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# Quarterly vehicle industry performance – Q1 FY22 Prepared for ACMA

Strictly private and confidential

August 2021





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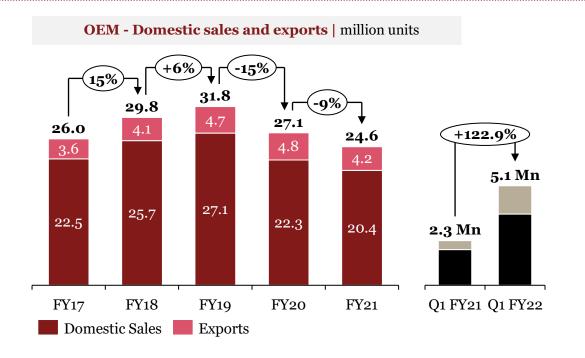
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# Executive Summary

### Automotive industry performance overview Q1-FY22



#### Rebound in domestic demand following second wave of Covid-19

Easing in dealership inventory to meet pent-up demand from lockdown

Improving consumer sentiment; strong rural cash flows

Vehicle segment	<b>Dom. Sales</b> Q-o-Q Q1 21-Q1 22	<b>Exports</b> Q-0-Q Q1 21-Q1 22
27	▲ 86%	<b>▲</b> 236%
	<b>▲</b> 320%	<b>▲</b> 191%
<u> </u>	<b>▲</b> 234%	<b>▲</b> 314%
	<b>▲</b> 39%	<b>▲</b> 147%
	<b>▲</b> 91%	▲ 172%
TOTAL	<b>▲</b> 106%	<b>▲</b> 218%

#### **Key Updates**

## Past Trends

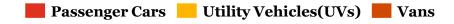
- This report entails the months of April, May & June in which the 2<sup>nd</sup> lockdown transpired due to the Covid-19 pandemic – Overall sales declined ~46% (vs Q4 FY21)
- **OEMs shut down manufacturing plants** to produce oxygen for medical purposes;
- Dealerships could not operate, leading to subdued sales
- Closure of outlets due to weekend lockdowns affected sales
- EV & CNG sales surged on subsidies and rising fuel costs
- OEMs increasing digitization and automation of sales amongst other marketing channels

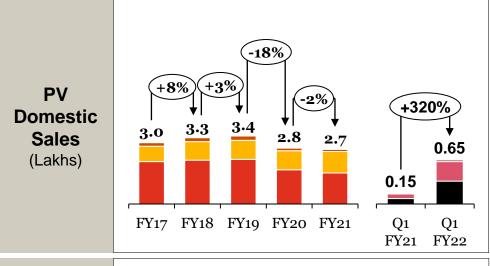
# Going Forward

- Industry expected to recover further; owing in increase in per capita income (▲10-15%, according to RBI)
- Fear of third wave of COVID-19 later in the year coupled with steep increase in commodity prices & semiconductor shortage - speculations on supply chain disruption.
- PVs expected to recover 17-20% Y-o-Y in FY22
- CVs expected to recover on the back of higher fleet utilization and improvement in loan recovery rate
- Strong agricultural incomes are expected to continue helping grow the rural market.

# Segment wise Q1 FY 22 industry performance

#### Passenger vehicles

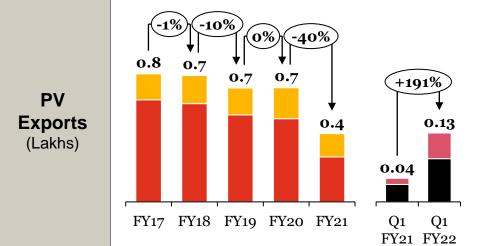




Market Share Q1	F 1 2 2
Maruti Suzuki India Ltd	45.4%
Hyundai Motor India Ltd	17.7%
Tata Motors Ltd**	10.1%
Mahindra & Mahindra Ltd	6.7%
Other	20.2%

#### **Key Trends**

- Strong recovery in June, following lockdown in months of April, May
- Despite several constraints, EV sales surged as Tata posted highest ever quarterly sales
- OEMs looking to increase production as lockdown restrictions are lifted

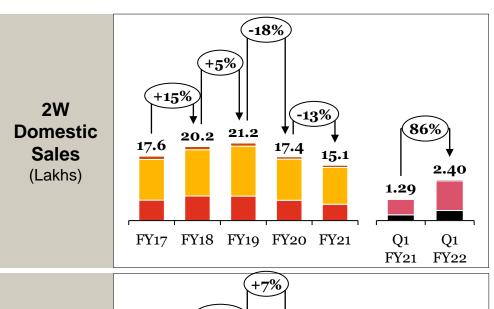


Market Share Q1 F	Y22
Maruti Suzuki India Ltd	35.5%
Hyundai Motor India Ltd	23.5%
Kia Motors India Pvt Ltd	9.8%
Volkswagen India Pvt Ltd	9.1%
Other	22.2%

- Maruti Suzuki took the highest market share in the 1<sup>st</sup> quarter, above Hyundai Motors
- SUVs exports increasing; Creta, EcoSport and Seltos – top 3 UVs exported in Q1 FY22

#### 2 wheelers

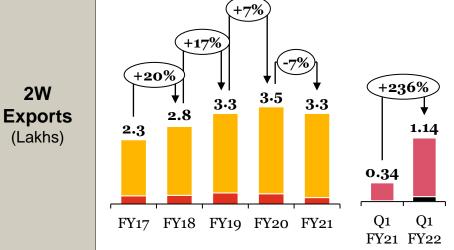




Market Share Q1 FY22	
Hero MotoCorp Ltd	39.1%
Honda Motorcycle & Scooter India Pvt Ltd	20.4%
TVS Motor Company Ltd	13.7%
Bajaj Auto Ltd	14.3%
Other	12.5%

#### **Key Trends**

- Recovery in two-wheeler sales was driven by multiple ownership in urban areas & in tier 2 cities
- Strong rural cash flows coupled with EV policy rollouts expected to drive sales

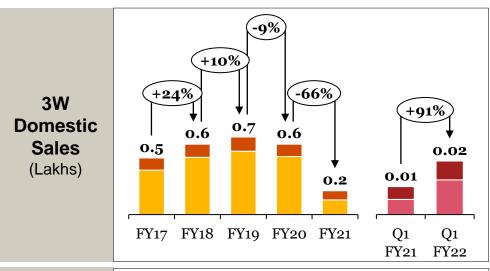


Market Share Q1 FY22	
Bajaj Auto Ltd	48.9%
TVS Motor Company Ltd	25.5%
Hero MotoCorp Ltd	7.4%
Honda Motorcycle & Scooter India Pvt Ltd	7.3%
Other	10.9%

- Bajaj Auto remains the market leader in exporting 2-wheelers from India
- Exports to major markets in Asia and Africa were impacted due to political tensions, thrust towards localization and lower crude oil prices.

#### 3 wheelers

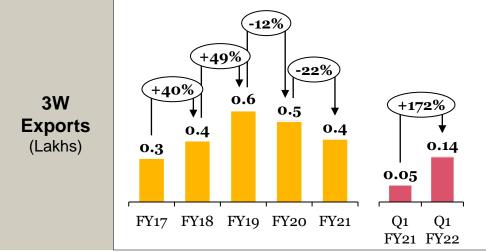
#### Passenger Carrier Goods Carrier



Market Share Q1 F	1 22
Bajaj Auto Ltd	71.7%
Mahindra & Mahindra Ltd	10.2%
Piaggio Vehicles Pvt Ltd	8.8%
TVS Motor Company Ltd	4.9%
Other	4.5%

#### **Key Trends**

- Recovery in demand for 3W remains slow.
- Last mile connectivity remains the key driver of growth for 3W - impacted by lean traffic on buses, local/metro trains.
- High raw material prices negatively impacting margins for manufacturers.

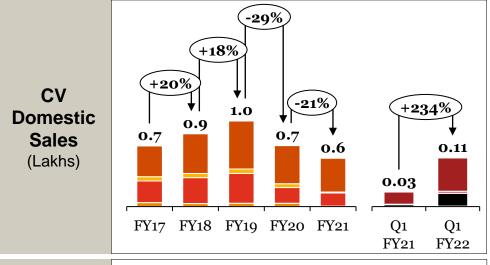


Market Share Q1 FY22	
Bajaj Auto Ltd	65.8%
TVS Motor Company Ltd	27.8%
Piaggio Vehicles Pvt Ltd	5.7%
Force Motors Ltd	0.5%
Other	0.2%

- OEMs pushing their exports significantly; eyeing new areas of expansion in the overseas markets.
- Africa, LATAM & ASEAN remain key markets

#### Commercial vehicles

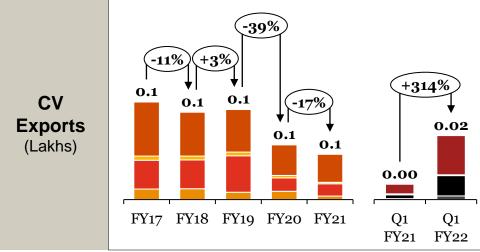




Market Share Q1 FY22	
Tata Motors Ltd	40.5%
Mahindra & Mahindra Ltd	32.2%
Ashok Leyland Ltd	15.6%
Maruti Suzuki India Ltd	3.8%
Other	7.9%

#### **Key Trends**

- LCV & MHCVs sales declined owing to higher inventory and second wave of the pandemic
- Bus sales remain muted with mobility restrictions
- High Raw material prices to restrict significant recovery



Market Share Q1 F	Y22
Tata Motors Ltd	41.6%
Mahindra & Mahindra Ltd	24.6%
Isuzu Motors India Pvt Ltd	10.9%
VECV-Eicher	10.4%
Other	12.5%

- Tata motors took the highest market share in CV exports at 41%
- Reopening of economies in Africa and Middle east aided exports from India

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#### **Tractors**

#### -10% **YTD** +8% +27% +22% **Tractors** +39% **Domestic** 0.8 0.7 0.23 **Sales** 0.6 0.17 (Lakhs) Q1 Q1 FY17 FY18 FY19 FY20 FY21 FY21 FY22

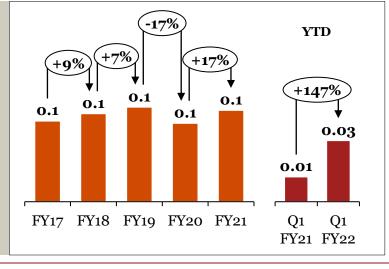
#### Market Share Q1 FY22

Mahindra & Mahindra Ltd.	41.8%
TAFE	18.4%
International Tractors Ltd.	11.7%
Escorts Ltd.	10.7%
Other	17.4%

#### **Key Trends**

- Tractor sales remain strong on the back of strong rural economy.
- Timely arrival of monsoons, fall in Covid-19 cases, increase in MSP rates for Kharif crops and continued Government support were key factors in driving demand

## Tractors Exports (Lakhs)

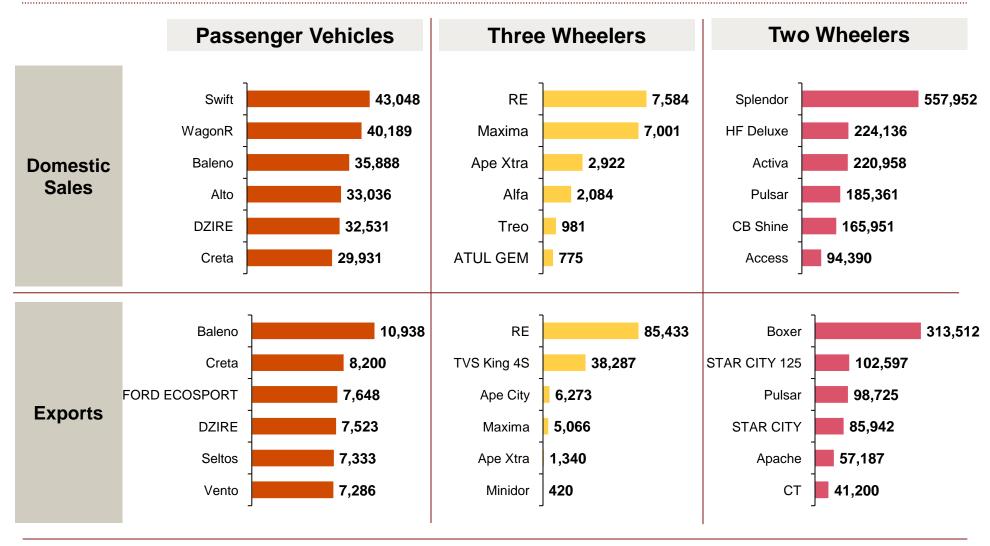


#### Market Share Q1 FY22

International Tractors Ltd.	23.8%
Johndeere	18.9%
TAFE	15.3%
Mahindra & Mahindra Ltd.	15.3%
Other	27.2%

- Tractor exports have grown as agricultural production has remained unaffected by COVID-19 lockdowns and restrictions globally
- Exports aided by demand from Europe and Latin America

#### Q3 FY21 Model-wise Sales



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<sup>\*\*</sup> This map is not to scale. It is an indicative outline intended for general reference use only.