

Quarterly vehicle industry performance – FY22

Prepared for ACMA

*Strictly private
and confidential*

April 2022



Contents

Executive Summary	3
Segment-wise FY 22 Industry Performance	6

To navigate this report on-screen (in pdf format)

From any page – click on the section title in the header navigation bar

From this Contents page – click on the title of the section or sub-section

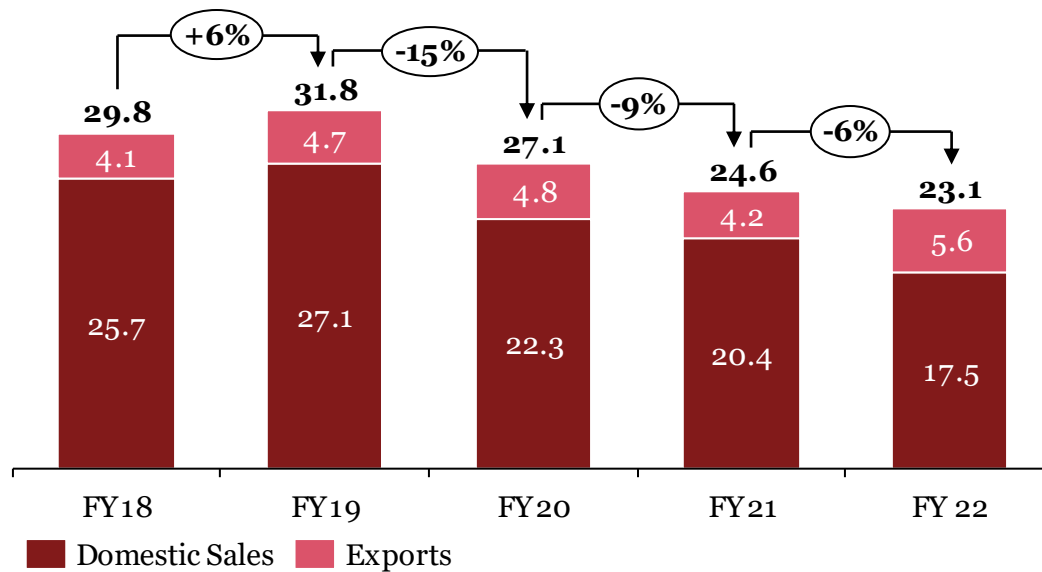
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Executive Summary

Automotive industry performance overview FY22

OEM - Domestic sales and exports | million units



Indian automotive domestic sales and exports shrank at an overall CAGR of 6% over last 5 years.

Sluggish demand in tractors & 2-wheelers; Strong growth in exports

- Declining consumer demand in rural areas due to strong income impact during covid
- Exports rose significantly due to strong global demand & international market focus of OEMs

Vehicle segment	Dom. Sales Y-o-Y FY21 vs. FY22	Exports Y-o-Y FY21 vs. FY22
	▼ 11%	▲ 35%
	▲ 13%	▲ 43%
	▲ 26%	▲ 83%
	▼ 6%	▲ 45%
	▲ 19%	▲ 27%
TOTAL	▼ 6%	▲ 36%

Key Updates

Past Trends

- Record-high retail fuel prices globally – caused by supply disruptions – forced the govt. to slash taxes on petrol and diesel and triggered renewed interest in EVs.
- Lack of supply in the PV market due to chip shortages and unusually weak demand for 2Ws meant that India saw its worst festive season in almost a decade.
- Reduced expenditure on marketing during the holiday season by OEMs and retailers due to supply chain woes.
- Prioritization of personal mobility over shared mobility will continue until a return to normalcy from the COVID-19 pandemic.
- The ongoing semiconductor shortage crisis impacted production numbers of CVs, 2Ws and PVs by 15-20% by the end of the previous calendar year and is expected to continue to do so in 2022, especially since vehicles are becoming increasingly more reliant on semiconductors due to higher electrification.

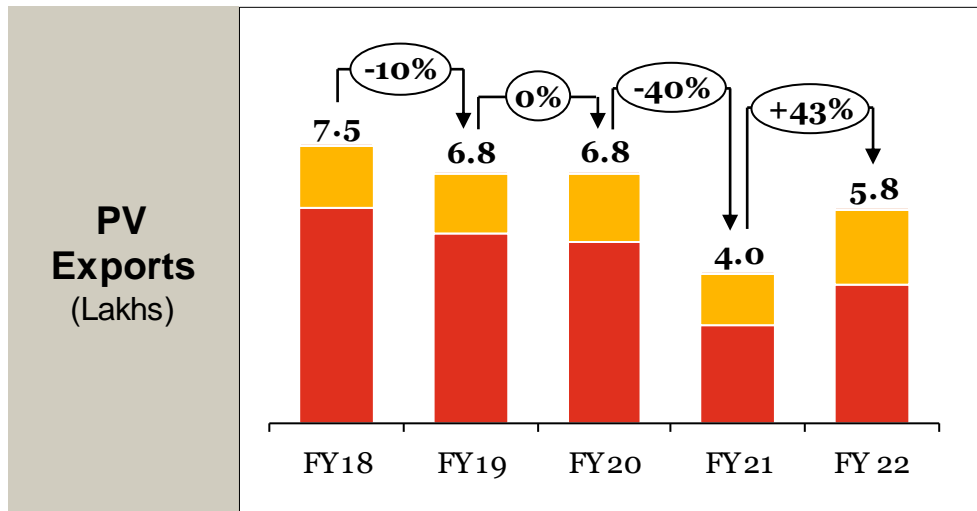
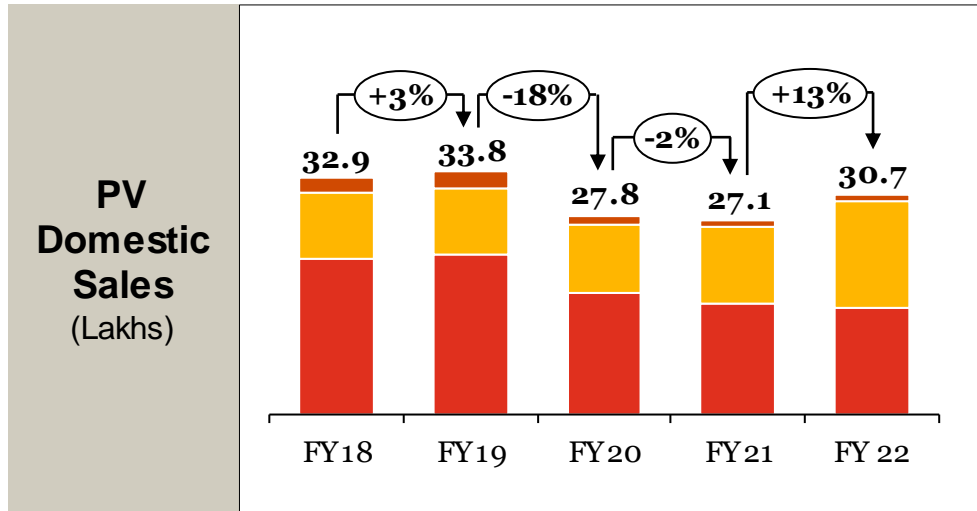
Going Forward

- Inflationary cost pressures stemming from high commodity costs shall continue well into 2022. OEMs may raise prices in a batched manner
- There is also a threat of cost increases in the PV segment owing to a government mandate on installing every passenger vehicle with 6 airbags
- Geopolitical tensions in Russia-Ukraine region along with covid related lockdowns in China may result in supply chain woes for components players & auto OEMs. Strong demand forecasting coupled with supply chain visibility will be important factors in managing supplies
- Acceptability of EVs continues to increase; 2-wheeler segment poised to witness record sales numbers in fiscal '23 competing with ICE 2-wheeler sales in urban areas
- Rise in orders from global passenger vehicle OEMs; EVs to account for 15-20% of component makers' portfolio in the next 3-4 years

Segment-wise FY 22 Industry Performance

Passenger vehicles

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans



Market Share FY22

Maruti Suzuki India Ltd	43.38%
Hyundai Motor India Ltd	15.69%
Tata Motors Ltd	12.16%
Mahindra & Mahindra Ltd	7.36%
Other	21.41%

Market Share FY22

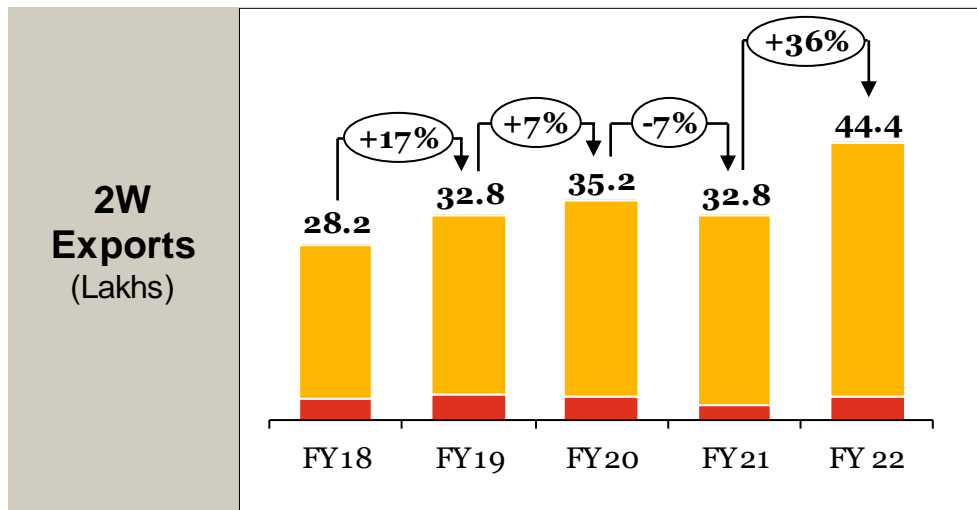
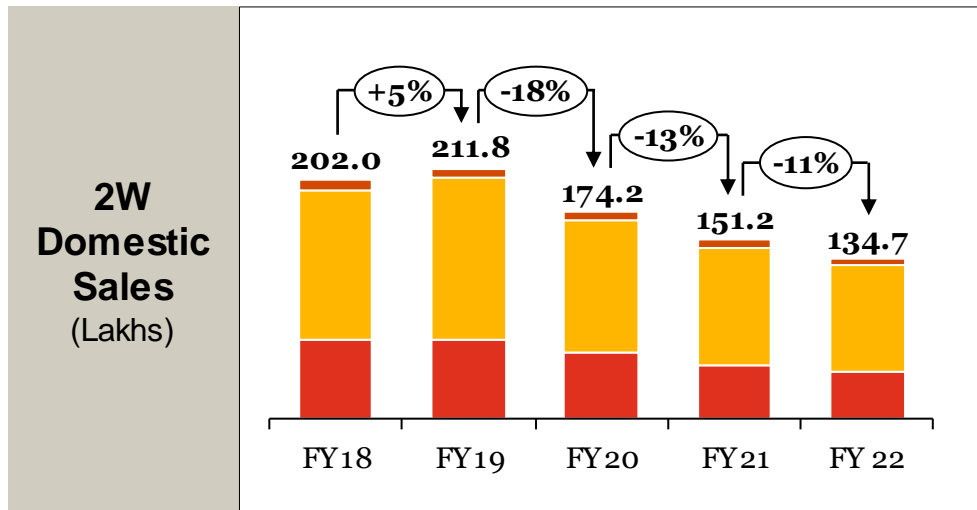
Maruti Suzuki India Ltd	40.78%
Hyundai Motor India Ltd	22.37%
Kia Motors India Pvt Ltd	8.80%
Volkswagen India Pvt Ltd	7.45%
Other	20.60%

Key Trends

- Despite chip shortages, PVs recorded growth over previous fiscal due to strong demand for personal mobility
- The SUV segment continues record sales growth as OEMs continue to concentrate new model launches in this segment
- The entry level PV segment saw reduced demand as customers in this segment were more wary of spending
- Strong exports were recorded in FY22 as India moves away from its reputation of a small car manufacturer
- Utility vehicles recorded a 46% y-o-y increase in exports. Passenger car exports increased by 42%
- Dzire, Baleno, Swift, Seltos & Verna were among the top export models

2 wheelers

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



Market Share FY22

Hero MotoCorp Ltd	34.50%
Honda Motorcycle & Scooter India Pvt Ltd	25.80%
TVS Motor Company Ltd	15.20%
Bajaj Auto Ltd	12.20%
Other	11.80%

Market Share FY22

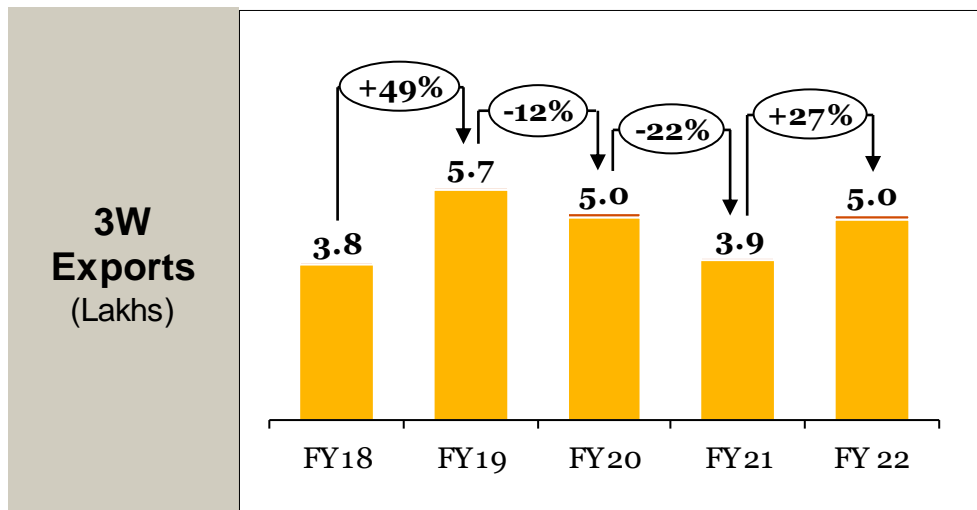
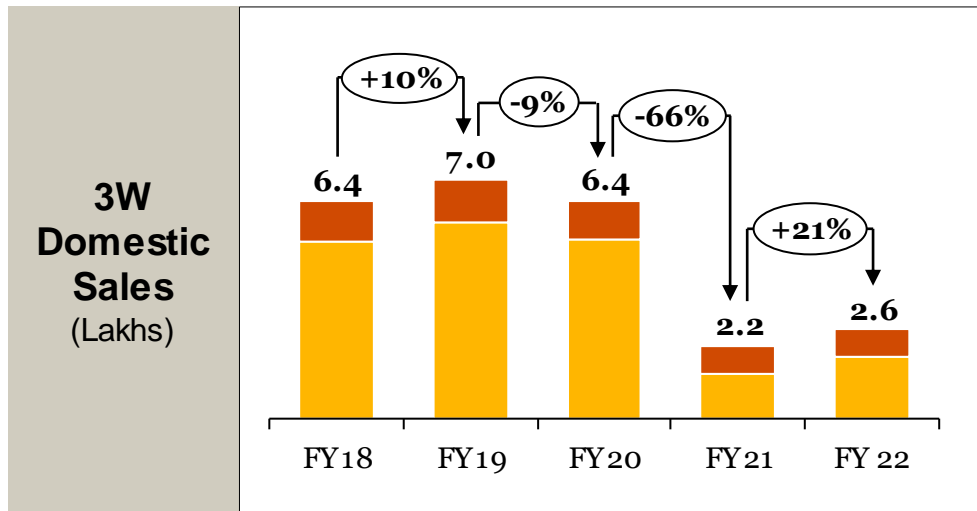
Bajaj Auto Ltd	49.40%
TVS Motor Company Ltd	24.50%
Honda Motorcycle & Scooter India Pvt Ltd	7.50%
Hero MotoCorp Ltd	6.80%
Other	11.80%

Key Trends

- Entry level segments in tier 2 and tier 3 cities saw major sales declines as the rural economy still recovers from the impact on incomes
- The premium motorcycle segment saw shoots of demand but was affected by supply constraints from ship shortages
- Indian OEMs' deepening presence in international market has led to healthy exports growth
- Motorcycles between 100cc to 250cc continue to remain favourites among international customers

3 wheelers

Passenger Carrier Goods Carrier



Market Share Q3 FY22

Bajaj Auto Ltd	61.50%
Piaggio Vehicles Pvt Ltd	16.60%
Mahindra & Mahindra Ltd	11.50%
Atul Auto Ltd	5.50%
Other	4.90%

Market Share Q3 FY22

Bajaj Auto Ltd	61.30%
TVS Motor Company Ltd	32.60%
Piaggio Vehicles Pvt Ltd	5.00%
Force Motors Ltd	0.60%
Other	0.50%

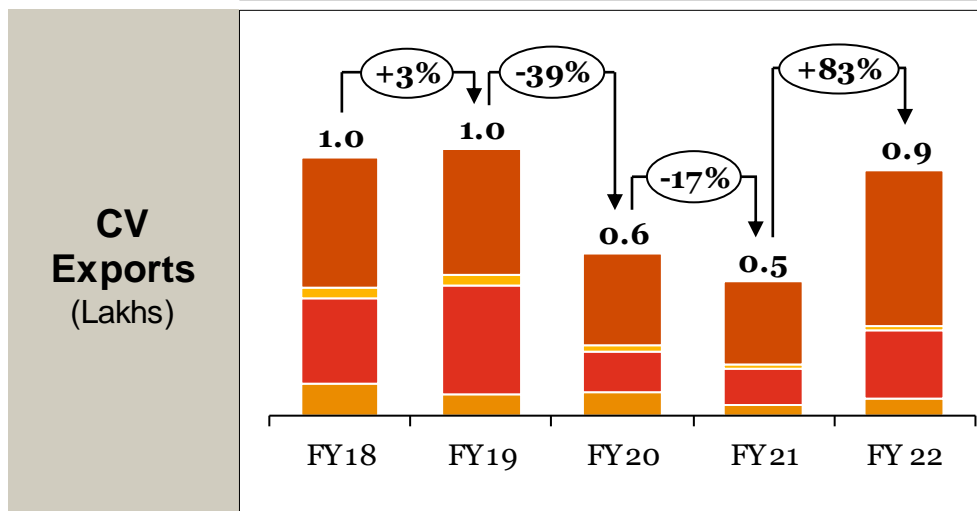
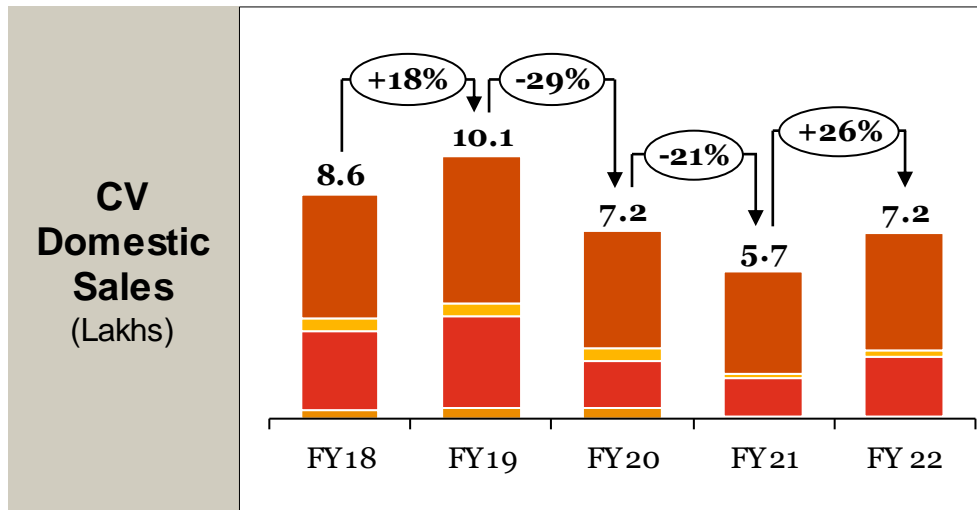
Key Trends

- While sales recovered by 21% YoY, sales volume remains severely impacted as work-from-home & localized lockdowns interrupted demand for short & medium distance travel

- Bajaj Auto continues to dominate the exports market, followed by TVS.
- Exports increased as major international markets for 3Wh saw limited covid impacts
- Rising raw material prices have negatively impacted profit margins of manufacturers, thus leading to a hike in prices of exports

Commercial vehicles

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



Market Share Q3 FY22

Tata Motors Ltd	44.58%
Mahindra & Mahindra Ltd	27.42%
Ashok Leyland Ltd	16.37%
VECV-Eicher	6.61%
Other	7.72%

Market Share Q3 FY22

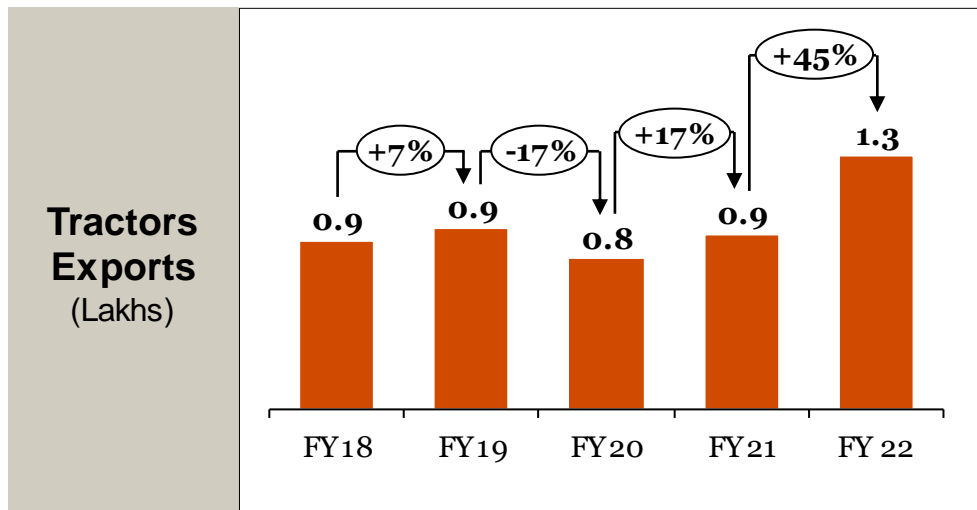
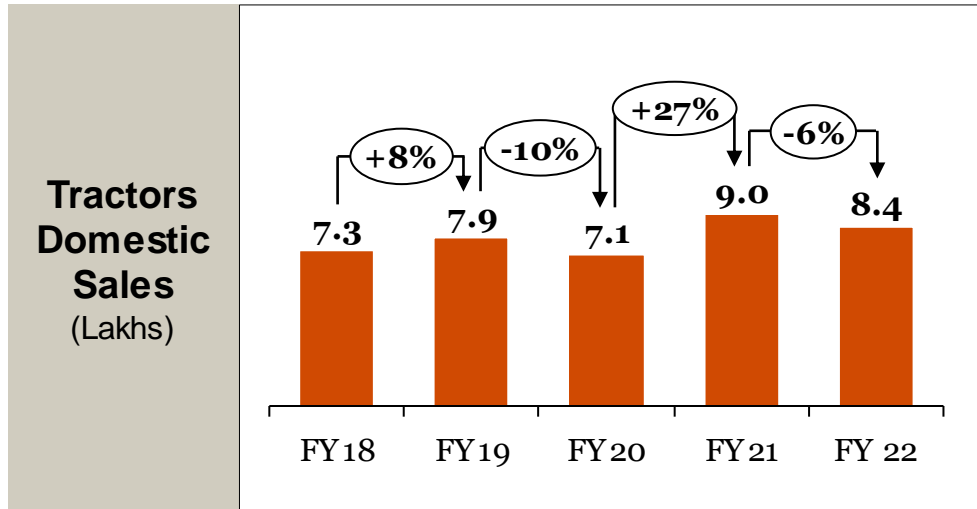
Tata Motors Ltd	37.49%
Mahindra & Mahindra Ltd	23.47%
Isuzu Motors India Pvt Ltd	13.64%
Ashok Leyland Ltd	11.93%
Other	13.47%

Key Trends

- A surge in economic activity led to a healthy sales growth for CV goods manufacturers
- However, work-from-home, localized lockdowns & continuation of social distancing norms have severely impacted the CV passenger segment
- Rising input prices are resulting in increase of retail prices

- The recovery in exports was driven by LCV Goods vehicles as globally, economies opened-up post the 2nd wave
- Exports for Passenger CVs continue struggle due to low capacity utilization of existing vehicle parc internationally

Tractors



Market Share Q3 FY22

Mahindra & Mahindra Ltd.	40.02%
TAFE	17.98%
International Tractors Ltd.	12.00%
Escorts Ltd.	10.35%
Other	19.65%

Market Share Q3 FY22

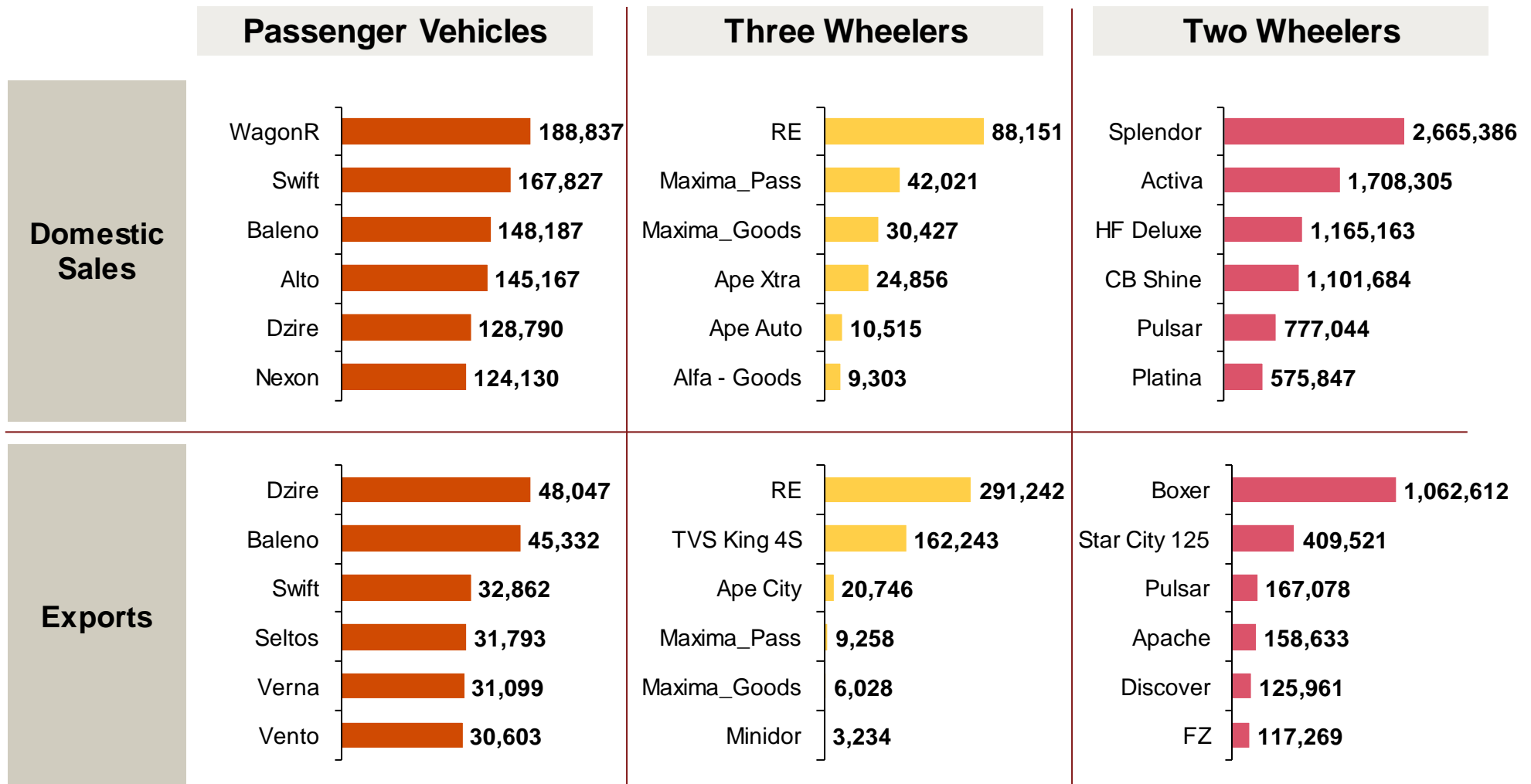
International Tractors Ltd.	27.25%
Johndeere	17.58%
TAFE	15.29%
Mahindra & Mahindra Ltd.	13.72%
Other	26.16%

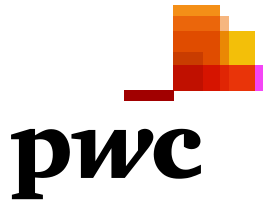
Key Trends

- Muted buying sentiment in rural areas during the latter half of the year oversaw a 6% drop in sales Y-o-Y
- The demand for heavy duty tractors in the 51 hp & above segment saw the heaviest decrease

- Agricultural production remained unaffected by COVID-19 lockdowns and restrictions, thus allowing exports of tractors to grow despite covid related concerns
- While growth of exports is driven by the Upto 30 hp segment, volumes are predominantly contributed by Above 51 hp segment

FY22 Model-wise Sales





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PwC contacts for ACMA Knowledge Partnership

- Kavan Mukhtyar, Partner & Leader-Automotive, PwC India – kavan.mukhtyar@pwc.com / +912261198735
- Akhilesh Oberoi, ACMA Knowledge Partnership Manager – akhilesh.oberoi@pwc.com / +911244620724

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

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