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# *Quarterly vehicle industry performance – FY21*

Prepared for ACMA

*Strictly private  
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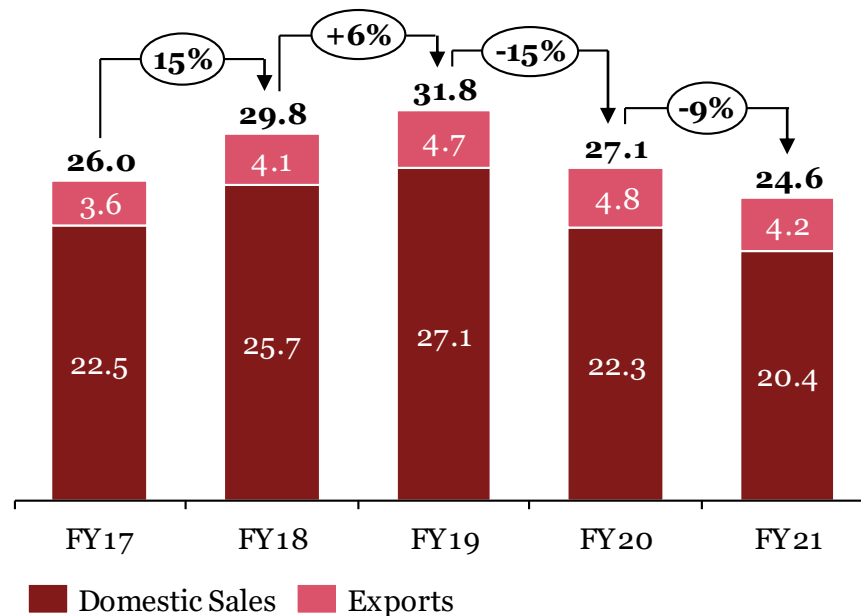
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# *Executive Summary*

## Automotive industry performance overview

FY21 – After a muted quarter, the industry saw Q-o-Q sales growth for Q2 (72%), Q3 (6%), and Q4 (8%)

OEM - Domestic sales and exports | million units



| Vehicle segment | Dom. Sales Y-o-Y FY 20-FY21 | Exports Y-o-Y FY 20-FY21 |
|-----------------|-----------------------------|--------------------------|
|                 | ▼ 13%                       | ▼ 15%                    |
|                 | ▼ 2%                        | ▼ 7%                     |
|                 | ▼ 21%                       | ▼ 17%                    |
|                 | ▲ 27%                       | ▲ 17%                    |
|                 | ▼ 66%                       | ▼ 22%                    |
| <b>TOTAL</b>    | ▼ 12%                       | ▼ 14%                    |

### Rebound in domestic demand following relaxation of COVID-19 restrictions

- Mindset shift from shared mobility to personal mobility amidst a pandemic
- Improved consumer sentiments; strong rural cash flows

## Key Updates

### Past Trends

- Covid-19 year – industry shrunk by 9% Y-o-Y
- Meager first quarter - **strong Q-o-Q sales growth for Q2 (72%), Q3 (6%), and Q4 (8%)**, post the reopening of the economy.
- Key highlights: **BS VI norms** (April 2020); **Scrappage policy**; **Focus on EVs** by the state governments.
- **Prices of raw materials have spiked** up in the last three quarters. (High demand and supply end constraints)
- **Shift in consumer sentiment** from the **shared mobility** to **personal mobility**
- **Personal mobility**, aided by **convenient financing and lower down payments**, **slowing economic growth** and **rising demand** remain key drivers for growth.
- Global resurgence of the automotive industry and consumer electronics has caused a **shortage of crucial semiconductors** that has impacted raw material availability.

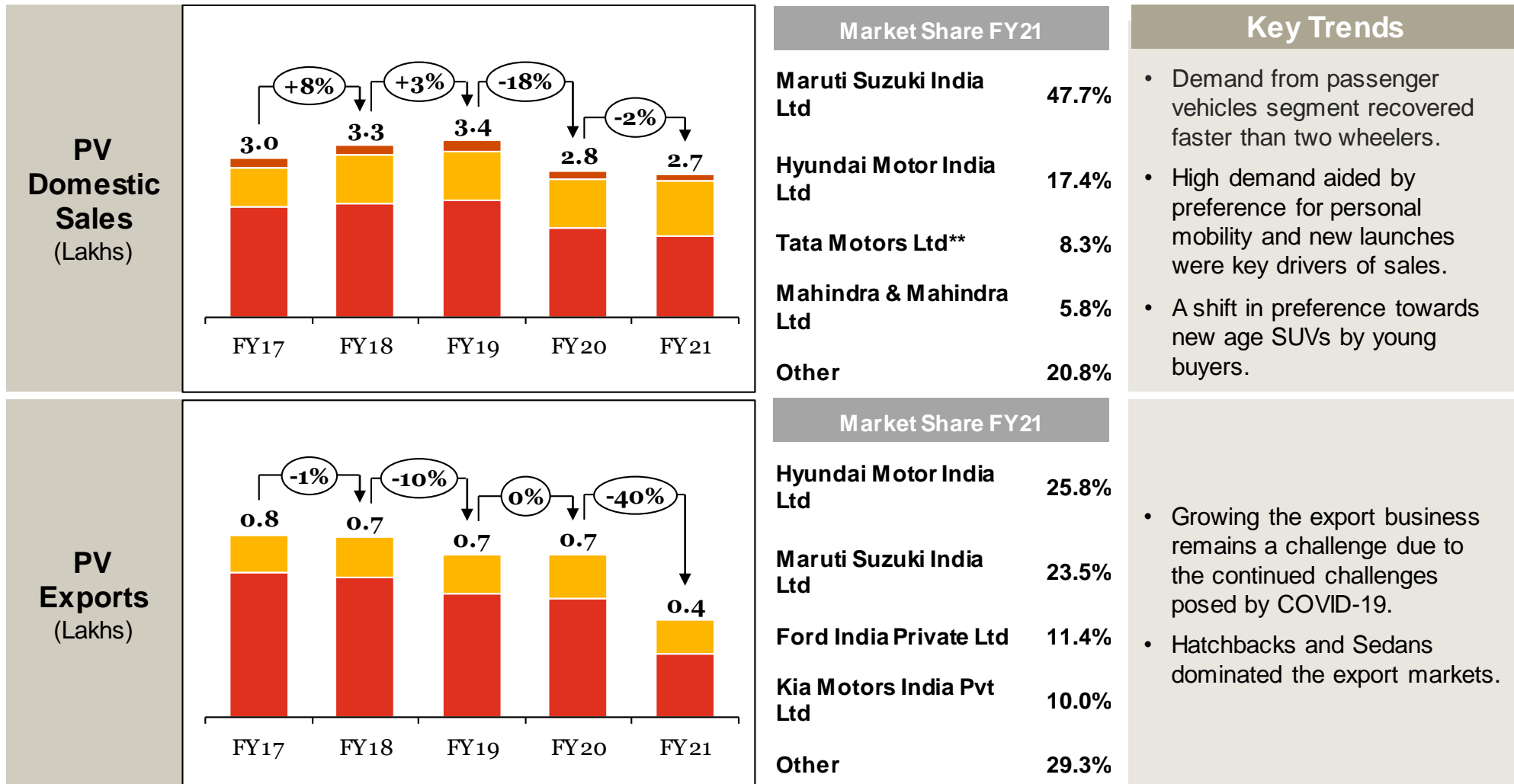
### Going Forward

- **Second wave of COVID-19** in few states has resulted in partial lockdown – speculations on supply chain disruption.
- **Sourcing strategies** will continue to be a **key focus area** for companies - **Raw material index** expected to **increase 2% more** than last fiscal year.
- **Vehicle scrappage policy** (eff. April '22), is **expected to revive demand**.
- **Passenger vehicle production** is expected to recover by **25-27% in fiscal year 2022**.
- **CV production** projected to **grow by 40-42% on-year in FY22**. Improved fleet utilization for transporters (upward trend in freight rate and volumes), increase in cost of acquisition and government thrust on road infrastructure expected to bolster demand .
- **Resilient rural income factoring a normal monsoon** this year will propel demand for **motorcycle and tractors in FY22**.

# *Segment wise FY 21 industry performance*

## Passenger vehicles

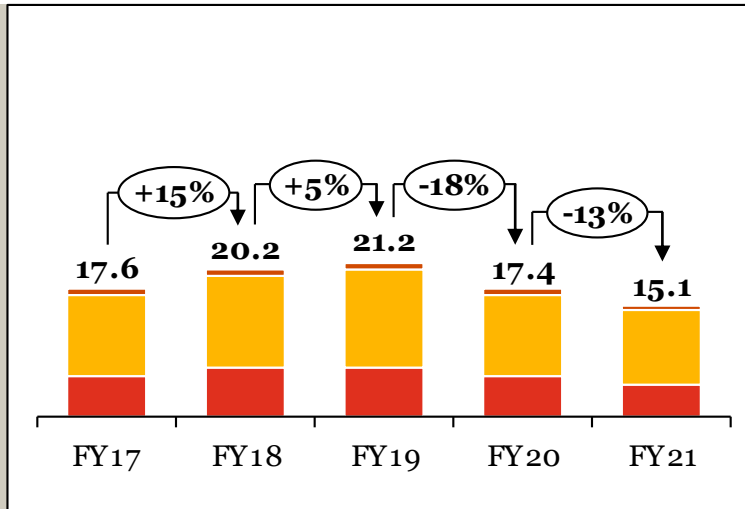
■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans



## 2 wheelers

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

### 2W Domestic Sales (Lakhs)



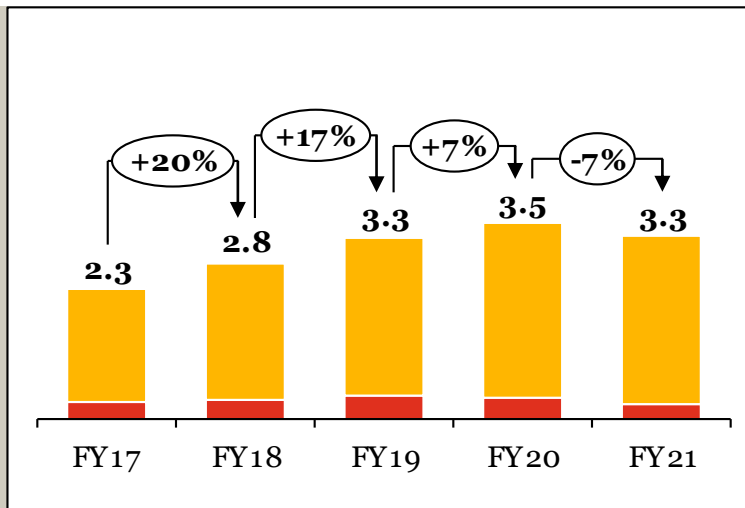
### Market Share FY21

|  |       |
|--|-------|
| Hero MotoCorp Ltd                        | 37.0% |
| Honda Motorcycle & Scooter India Pvt Ltd | 25.6% |
| TVS Motor Company Ltd                    | 14.3% |
| Bajaj Auto Ltd                           | 11.9% |
| Other                                    | 9.7%  |

### Key Trends

- Domestic volumes declined 13% despite Y-o-Y growth in the September, December and March quarters for FY21.
- A dip in demand from the urban and semi-urban markets attributing to work from home practice coupled with negative consumer sentiments among middle-class buyers was a key factor for the decline.

### 2W Exports (Lakhs)



### Market Share FY21

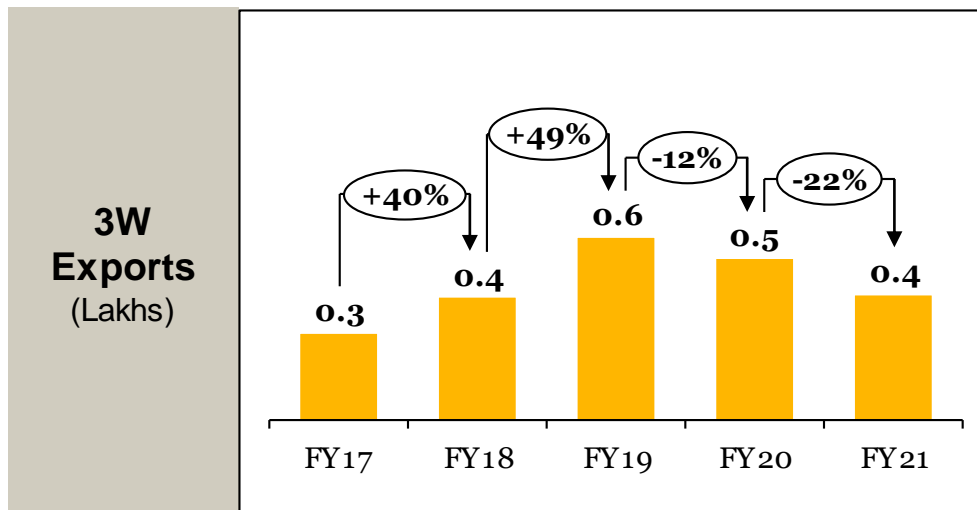
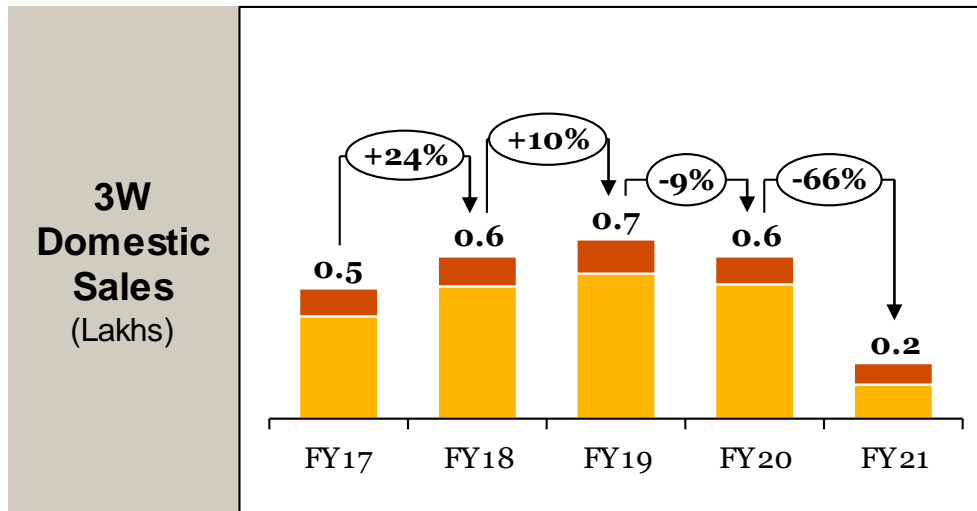
|  |       |
|--|-------|
| Bajaj Auto Ltd                           | 54.8% |
| TVS Motor Company Ltd                    | 23.3% |
| Honda Motorcycle & Scooter India Pvt Ltd | 6.4%  |
| India Yamaha Motor Pvt Ltd               | 5.8%  |
| Other                                    | 9.7%  |

- Although exports were affected by disruptions in supply chain, a strong recovery in the second half of FY21 was driven by sales in ASEAN, South Asia, Middle East Asia and African markets.



## 3 wheelers

Passenger Carrier Goods Carrier



### Market Share FY21

|                          |       |
|--------------------------|-------|
| Bajaj Auto Ltd           | 50.6% |
| Piaggio Vehicles Pvt Ltd | 29.0% |
| Mahindra & Mahindra Ltd  | 9.5%  |
| Atul Auto Ltd            | 7.1%  |
| Other                    | 3.8%  |

### Market Share FY21

|                          |       |
|--------------------------|-------|
| Bajaj Auto Ltd           | 64.7% |
| TVS Motor Company Ltd    | 29.4% |
| Piaggio Vehicles Pvt Ltd | 5.0%  |
| Force Motors Ltd         | 0.6%  |
| Other                    | 0.3%  |

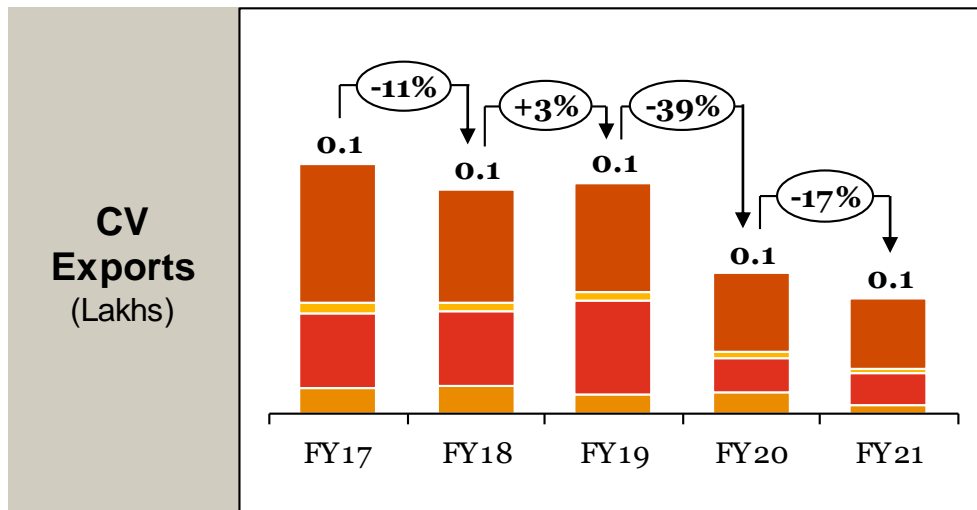
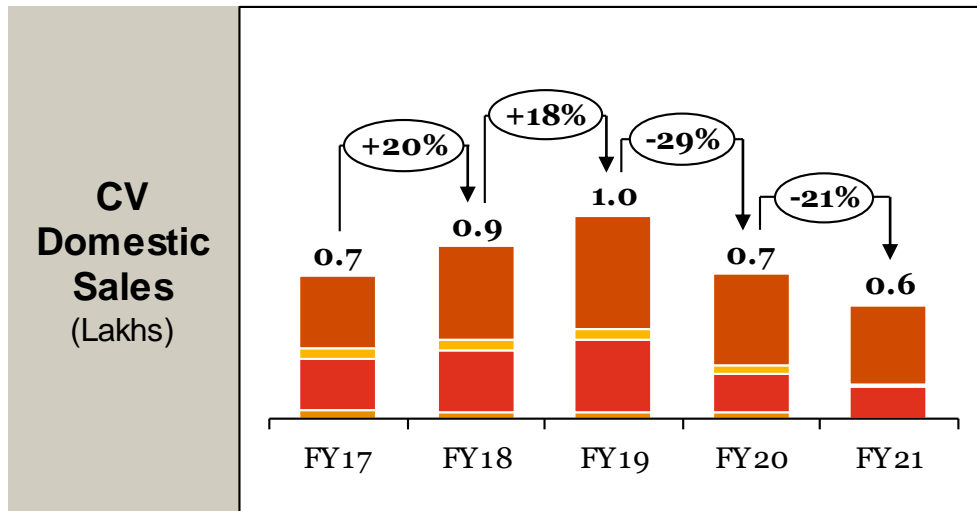
### Key Trends

- Three-wheeler is the most adversely affected segment with 66% Y-o-Y drop in sales.
- Recovery in demand for 3W remains slow. It is expected to regain demand, only after the Covid-19 situation normalizes.
- Last mile connectivity is the key driver of growth for 3W - impacted by lean traffic on buses , local/metro trains.

- Exports for 3W declined 22% Y-o-Y. This can be mainly attributed to the Covid-19 pandemic.
- Africa and LATAM markets saw good recovery, while ASEAN region remained soft.

## Commercial vehicles

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



### Market Share FY21

|                         |       |
|-------------------------|-------|
| Tata Motors Ltd         | 38.9% |
| Mahindra & Mahindra Ltd | 35.4% |
| Ashok Leyland Ltd       | 13.4% |
| VECV-Eicher             | 5.1%  |
| Other                   | 7.5%  |

### Key Trends

- CV volumes continued to show strong recovery, driven by a robust increase in infrastructure, mining, and e-Commerce activities in the country from Q3 FY21
- While the M&HCV segment saw growth in H2 FY21, the bus segment remains sluggish.

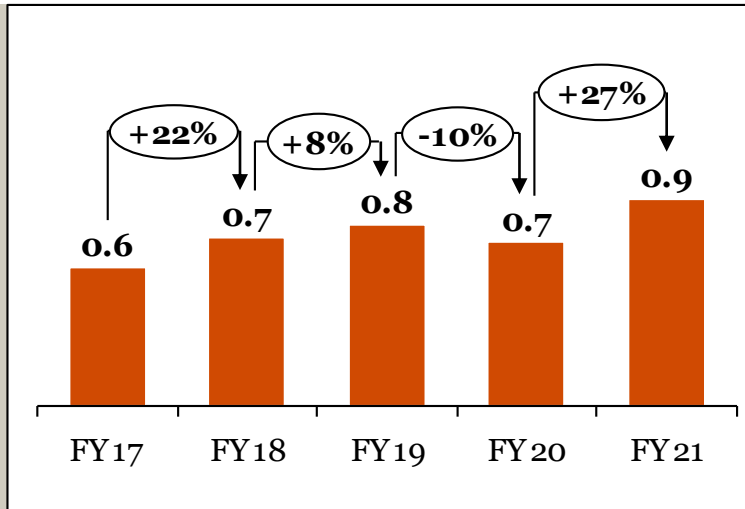
### Market Share FY21

|                         |       |
|-------------------------|-------|
| Tata Motors Ltd         | 39.9% |
| Mahindra & Mahindra Ltd | 22.4% |
| Ashok Leyland Ltd       | 15.9% |
| VECV-Eicher             | 9.9%  |
| Other                   | 11.8% |

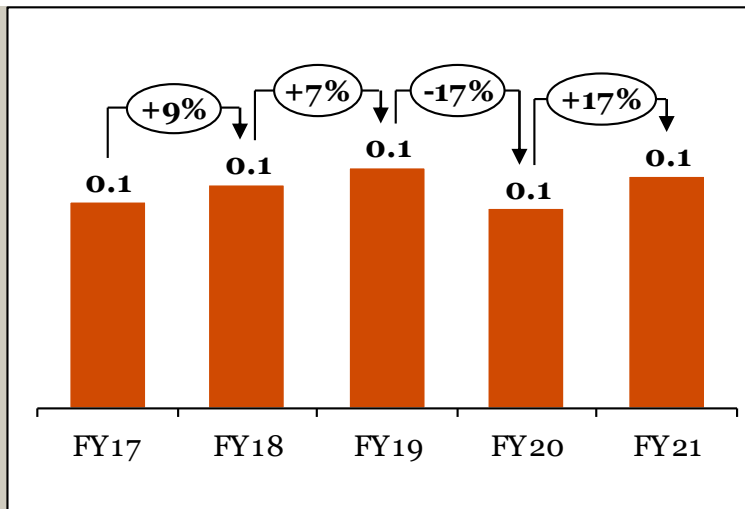
- Consumer sentiments and demand was sluggish for overseas orders.
- Major export markets (Middle east, South Asia) saw a recovery in H2 FY21.

# Tractors

## Tractors Domestic Sales (Lakhs)



## Tractors Exports (Lakhs)



### Market Share FY21

|                             |        |
|-----------------------------|--------|
| Mahindra & Mahindra Ltd.    | 38.20% |
| TAFE                        | 18.41% |
| International Tractors Ltd. | 13.71% |
| Johndeere                   | 10.47% |
| Other                       | 19.20% |

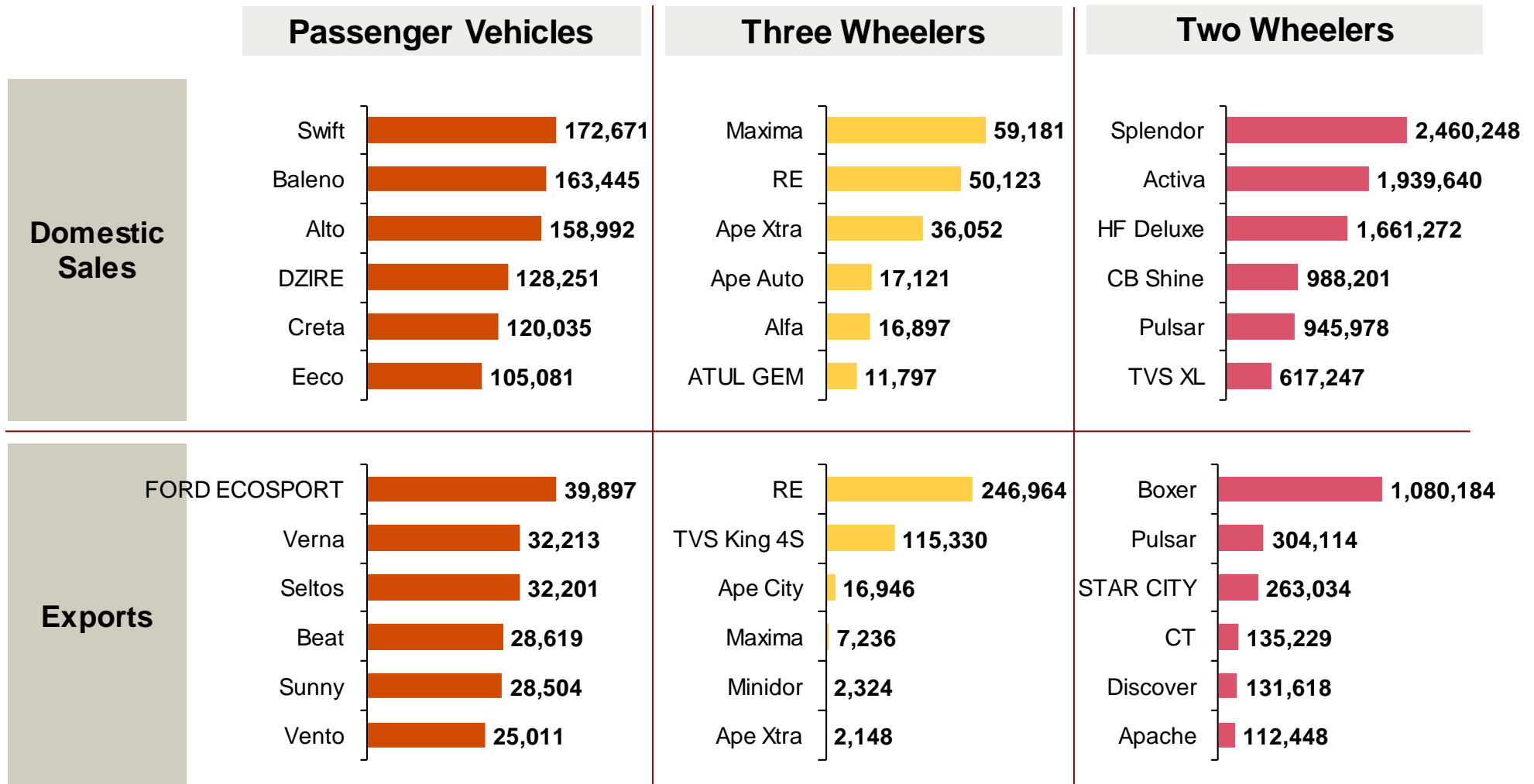
### Market Share FY21

|                             |        |
|-----------------------------|--------|
| International Tractors Ltd. | 24.86% |
| Johndeere                   | 16.78% |
| TAFE                        | 16.59% |
| New Holland India           | 14.22% |
| Other                       | 27.54% |

### Key Trends

- An expansion in Rabi acreage, high reservoir levels, and higher liquidity in the hands of farmers with timely Kharif procurement were key drivers of sales.
- Tractor exports in FY21 improved by 16% despite supply constraints for most of the year but aided by robust demand from Europe and Latin America and players such as Escorts developing strategic partnerships.
- Africa and Asia would likely remain the focal regions for long-term exports.

## FY21 Model-wise Sales





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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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