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Quarterly vehicle sales report - Q4 FY18

Prepared for ACMA

*Strictly private
and confidential*

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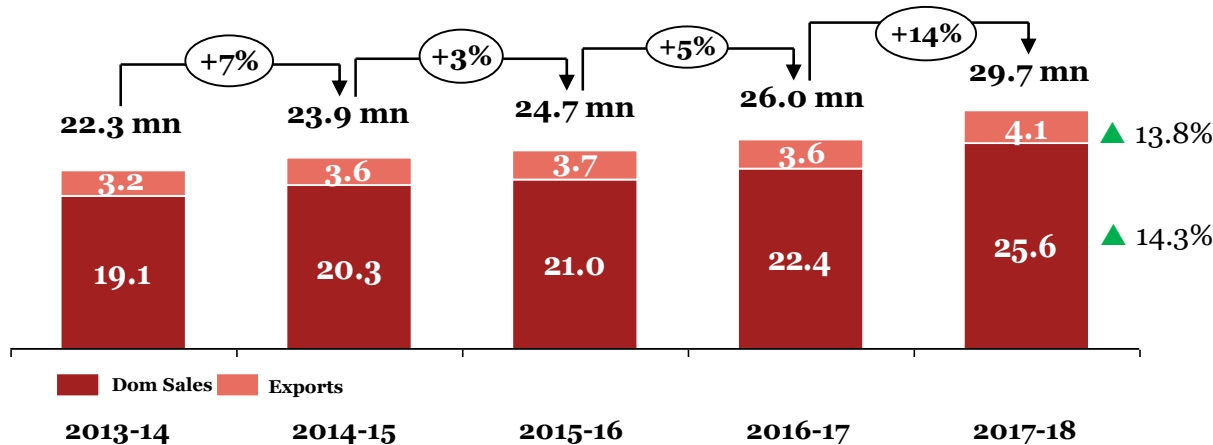
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Executive Summary

FY18-Yearly vehicle sales and export overview

OEM - Domestic sales and exports | million units



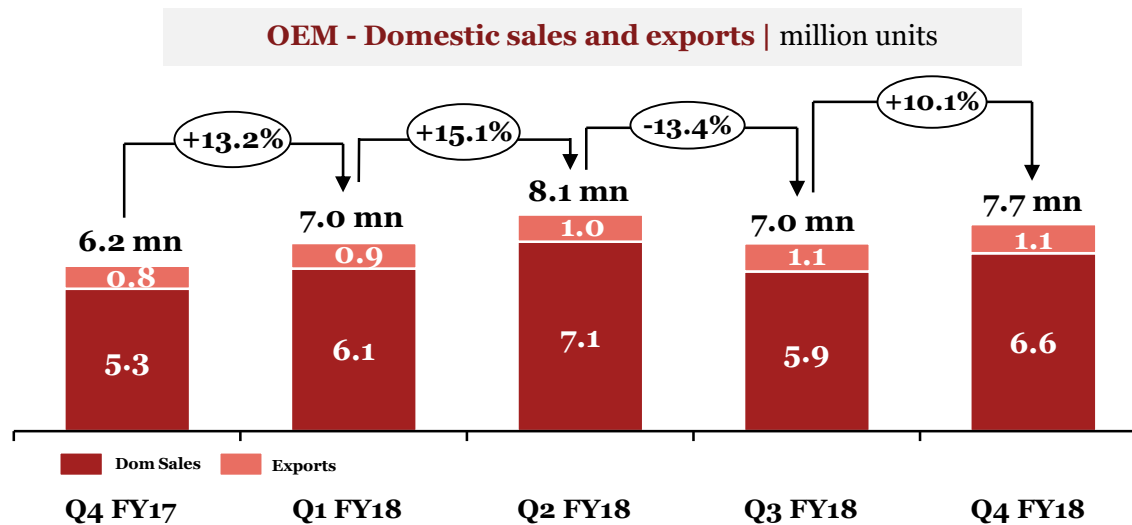
Indian automotive domestic sales and exports grew at an overall CAGR of 7.6 % over last 5 years .

Infrastructure improvements, revival post GST, Demonetisation

- ⚡ GDP ▲ after Q2 FY18
- 🏗️ Public capex : 24% jump in FY18
- 📉 Int. Rates dipped 0.25% in Q1 FY18

Vehicle	Dom. Sales CAGR FY 14-18	Exports CAGR FY 14-18
	▲ 8.1%	▲ 7.8%
	▲ 7.1%	▲ 5.9%
	▲ 7.9%	▲ 5.9%
	▲ 2.9%	▲ 8.0%
	▲ 7.3%	▲ 1.9%
TOTAL	▲ 7.7%	▲ 6.8%

Q4-FY18 Quarterly vehicle sales and export overview



Indian automotive domestic sales and exports grew at an overall CAGR of 5.6% over last 5 quarters

Infrastructure improvements, revival post GST, Demonetisation



GDP ▲ after Q2 FY18



Public capex : 24% jump in FY18



Int. Rates dipped 0.25% in Q1 FY18

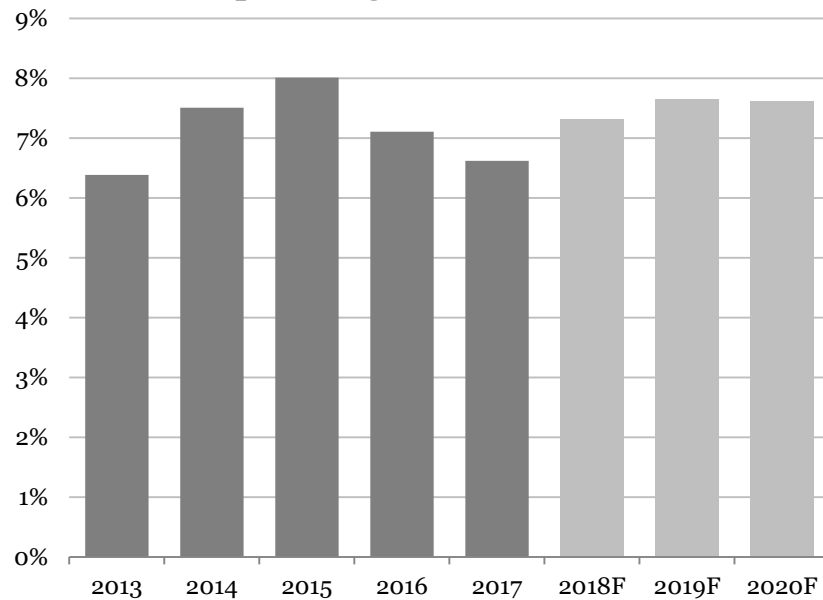
Vehicle segment	Dom. Sales CAGR Q4 17-Q4 18	Exports CAGR Q4 17-Q4 18
	▲ 5.7%	▲ 6.4%
	▲ 1.8%	▲ 1.1%
	▲ 7.0%	▲ 3.4%
	▲ 9.5%	▲ 4.1%
	▲ 16.9%	▲ 15.7%
TOTAL	▲ 5.5%	▲ 5.9%

Macro Economic Climate in India

India-key economic indicators

A steady growth is expected in the foreseeable future

India: Projected GDP % Change 2013 – 2020F (percentage)



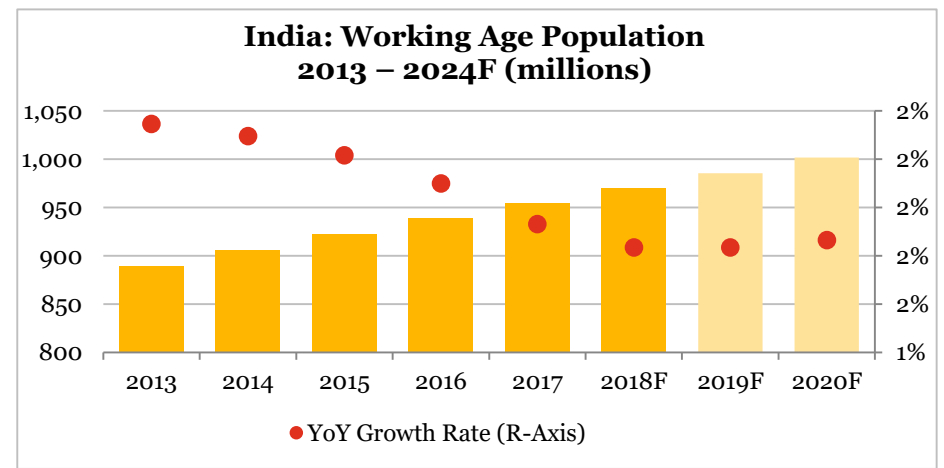
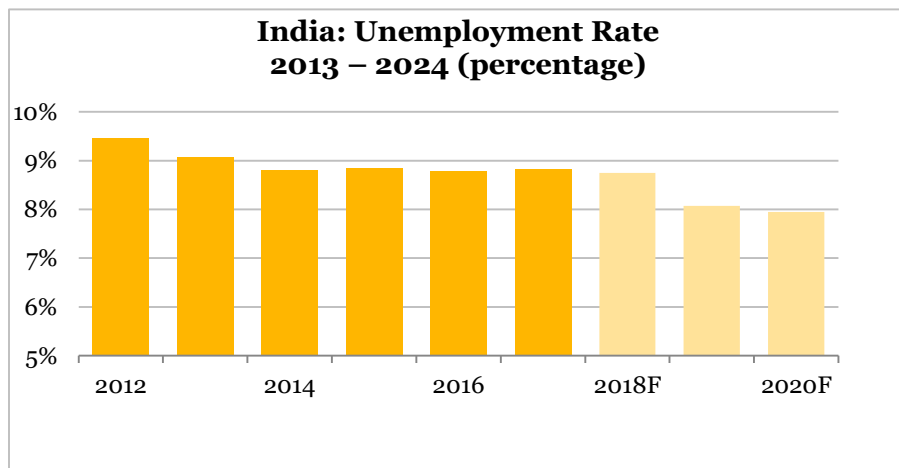
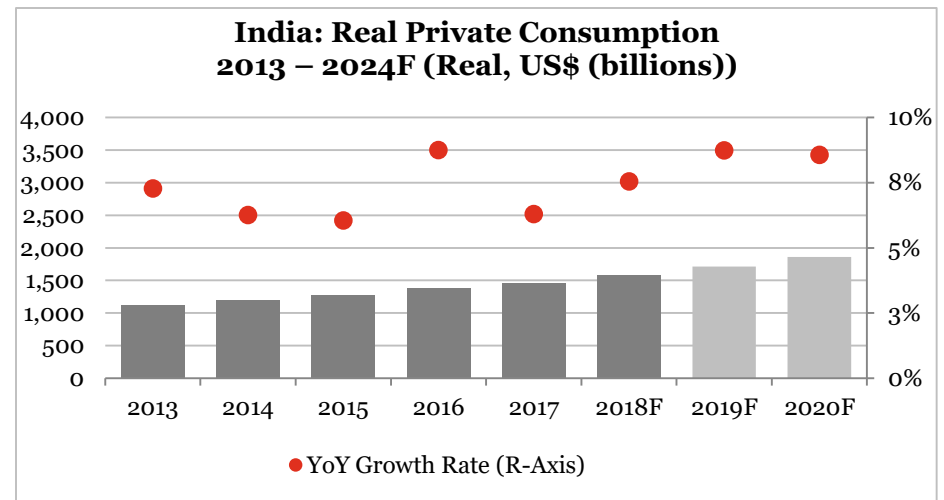
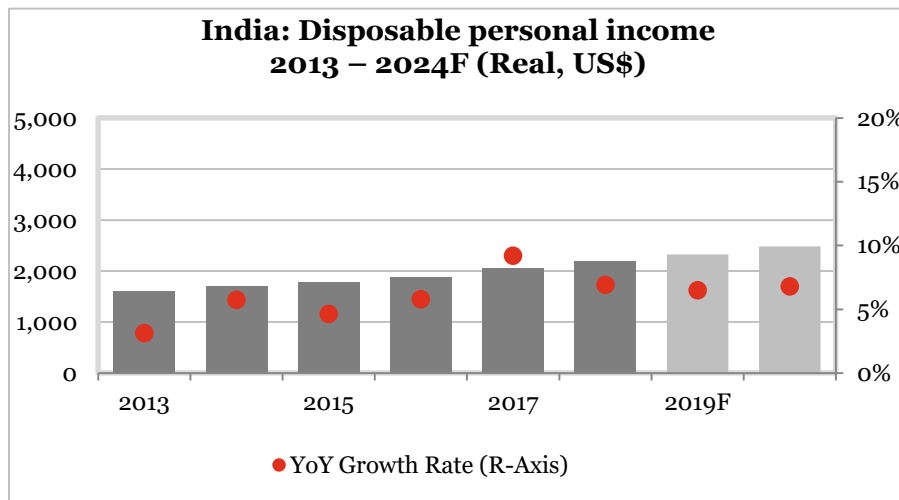
India: Industrial Production Index 2013 – 2020F (points)



- India economic growth slowed down in FY 17 due to two major economic events –demonetisation (ban on the higher currency notes) and GST introduction – undertaken by the government
- However, since then, the economy seems to be back on the growth track and it is predicted to grow at a healthy rate in the foreseeable future
- The industrial production index growth slowed down due to demonetization and GST implementation, however, it is expected to grow at a healthy rate in the foreseeable future

India-key economic indicators

The private demand indicators also show a promising scenario for batter growth prospects



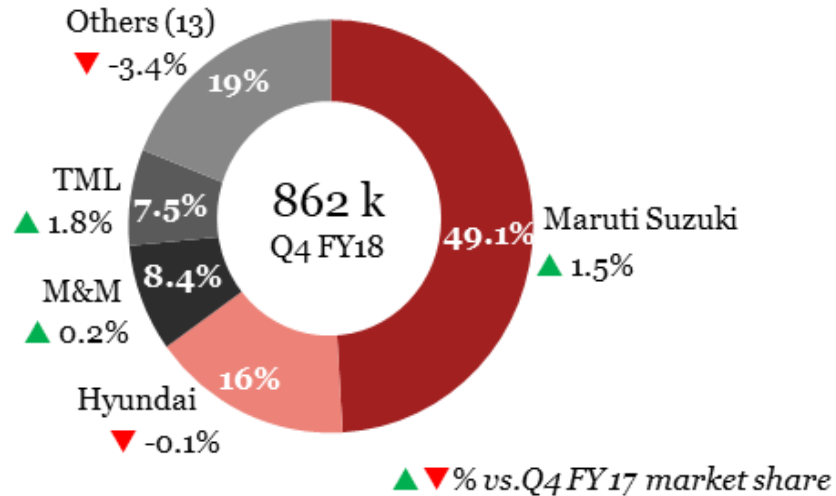
F : Forecasted

Segment wise Q4 sales



Passenger vehicles

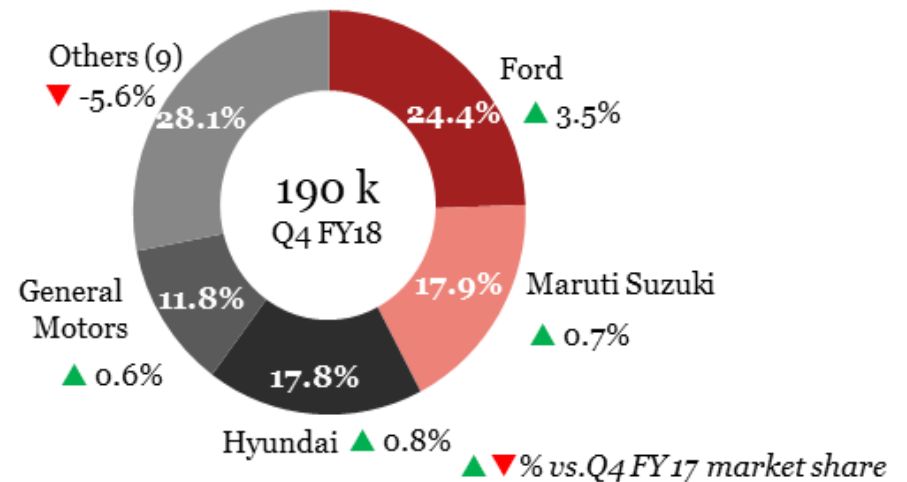
Domestic



Growth Q4 FY17 vs. Q4 FY 18 ▲ 7.3 %

- Newly launched Dzire and Swift contributed heavily to the growth of Maruti Suzuki super compact segment
- Tata Motors witnessed QoQ increase of 42% with an aggressive stance with 3 successful model launches Hexa, Nexon and Tigor
- The share of UV segment growing steadily (+21%) due to changing consumer preferences

Exports



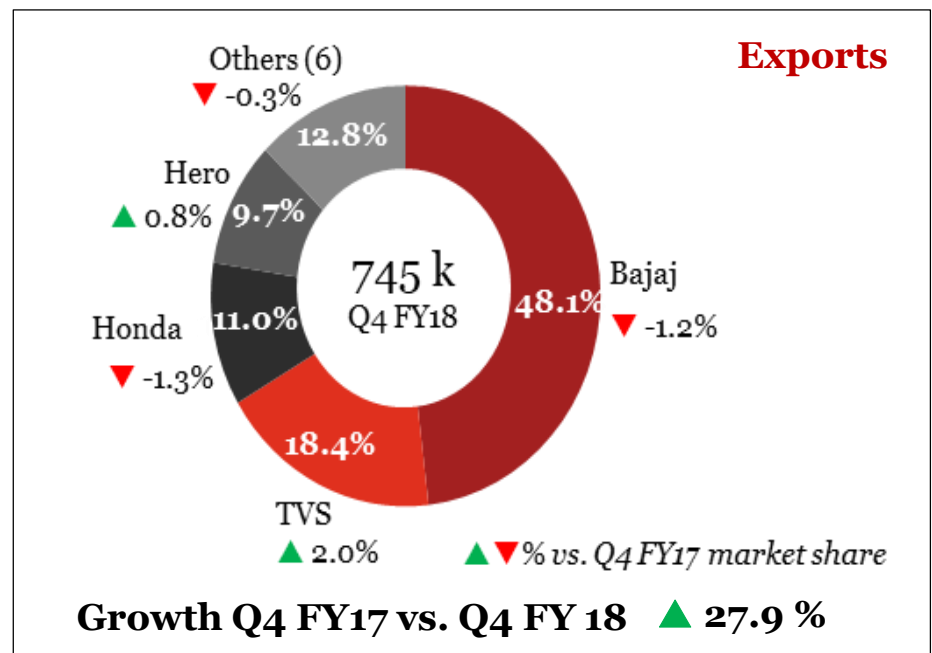
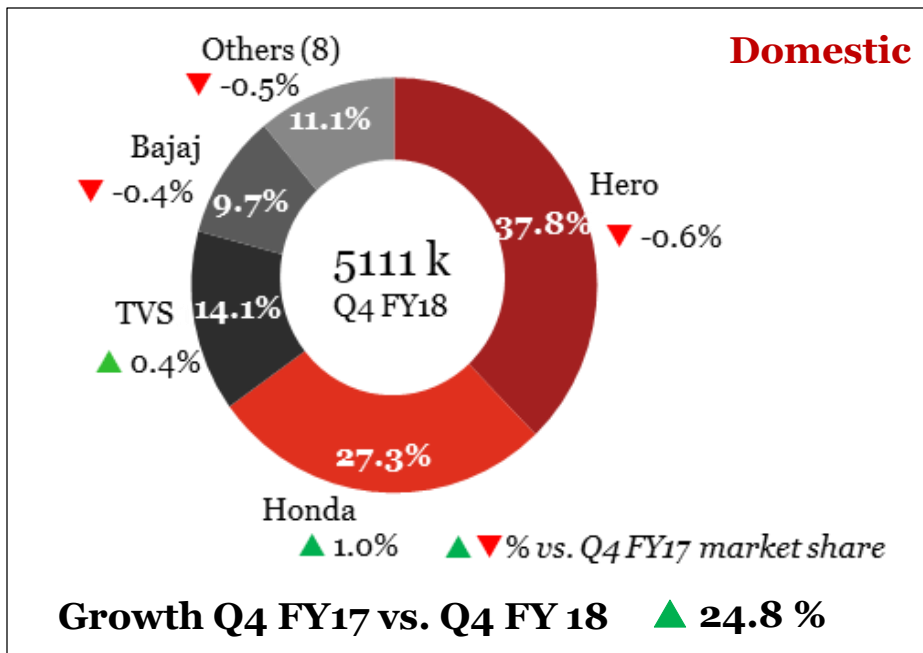
Growth Q4 FY17 vs. Q4 FY 18 ▲ 4.6 %

- Although the overall exports of FY18 dipped by -1.5%, Q4 saw a surge in exports push – Toyota, M&M and Ford being the major contributors
- General Motors continues to focus on its growing vehicle export manufacturing operations post ceasure of sales in the domestic market

Source : SIAM, PwC Analysis



2 wheelers



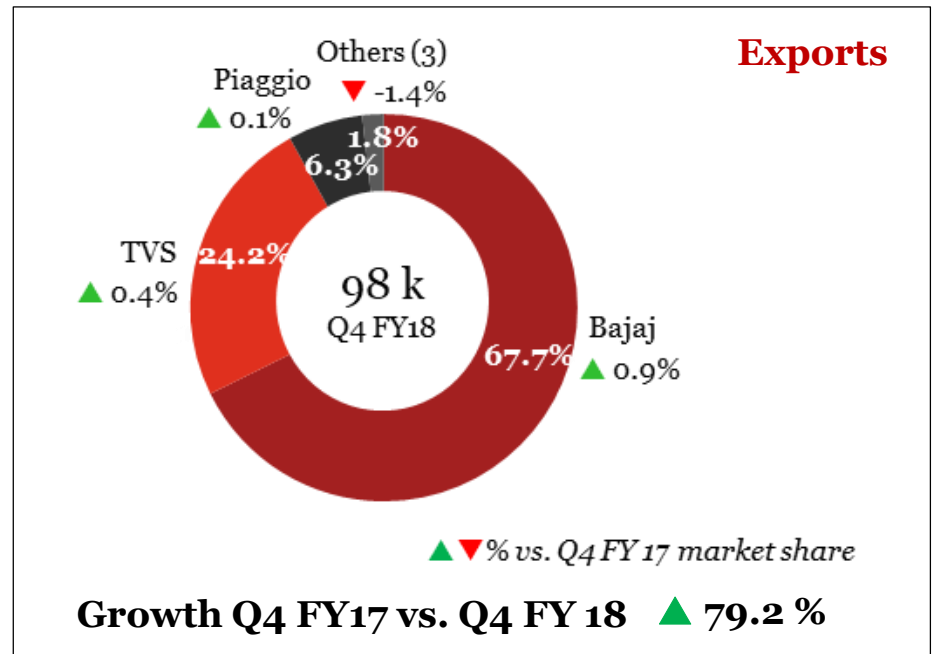
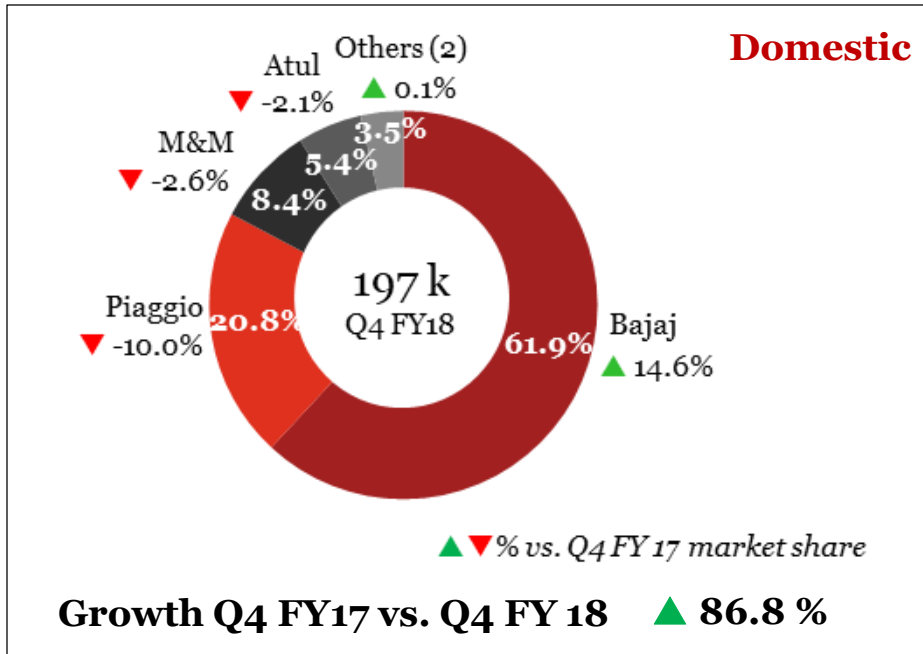
- Several new successful launches in Q4 have led to growth in domestic sales. Honda showcased 10 new models at the Auto-expo in Feb'18
- Demand recovery in rural market resulted in robust growth
- With ABS/CBS mandates effective from Q1 FY19, demand of older 2W models surged

- Iran and Turkey, which are new geographies for Bajaj provided impetus to exports
- Exports recovery to Nigeria were driven by currency and economic stability
- Q4 FY17 vs. Q4 FY18 exports unit growth of top 4 players - Bajaj: +25%, TVS: +44%, Honda: +14%, Hero: +40%

Source : SIAM, PwC Analysis



3 wheelers



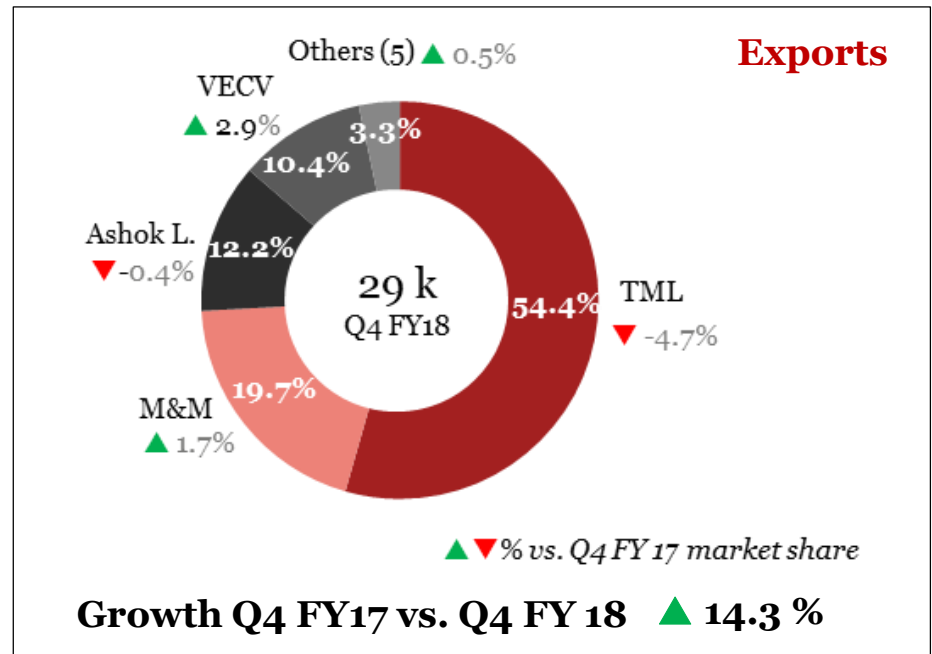
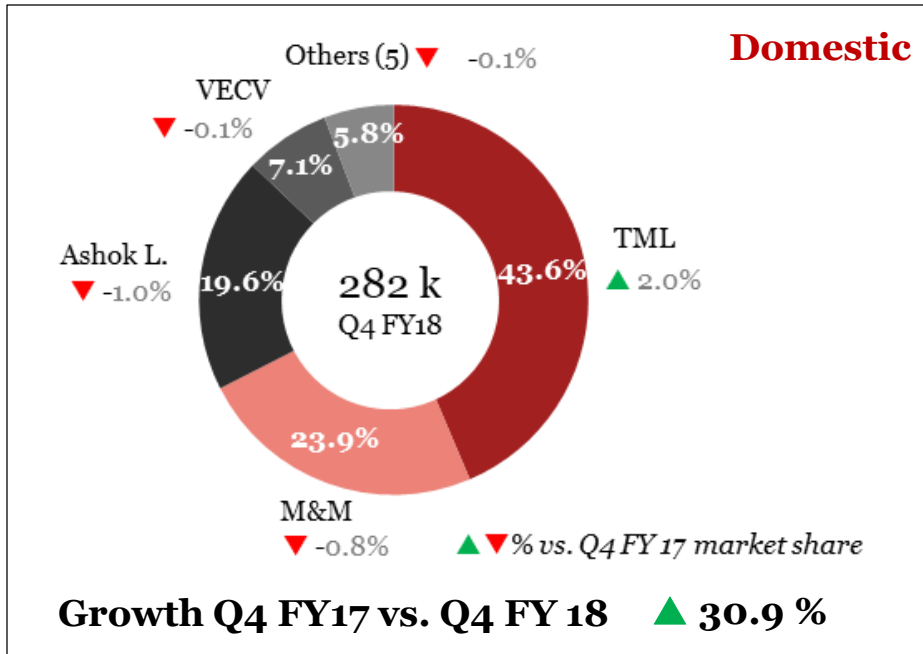
- New permits in big markets of Maharashtra, Delhi and Karnataka have led to surge in domestic sales – primary driver for demand

- Exports to Nigeria and Egypt witnessed strong recovery
- Top 2 players (Bajaj and TVS) together held >90% exports market share and their Q4 FY17 vs. Q4 FY18 exports unit growth is: Bajaj: +82%, TVS: +82%

Source : SIAM, PwC Analysis



Commercial vehicles



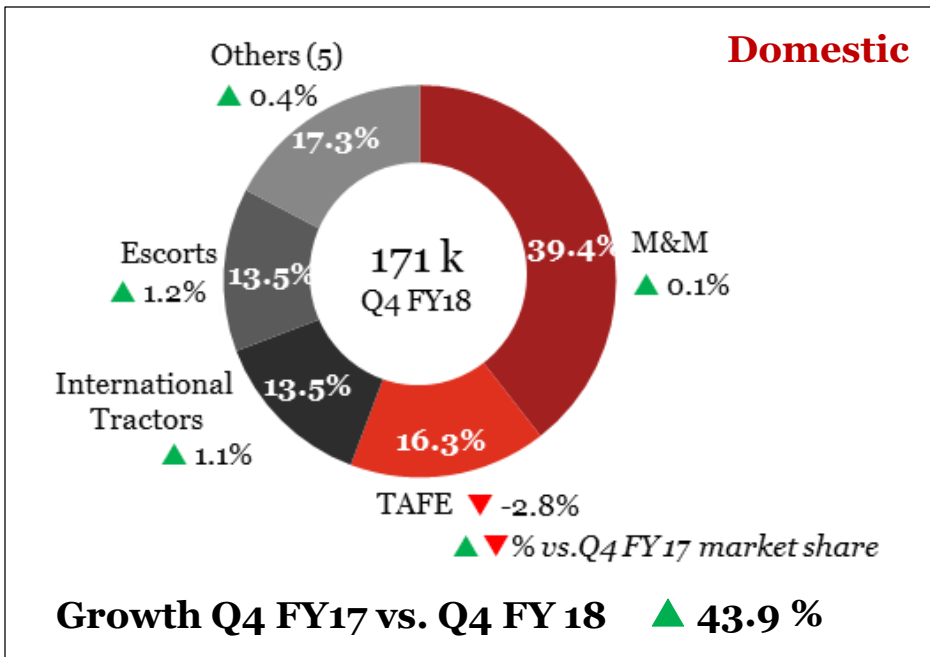
- LCV sales of Ashok Leyland grew at 57.6% YoY in the march due to new launches
- Overloading ban in Rajasthan, UP, MP and Haryana added to the volumes of CV considerably
- LCV market performed better due to two consecutive monsoon years and better crop yields

- Tata Motors remains the top exporters, the most preferred category being in the 10-16Ton range (Goods carriers)
- Most OEMs focussed on catering to the domestic markets with H2 of FY18 seeing a surge in Commercial Vehicles demand driven by increased requirement of logistics efficiency and preference higher tonnage vehicles

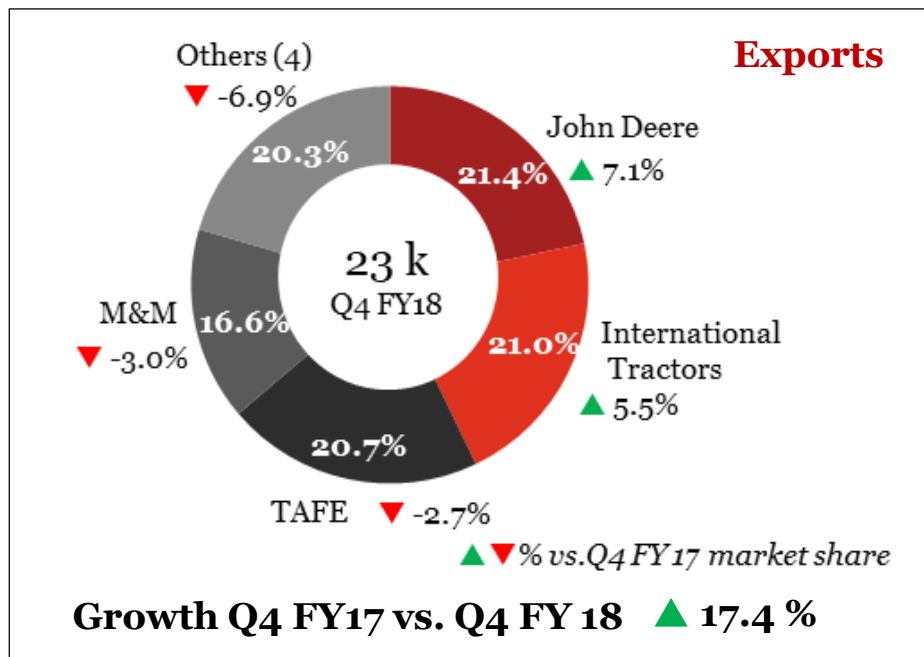
Source : SIAM, PwC Analysis



Tractors



- Domestic sales showed strong growth due to increasing spending on infrastructure and support for farmers
- Strong demand of tractors was led by positive rural sentiments, increase in non-agricultural income, higher rabi production and new product launches



- International tractors witnessed boost in demand from Africa where government is encouraging agriculture mechanisation
- Q4 FY17 vs. Q4 FY18 exports unit growth of top 4 players- John Deere: +76%, International Tractors: +58.8%, M&M: -0.4%, TAFE: +3.7%

Source : SIAM, PwC Analysis



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** This map is not to scale. It is an indicative outline intended for general reference use only.

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