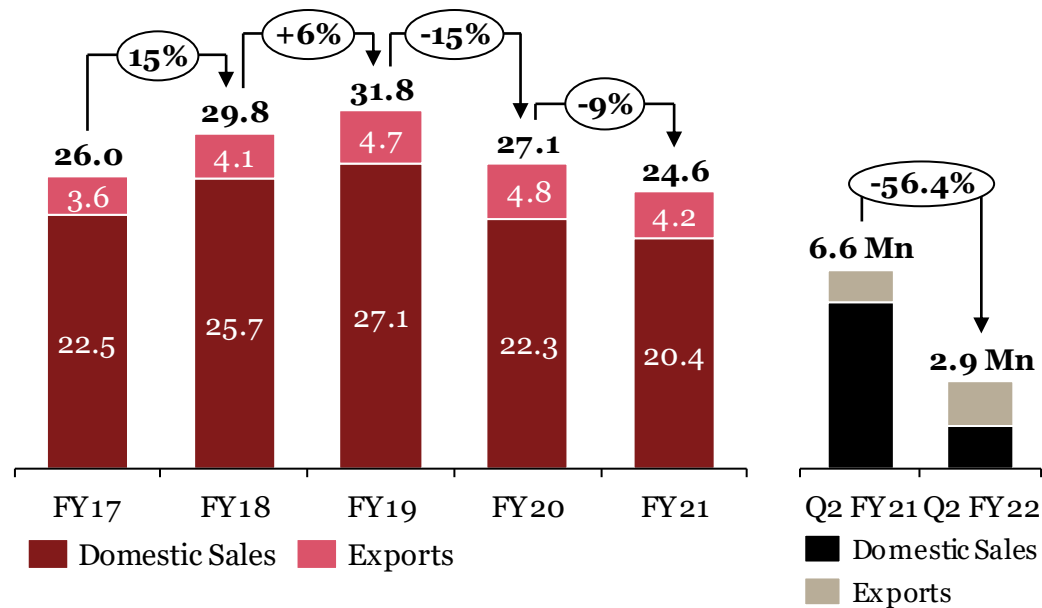
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# *Executive Summary*

# Automotive industry performance overview

## Q2-FY22

OEM - Domestic sales and exports | million units



Indian automotive domestic sales and exports shrank at an overall CAGR of 1% over last 5 years.

### Downfall in domestic demand following onset of the second wave of COVID-19

- Declining consumer activity and demand due to lockdowns.
- Improvement in exports Y-o-Y as other nations weren't hit particularly hard.

Vehicle segment	Dom. Sales Q-o-Q Q2 21-Q2 22	Exports Q-o-Q Q2 21-Q2 22
	▼ 81%	▲ 43%
	▼ 85%	▲ 41%
	▼ 94%	▲ 52%
	▼ 11%	▲ 79%
	▲ 44%	▲ 18%
<b>TOTAL</b>	▼ 77%	▲ 37%

## Key Updates

### Past Trends

- EV sales surge on the back of subsidies and record-high fuel costs. Two-wheeler EVs have witnessed a huge increase in total market share, along with the introduction of several new players into the market such as Ola Electric and Piaggio Vehicles.
- Rising raw material prices have hurt exporters and manufacturers' profit margins.
- Strong agricultural incomes have helped to grow the rural market, thus keeping sales and exports of tractors relatively strong despite the onset of the second wave.
- Prioritization of personal mobility over shared mobility will continue until a return to normalcy from the COVID-19 pandemic.
- A move towards increased digitization and automation of sales and marketing channels.
- Several OEMs have launched vehicle-as-a-subscription services, which are expected to grow in metropolitan areas but will tend to remain a niche segment overall.

### Going Forward

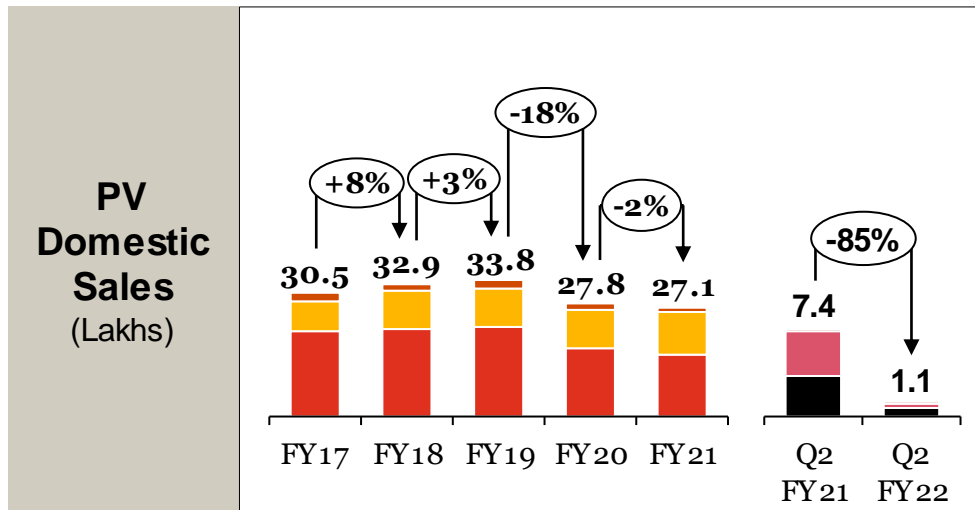
- Connected and safer vehicles will gain center stage, and become a key purchase criteria in the last few months of 2021 as well as during 2022.
- The ongoing semiconductor shortage crisis is expected to impact production numbers of CVs, 2Ws and PVs by 15-20% by the end of the calendar year.
- Export numbers are expected to grow further on the back of a swifter return to pre-COVID-19 conditions in other nations.
- Domestic Sales numbers are expected to bounce back strongly in the next quarter, as was seen by the vast improvement in sales during the month of September, wherein a gradual return towards normalcy – along with the onset of the festive season – created a strong 'buyer sentiment' amongst consumers, and saw retail sales of PVs increase by 17%, CVs by 47%, and 3Ws by over 50%.

# *Segment-wise Q2 FY 22 Industry Performance*

# Passenger vehicles

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans

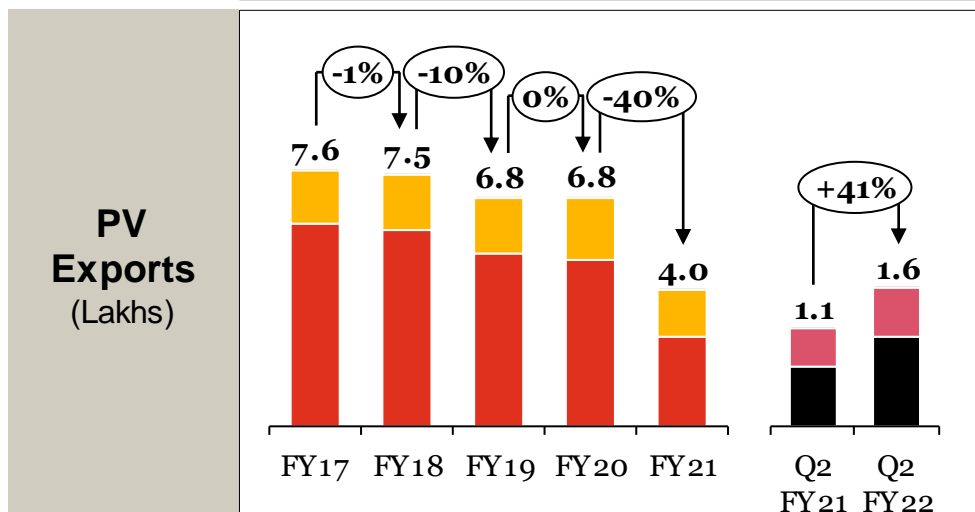


### Market Share Q2 FY22

Maruti Suzuki India Ltd	40.48%
Hyundai Motor India Ltd	17.27%
Tata Motors Ltd**	11.41%
Mahindra & Mahindra Ltd	6.77%
Other	24.07%

### Key Trends

- Sales took a massive hit, as low demand levels fueled by lockdowns combatted the prevailing rise in demand due to a shift in preference towards personal mobility.
- This was aided by the ongoing semiconductor shortage, which is expected to deliver losses of about 15-20% in sales towards manufacturers by the end of the year.



### Market Share Q2 FY22

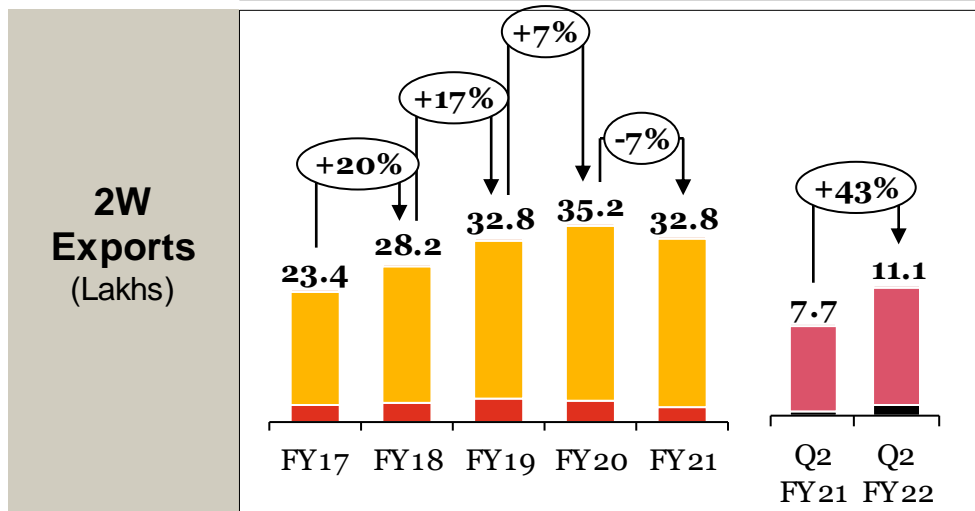
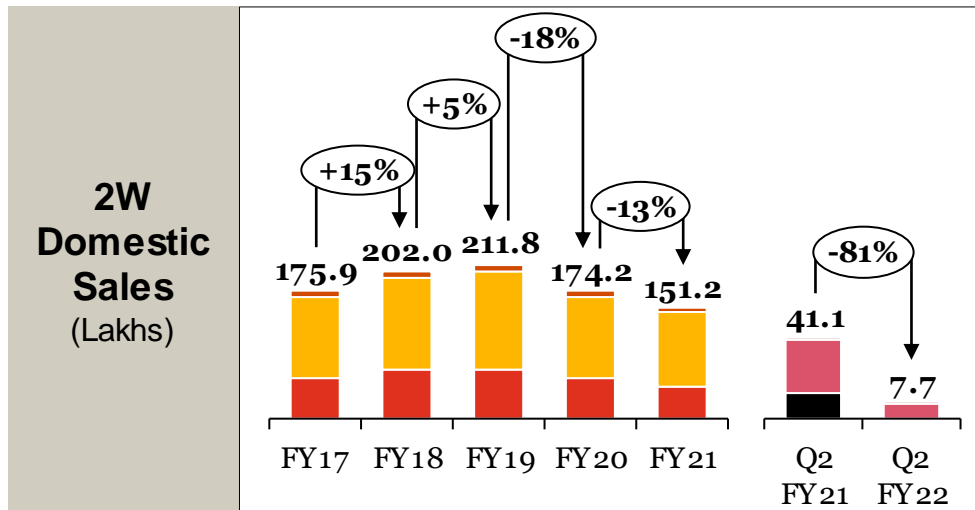
Nissan Motor India Pvt Ltd	31.56%
Mahindra & Mahindra Ltd	26.25%
MG Motor India Pvt Ltd	9.45%
Isuzu Motors India Pvt Ltd	7.40%
Other	25.34%

- PV exports are up 40% year-on-year for the 2<sup>nd</sup> quarter.
- Growing the export business has become easier due to lower impact of second wave in other nations.
- A weakening rupee, coupled with rising input costs – especially electronics, has hurt exporters' profit margins.

## 2 wheelers

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

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



### Market Share Q2 FY22

Hero MotoCorp Ltd	33.20%
Honda Motorcycle & Scooter India Pvt Ltd	29.30%
TVS Motor Company Ltd	14.57%
Bajaj Auto Ltd	11.87%
Other	11.06%

### Key Trends

- The decline in two-wheeler sales is driven predominantly by a fall in demand within tier 2 and tier 3 cities.
- The ongoing semiconductor shortage crisis heavily weighed down upon production numbers for the 2<sup>nd</sup> quarter.

### Market Share Q2 FY22

Bajaj Auto Ltd	48.93%
TVS Motor Company Ltd	24.95%
Honda Motorcycle & Scooter India Pvt Ltd	7.80%
Hero MotoCorp Ltd	6.98%
Other	11.35%

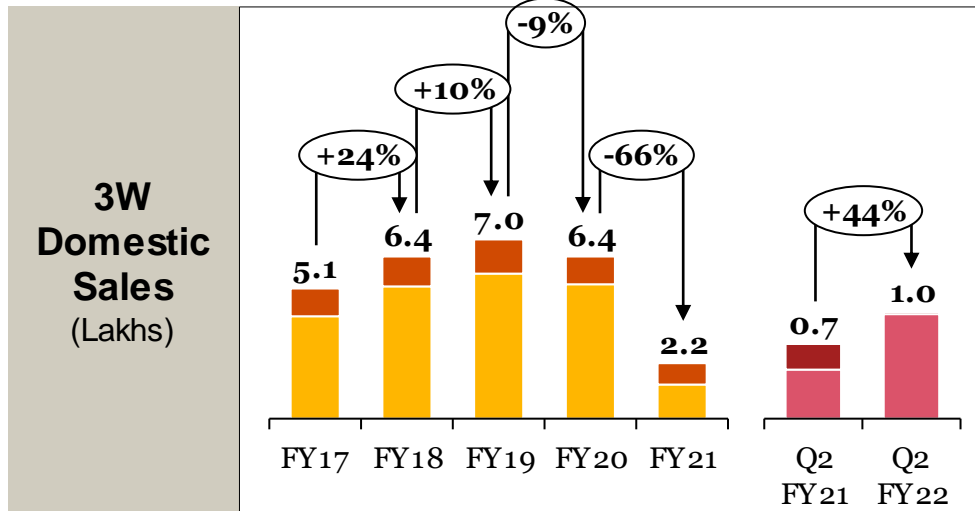
- Bajaj Auto continues to remain the market leader in exporting 2-wheelers from India
- The sharp rise in production of two-wheeler EVs in India has helped exporters access new sectors of the global market.



## 3 wheelers

Passenger Carrier Goods Carrier

Passenger Carrier Goods Carrier

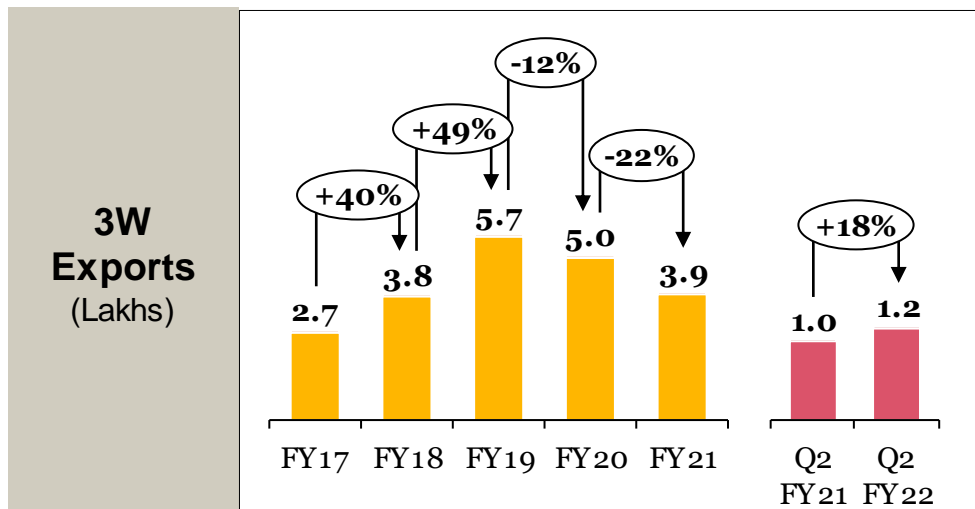


### Market Share Q2 FY22

Bajaj Auto Ltd	63.07%
Piaggio Vehicles Pvt Ltd	17.01%
Mahindra & Mahindra Ltd	11.05%
Atul Auto Ltd	5.81%
Other	3.05%

### Key Trends

- Increased commercial activity, and the gradual opening-up of educational and official institutions towards the latter stages of the quarter saw sales grow by more than 50% Y-o-Y during the month of September.
- Short and medium distance travel has risen sharply post-pandemic.



### Market Share Q2 FY22

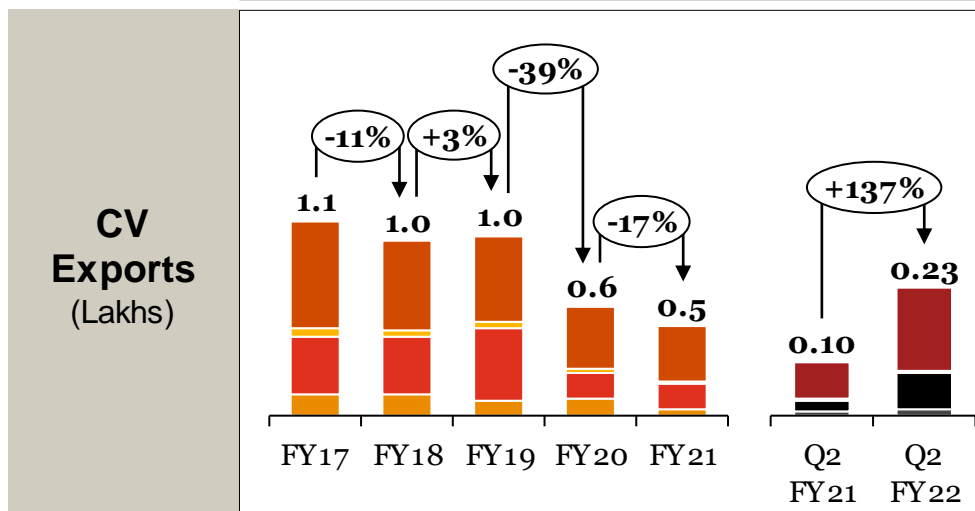
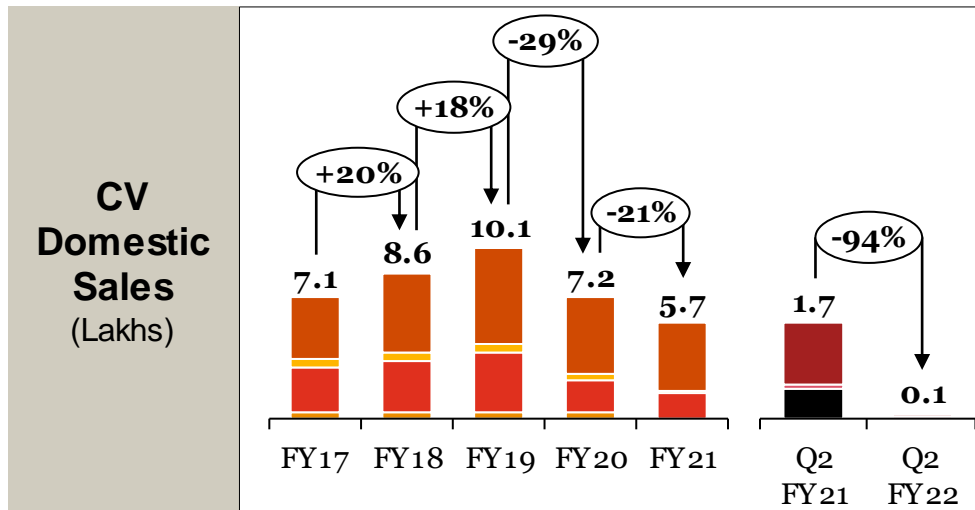
Bajaj Auto Ltd	57.06%
TVS Motor Company Ltd	37.38%
Piaggio Vehicles Pvt Ltd	4.32%
Force Motors Ltd	0.73%
Other	0.50%

- Bajaj Auto remains the largest player in this segment.
- Rising raw material prices have negatively impacted profit margins of manufacturers.

# Commercial vehicles

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

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



### Market Share Q2 FY22

Tata Motors Ltd	46.67%
Mahindra & Mahindra Ltd	21.64%
Ashok Leyland Ltd	15.23%
Maruti Suzuki India Ltd	5.21%
Other	11.25%

### Key Trends

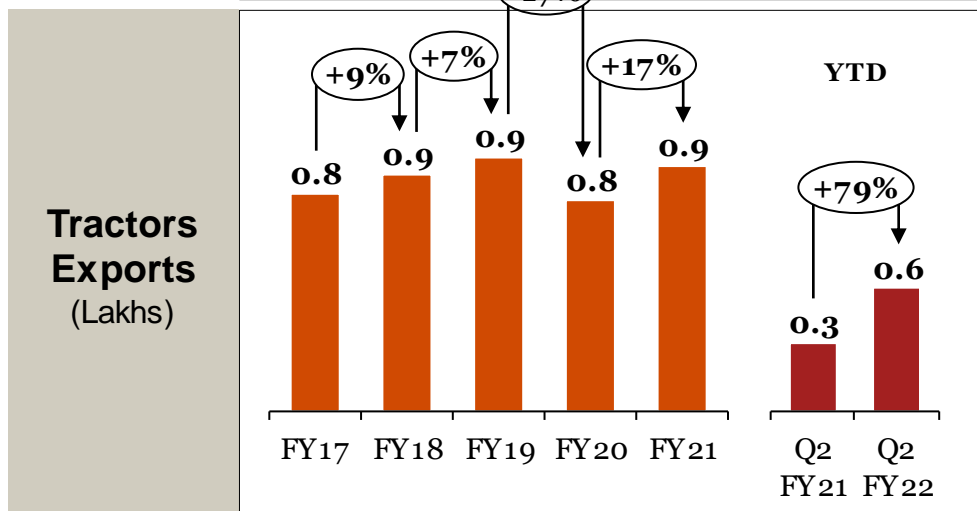
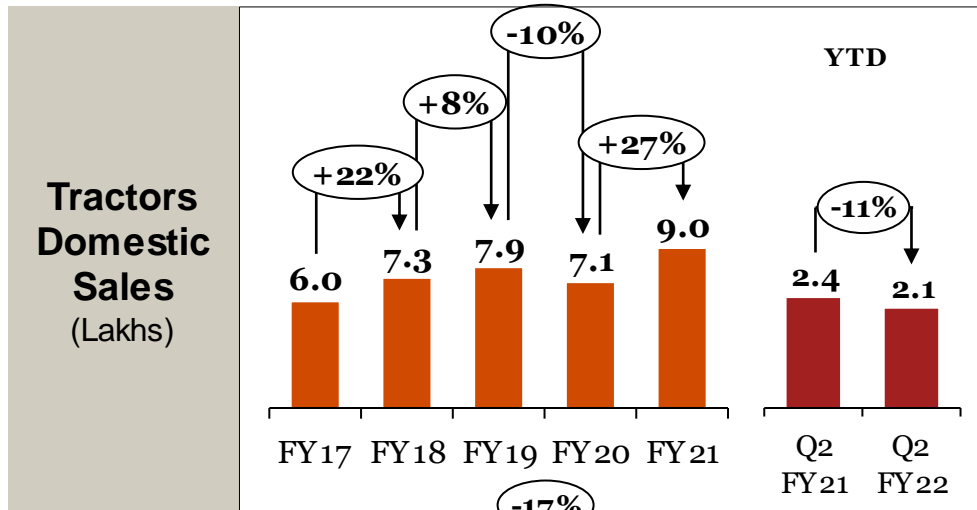
- Commercial Vehicle sales had almost been completely wiped out during the 2<sup>nd</sup> quarter, on account of very low levels of industrial activity.
- Shortages of components and freight capacity had resulted in production disruptions and increased costs for certain players.

### Market Share Q2 FY22

Tata Motors Ltd	37.88%
Mahindra & Mahindra Ltd	24.39%
Isuzu Motors India Pvt Ltd	12.88%
VECV-Eicher	9.76%
Other	15.10%

- A ramp up in industrial production within global economies aided export numbers.
- Tata Motors claimed the highest share in the exports market, trailed by Mahindra & Mahindra.

# Tractors



**Market Share Q2 FY22**

Mahindra & Mahindra Ltd.	40.12%
TAFE	18.19%
International Tractors Ltd.	11.90%
Escorts Ltd.	8.96%
Other	20.83%

**Market Share Q2 FY22**

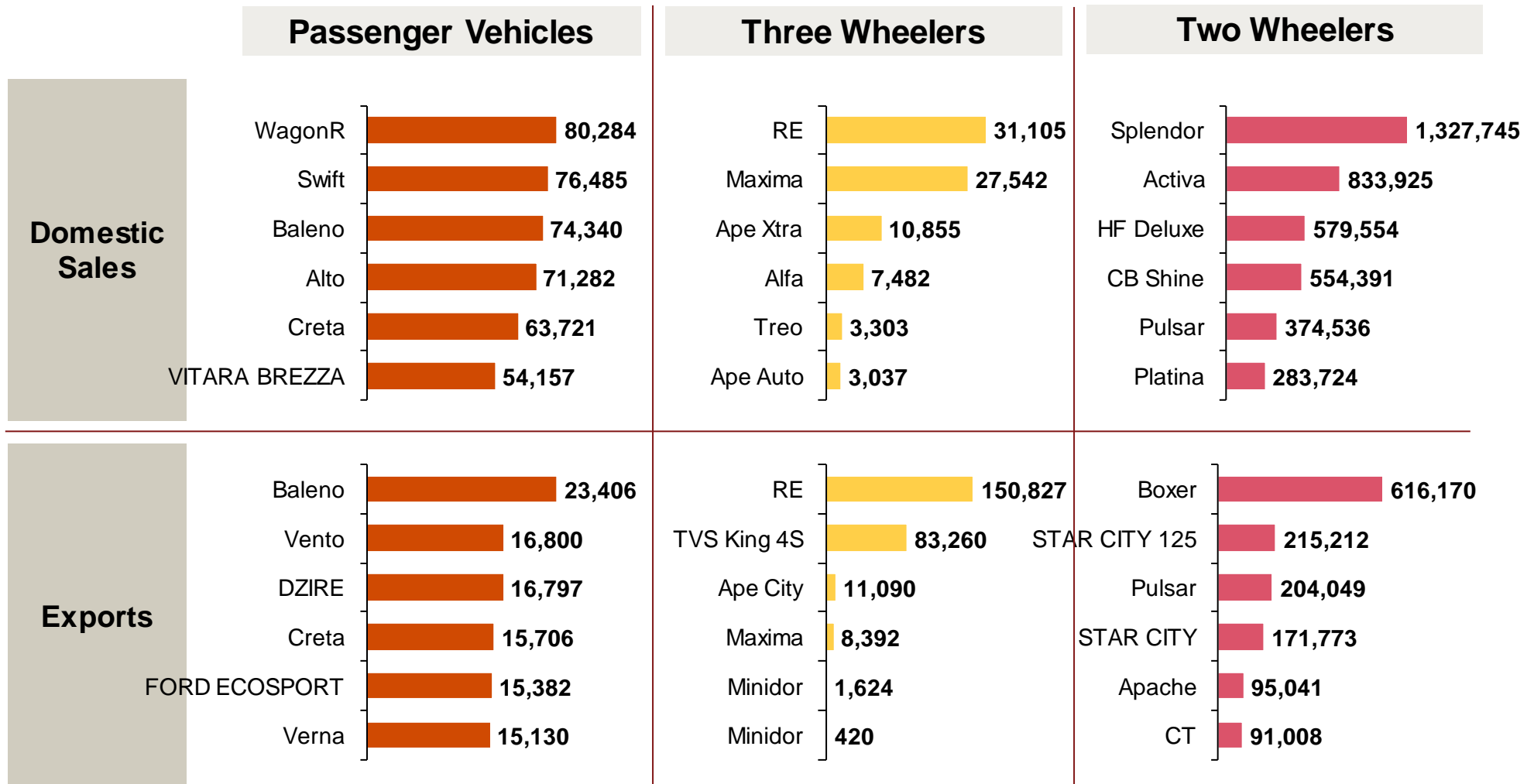
International Tractors Ltd.	25.04%
Johndeere	17.96%
TAFE	17.66%
New Holland India	13.72%
Other	25.62%

**Key Trends**

- Tractor sales remain solid as a result of a persisting strong rural economy – agricultural production remains unaffected amid state-imposed lockdowns.
- The rise in Minimum Support Price (MSP) has improved farmer incomes and thus, has kept demand for tractors strong.

- Tractor exports have grown as agricultural production had previously remained unaffected by COVID-19 lockdowns and restrictions globally.
- Along with this, other nations weren't affected as much as India was by the second wave of COVID-19, allowing for an almost 80% growth in exports.

## Q2 FY22 Model-wise Sales





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