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# *Quarterly vehicle industry performance – Q2 FY21*

Prepared for ACMA

*Strictly private  
and confidential*

*October 2020*



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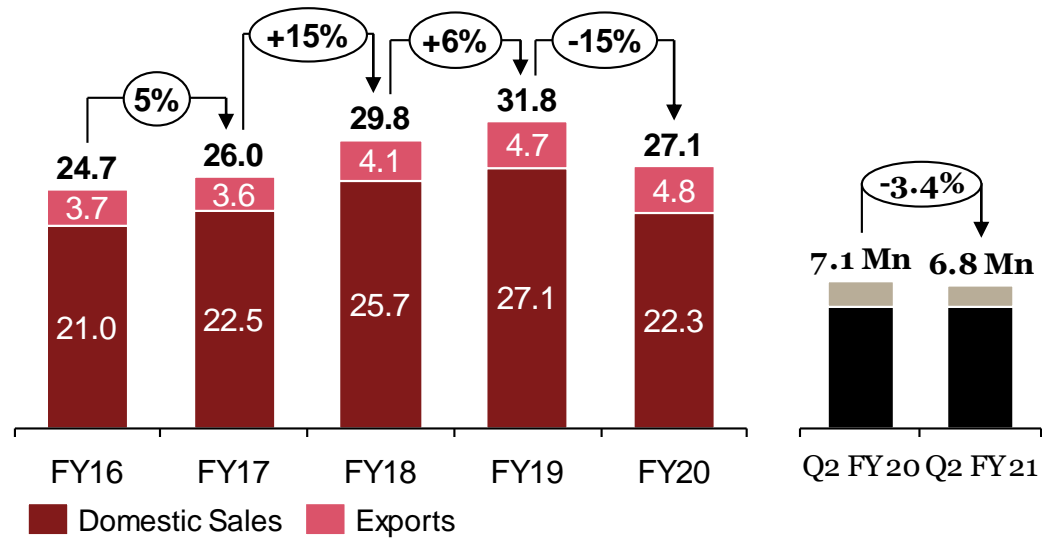
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# *Executive Summary*

# Automotive industry performance overview

## Q2-FY21

OEM - Domestic sales and exports | million units



Indian automotive domestic sales and exports grew at an overall CAGR of 2% over last 5 years.

### Slowdown in domestic demand due to increase in vehicle ownership costs

- COVID-19 lockdown and suspension of retail in April and May
- Slowing economic growth, rising unemployment

Vehicle segment	Dom. Sales Q-o-Q Q2 20-Q2 21	Exports Q-o-Q Q2 20-Q2 21
	0%	▼ 15%
	▲ 17%	▼ 42%
	▼ 20%	▼ 49%
	▲ 41%	▲ 12%
	▼ 75%	▼ 22%
<b>TOTAL</b>	▼ 1%	▼ 21%

## Key Updates

### Past Trends

- Increased vehicle costs, stricter insurance, safety standards have impacted the price competitiveness of vehicles
- Continued high tax burden on vehicle makers: GST rate of 28% categorizing 4 wheelers as 'luxury goods'
- Axle norms, reduced industrial spending relaxing demand for new trucks and freight
- COVID-19 lockdown: suspension of all retail in latter half of March, April, early parts of May
- Logistical concerns in factories: shortage of workers, localized lockdowns affecting existing supply chains; dealers struggling to procure inventory
- Slow economic growth exacerbated by lockdown: expectation of major GDP downturn in FY 21

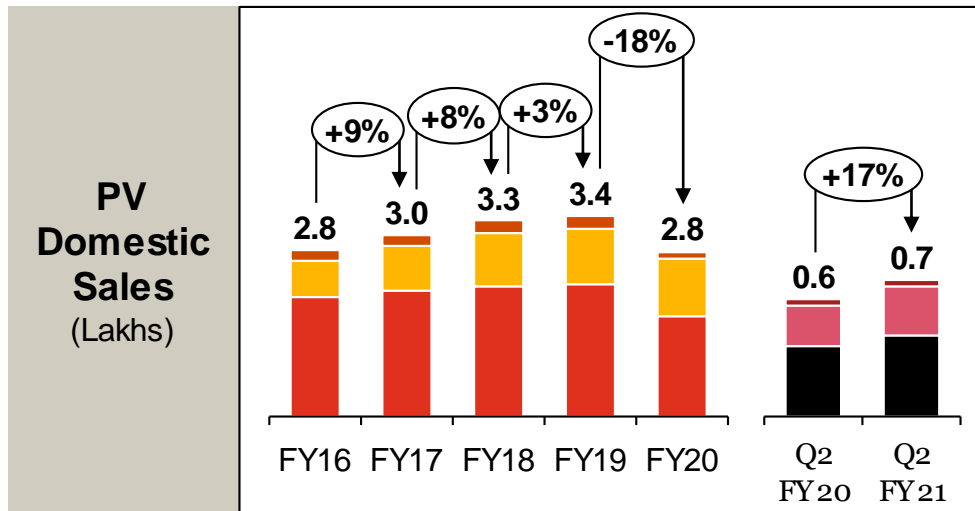
### Going Forward

- As lockdowns were eased across the country, enquiries at dealerships slowly grew as pent-up demand, desire for privacy and reduced attractiveness of shared mobility, public transport played their part.
- OEMs betting on strong demand over festive quarter: vehicle production growing exponentially in hopes of stronger sales to cover for Q1.
- Success of Kia, MG shows the continuing interest in new features, technologies presented at affordable price-points.
- Interest in Compact SUVs expected to trend further upwards, first-time buyers attracted to smaller hatchbacks.
- Majority of economic forecasts predicting downturn in FY 21 due to the pandemic; expectation of some impact to be seen on sales following initial upturn.

# *Segment wise Q2 FY 21 industry performance*

# Passenger vehicles

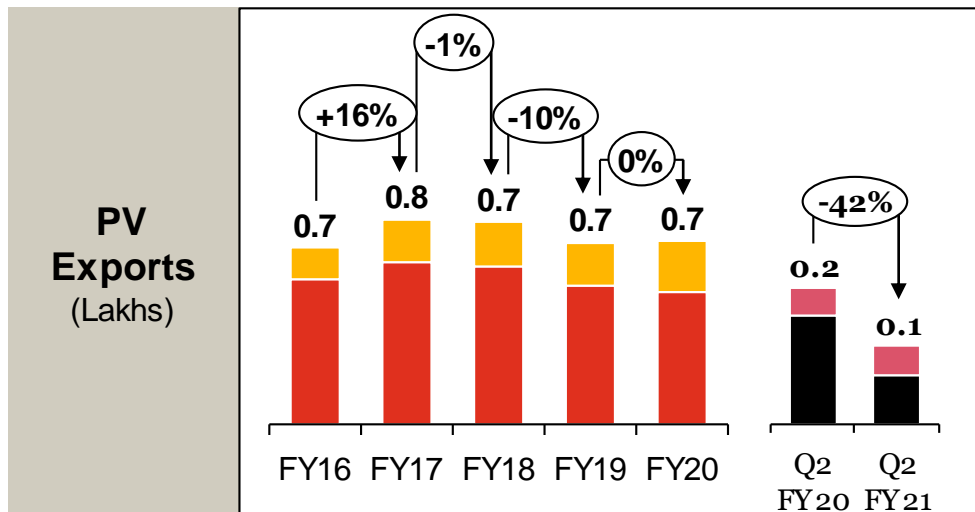
Passenger Cars Utility Vehicles(UVs) Vans



### Market Share Q2 FY21

Maruti Suzuki India Ltd	49.39%
Hyundai Motor India Ltd	18.50%
Tata Motors Ltd	7.64%
Mahindra & Mahindra Ltd	5.44%
Other	19.02%

- ### Key Trends
- Q2 saw reopening of retail across the country as part of the 'Unlock'; pent-up demand, desire for private transport key demand factors
  - Social distancing: auto majors launching online delivery, pivoting to subscription-based models
  - OEMs diverting attention towards growing rural market



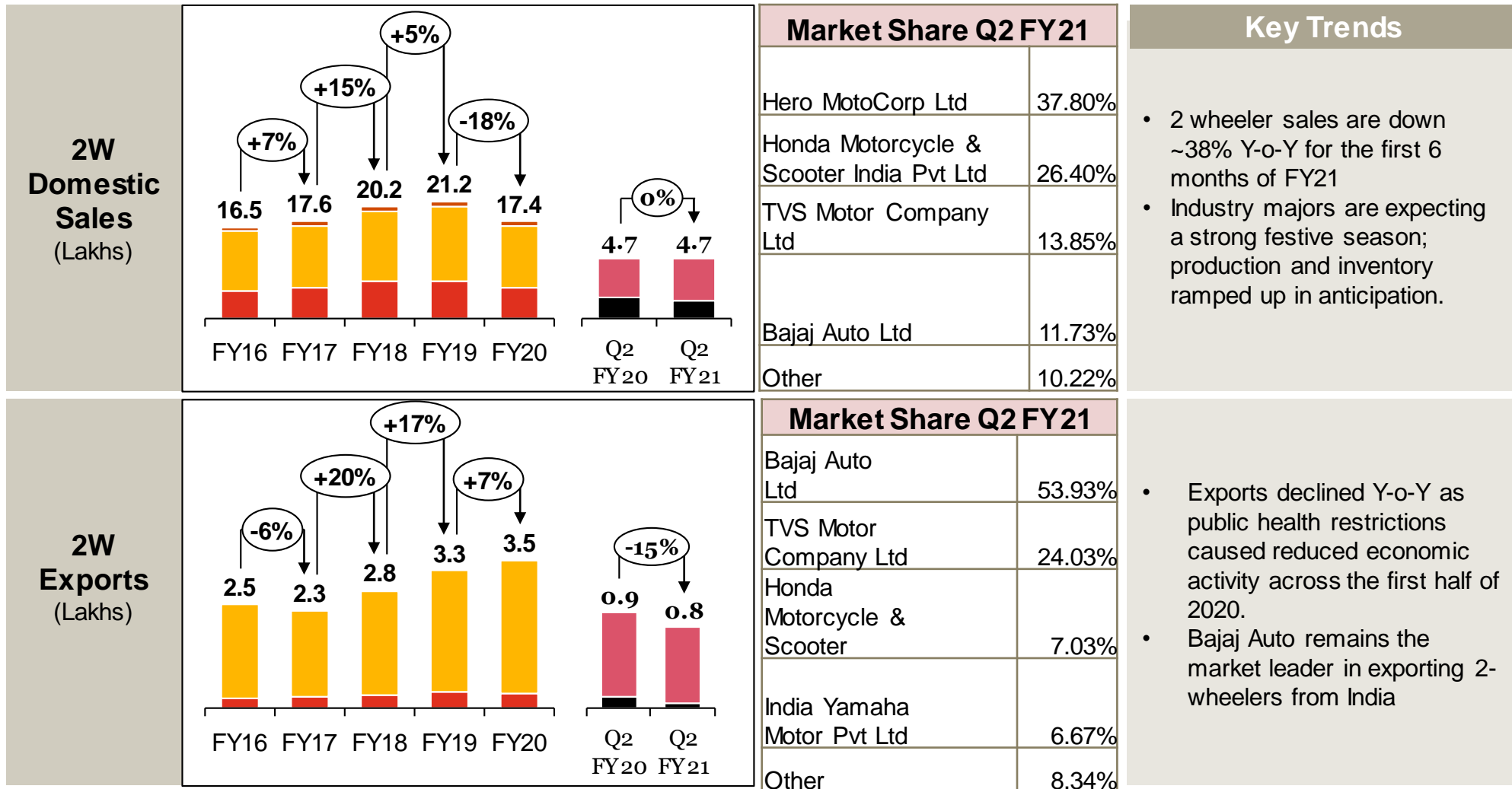
### Market Share Q2 FY21

Maruti Suzuki India Ltd	19.87%
Ford India Private Ltd	18.74%
Hyundai Motor India Ltd	17.37%
General Motors India Pvt Ltd	12.07%
Other	31.95%

- Global economic environment remains impeded by the pandemic; local public health restrictions affecting consumer behavior.
- Improvement in exports seen in Q2 as restrictions were slowly eased around the world.

## 2 wheelers

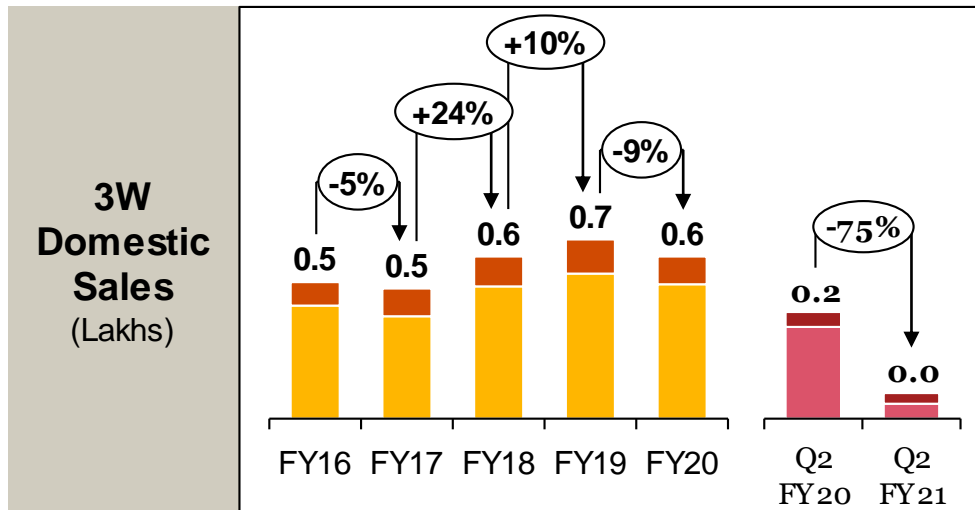
■ Scooter/Scooterette ■ Motor cycles/Step- Throughs ■ Mopeds





## 3 wheelers

Passenger Carrier Goods Carrier

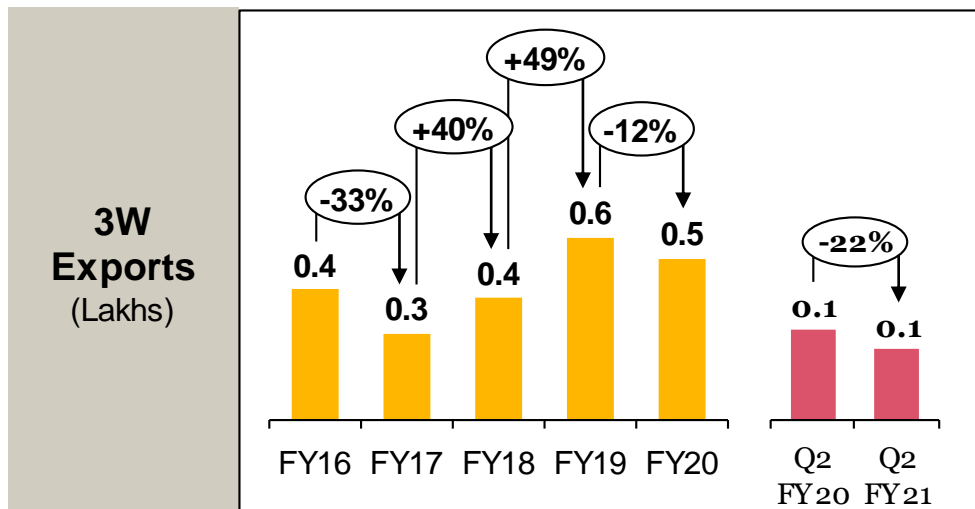


### Market Share Q2 FY21

Bajaj Auto Ltd	50.96%
Piaggio Vehicles Pvt Ltd	33.71%
Atul Auto Ltd	8.42%
TVS Motor Company Ltd	4.77%
Other	2.14%

### Key Trends

- 3 wheeler sales are down ~82% in H1 FY21
- Reduced industrial activity, lockdown of schools have hurt demand

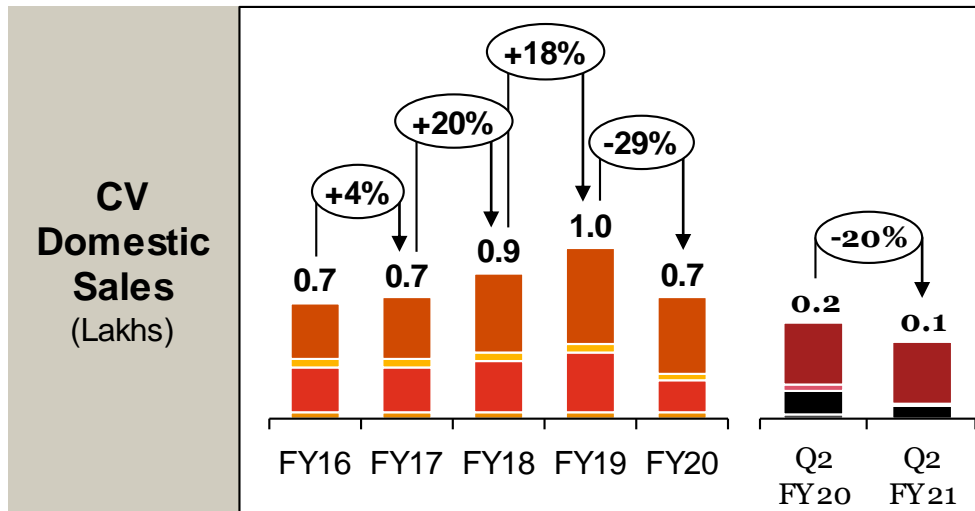


### Market Share Q2 FY21

Bajaj Auto Ltd	63.53%
TVS Motor Company Ltd	30.64%
Piaggio Vehicles Pvt Ltd	4.95%
Force Motors Ltd	0.41%
Other	0.46%

- Bajaj Auto remains the largest player in this segment.
- Cap on MEIS subsidies at Rs. 2 Cr.

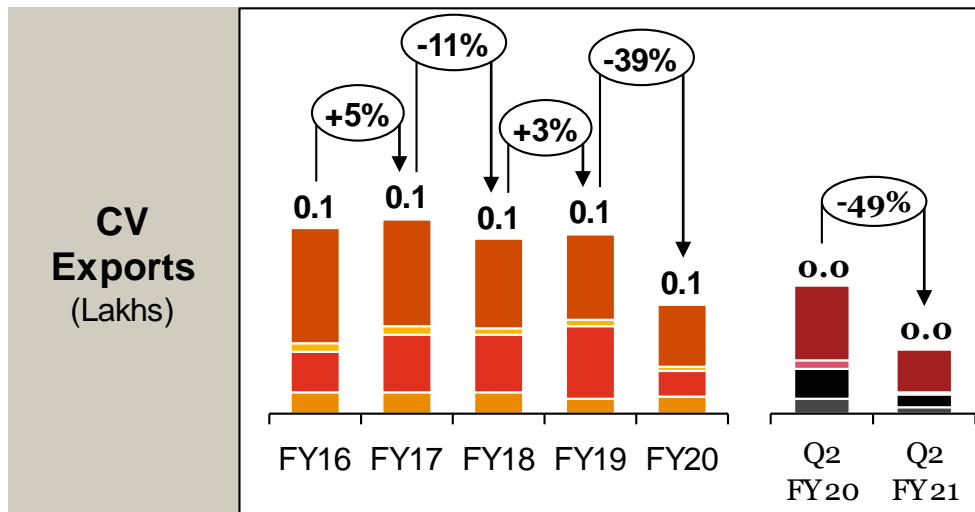
## Commercial vehicles



### Market Share Q2 FY21

Tata Motors Ltd	38.48%
Mahindra & Mahindra Ltd	35.43%
Ashok Leyland Ltd	13.44%
VECV-Eicher	5.14%
Other	7.51%

- ### Key Trends
- Reduced industrial activity, axle norms have reduced need for trucks over the past years
  - New scrappage policy expected to help demand in near future
  - Logistical challenges due to COVID-19 continue to impact factories



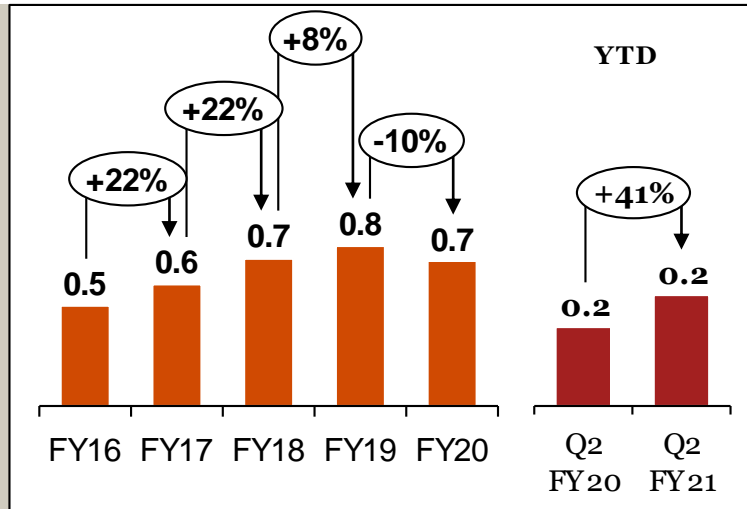
### Market Share Q2 FY21

Tata Motors Ltd	34.97%
Mahindra & Mahindra Ltd	23.54%
Ashok Leyland Ltd	15.42%
VECV-Eicher	12.01%
Other	14.06%

- Global industrial shutdowns due to the pandemic have affected export volumes
- Weakening Rupee has hurt exporters

# Tractors

## Tractors Domestic Sales (Lakhs)



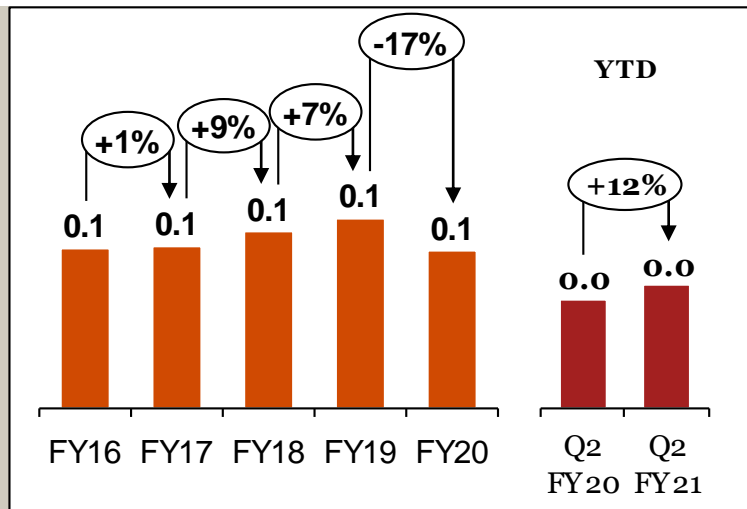
## Market Share Q2 FY21

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

## Key Trends

- Strong monsoons, rabbi crop harvest have raised agricultural incomes in 2020
- Tractors deemed an essential service throughout COVID lockdown
- Rise in Minimum Support Price (MSP) aiding farmer incomes

## Tractors Exports (Lakhs)

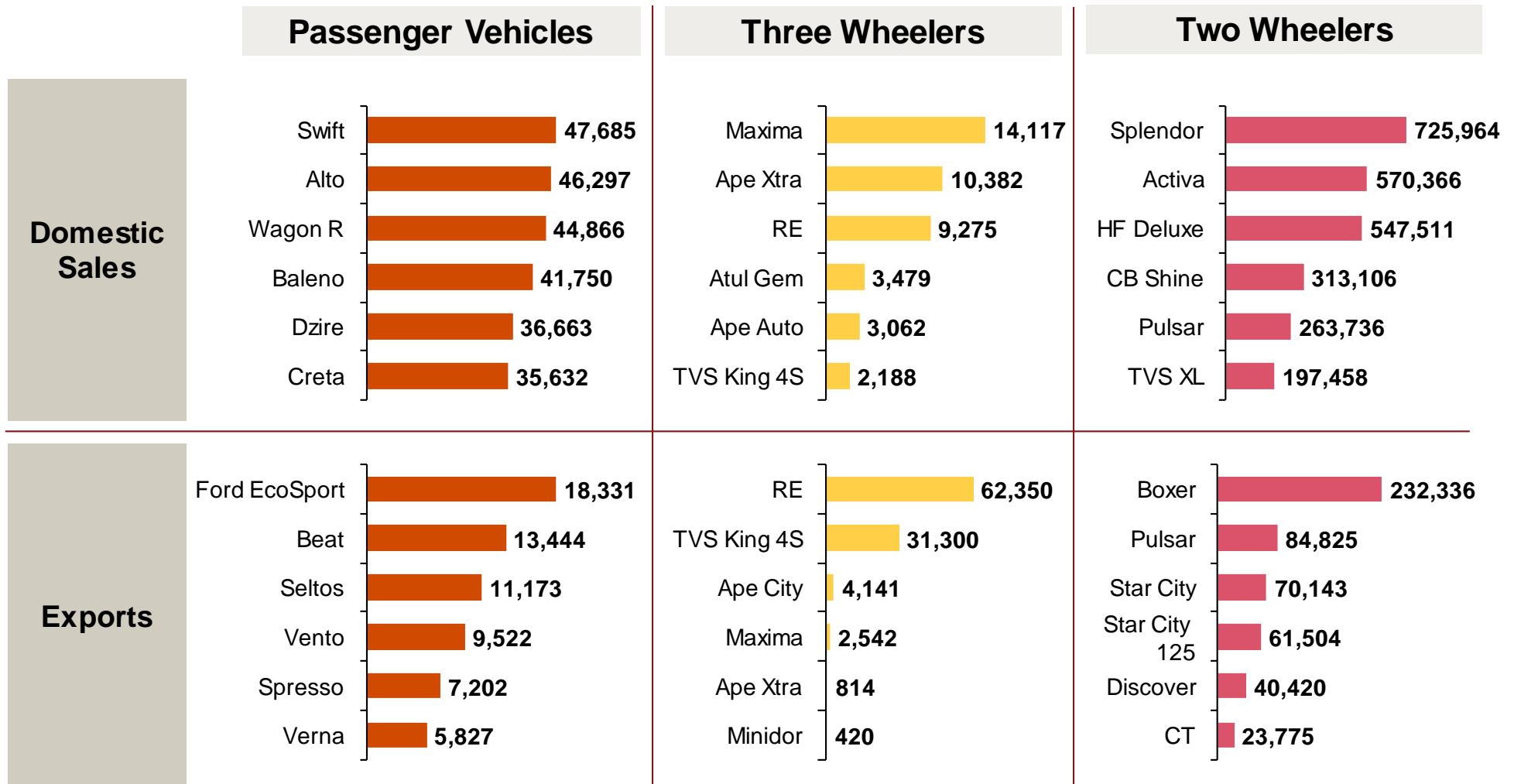


## Market Share Q2 FY21

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

- Tractor exports have grown as agricultural production has remained unaffected by COVID-19 lockdowns and restrictions globally

## 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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