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# *Quarterly vehicle industry performance – Q3 FY22*

Prepared for ACMA

*Strictly private  
and confidential*

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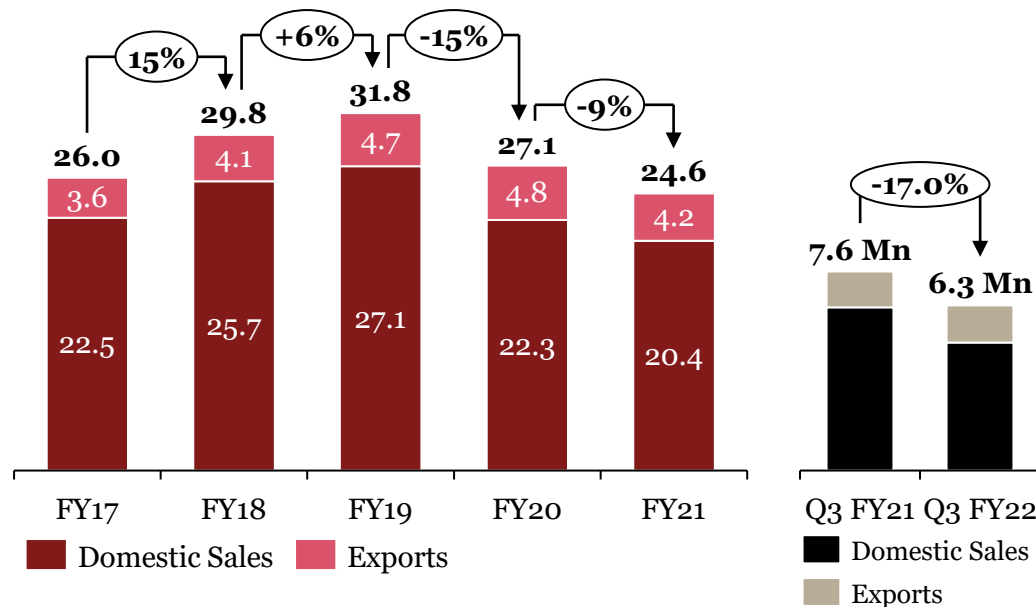
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# *Executive Summary*

# Automotive industry performance overview

## Q3-FY22

OEM - Domestic sales and exports | million units



Indian automotive domestic sales and exports shrank at an overall CAGR of 1% over last 5 years.

### Downfall in domestic demand following concerns over the Omicron variant

- Declining consumer demand due to reduced commercial and industrial activity.
- Exports rose marginally due to strong global demand during the first half.

Vehicle segment	Dom. Sales Q-o-Q Q3 21-Q3 22	Exports Q-o-Q Q3 21-Q3 22
	▼ 25%	▲ 3%
	▼ 15%	▲ 2%
	▲ 1%	▲ 1%
	▼ 13%	▲ 36%
	▲ 12%	▲ 8%
<b>TOTAL</b>	▼ 22%	▲ 4%

## Key Updates

### Past Trends

- Sustainability and carbon neutrality have started to majorly impact car design, as certain automakers are already producing cars with 80% recyclability and 85% recoverability.
- 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.
- The pace of electrification of vehicles has increased due to tightening mandates. Mainstream automakers have started to form partnerships with battery cell vendors, electric motor developers and semiconductor vehicles; to raise production capacity and develop battery cells with higher energy density and faster charging capability.
- Reduced expenditure on marketing during the holiday season by OEMs and retailers due to supply chain woes.

### Going Forward

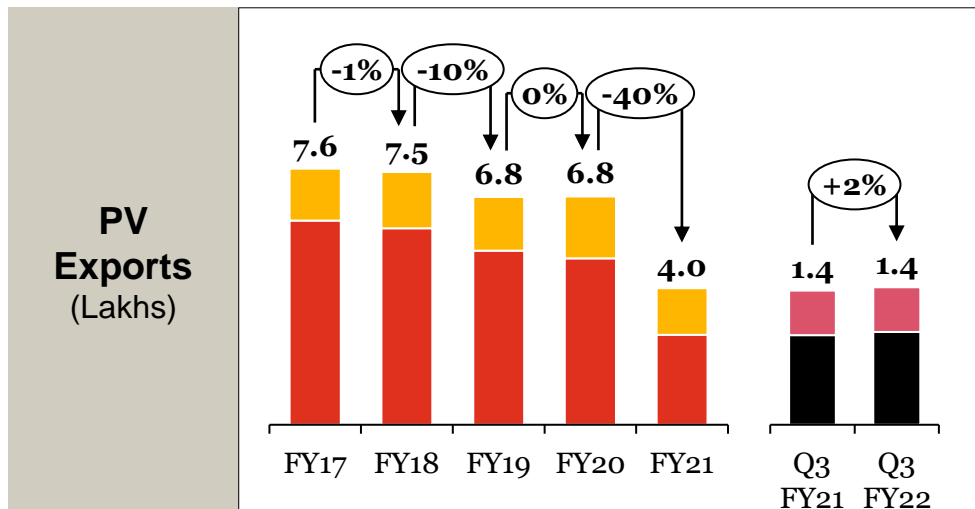
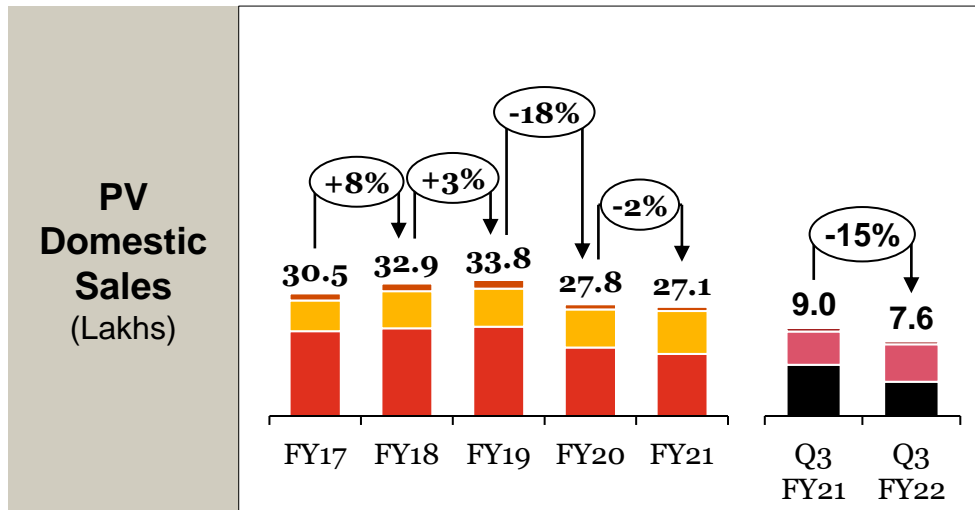
- Surge in CV prices across all segments by around 2% due to increasing input costs, caused by a persistent rise in steel prices.
- Prioritization of personal mobility over shared mobility will continue until a return to normalcy from the COVID-19 pandemic.
- The ongoing semiconductor shortage crisis had 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.
- Declining raw material costs towards the latter stages of the quarter are set to improve automakers' profit margins in the upcoming months.
- 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 Q3 FY 22 Industry Performance*

# Passenger vehicles

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans

■ Passenger Cars ■ Utility Vehicles(UVs) ■ Vans



### Market Share Q3 FY22

Maruti Suzuki India Ltd	44.90%
Hyundai Motor India Ltd	13.97%
Tata Motors Ltd	13.10%
Mahindra & Mahindra Ltd	7.53%
Other	20.50%

### Market Share Q3 FY22

Maruti Suzuki India Ltd	46.17%
Hyundai Motor India Ltd	23.73%
Kia Motors India Pvt Ltd	7.98%
Nissan Motor India Pvt Ltd	7.16%
Other	14.96%

### Key Trends

- Sales declined in the SUV, compact SUV and luxury segments despite healthy demand due to supply disruptions caused by chip shortages.
- This was further backed by reduced demand amongst customers in the entry-level PV segment, as they continued to conserve money for healthcare emergencies.

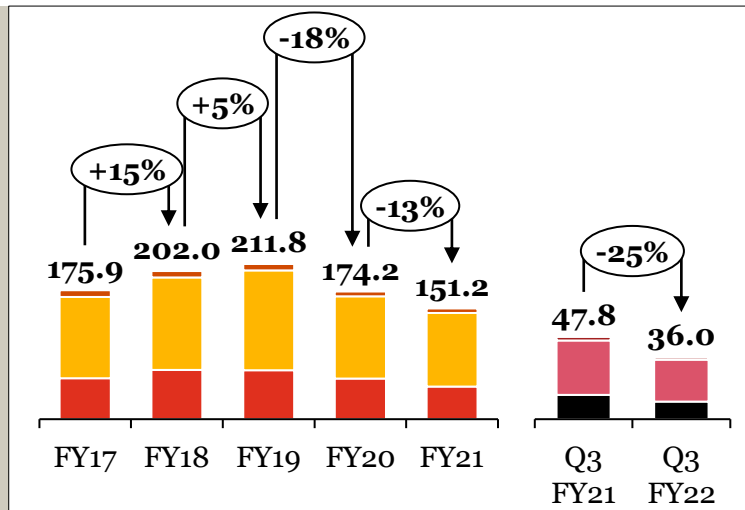
- PV deliveries fell by a third during the festive period – from 455,000 units in 2020 to 305,000 units in 2021.
- Exports remained relatively stable as the shortage of electrical components primarily impacted production of vehicles sold in the domestic market.

## 2 wheelers

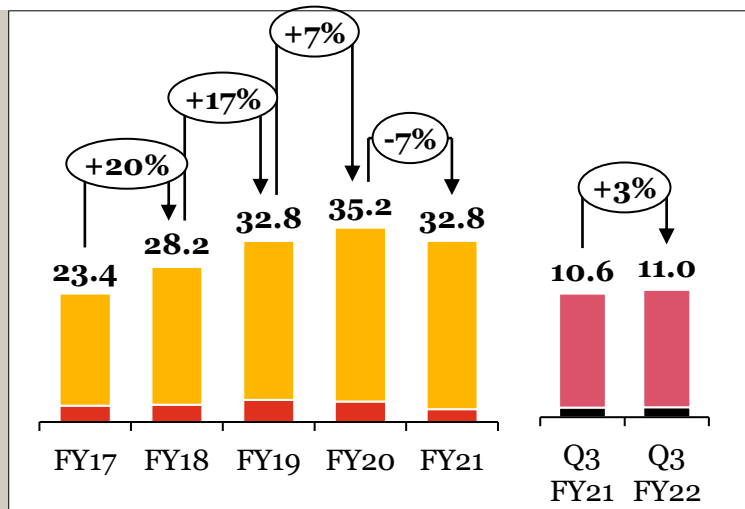
■ Scooter/Scooterette ■ Motor cycles/Step- Throughs ■ Mopeds

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### 2W Domestic Sales (Lakhs)



### 2W Exports (Lakhs)



#### Market Share Q3 FY22

Hero MotoCorp Ltd	34.21%
Honda Motorcycle & Scooter India Pvt Ltd	23.94%
TVS Motor Company Ltd	16.16%
Bajaj Auto Ltd	13.10%
Other	12.59%

#### Market Share Q3 FY22

Bajaj Auto Ltd	52.67%
TVS Motor Company Ltd	23.11%
Honda Motorcycle & Scooter India Pvt Ltd	7.11%
India Yamaha Motor Pvt Ltd	5.85%
Other	11.25%

#### Key Trends

- Prospective buyers gave precedence to healthcare over conspicuous consumption, causing a decline in sales numbers – predominantly in the entry level segment within tier 2 and tier 3 cities.
- This was coupled with a high base-effect and localized restrictions imposed by certain states in the wake of rising Omicron cases, thus restricting customer movement.

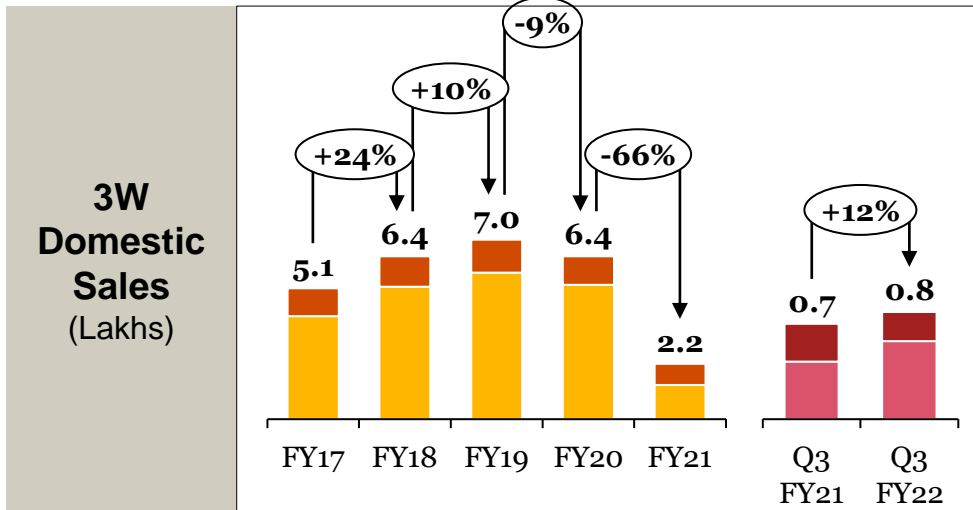
- The sharp rise in production of two-wheeler EVs in India has helped exporters access new sectors of the global market.
- A rise in lithium-ion cell costs has hurt the profit margins of EV manufacturers..



# 3 wheelers

Passenger Carrier Goods Carrier

Passenger Carrier Goods Carrier

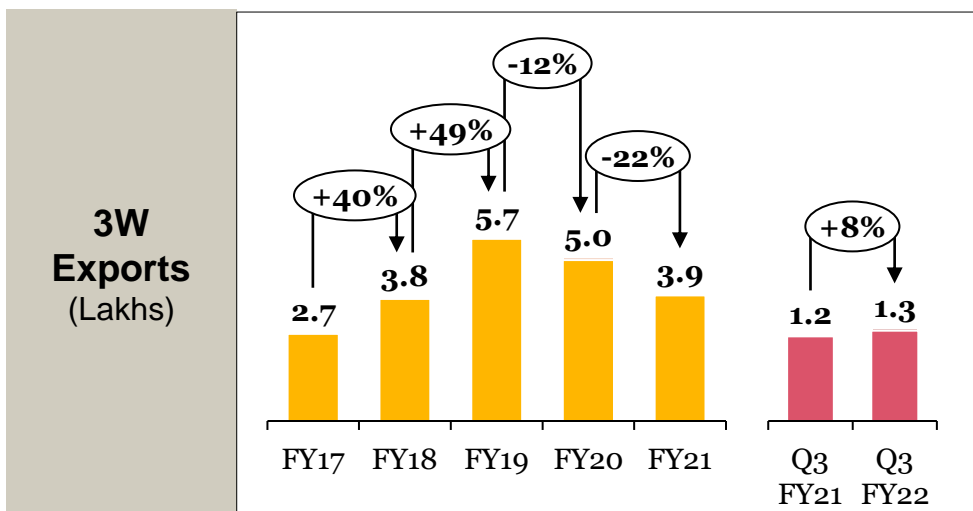


### Market Share Q3 FY22

Bajaj Auto Ltd	63.09%
Piaggio Vehicles Pvt Ltd	16.00%
Mahindra & Mahindra Ltd	10.41%
Atul Auto Ltd	5.70%
Other	4.81%

### Key Trends

- Sales increased by 12% YoY as short-and medium distance travel wasn't heavily interrupted despite , coupled with a low base-effect and a shift in consumer preferences to personal mobility over shared mobility.



### Market Share Q3 FY22

Bajaj Auto Ltd	62.48%
TVS Motor Company Ltd	32.27%
Piaggio Vehicles Pvt Ltd	4.01%
Force Motors Ltd	0.79%
Other	0.45%

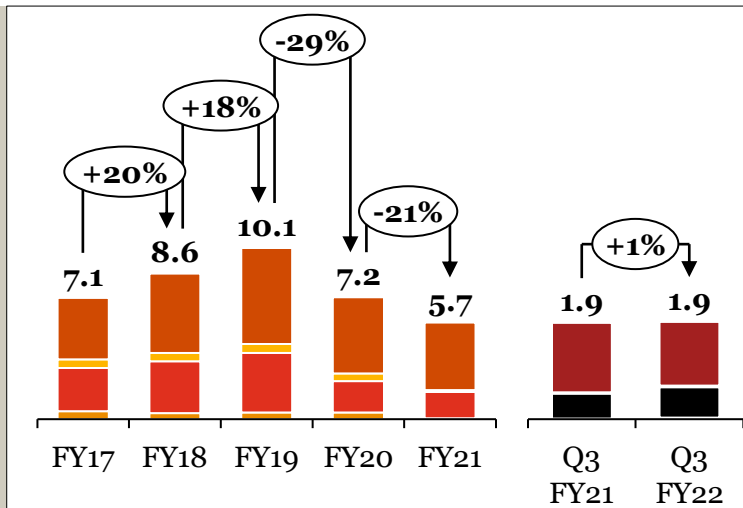
- Bajaj Auto continues to dominate the exports market, followed by TVS.
- Exports increased slightly as supply chain disruptions primarily impacted production of vehicles sold in the domestic market.
- Rising raw material prices have negatively impacted profit margins of manufacturers, thus leading to a hike in prices.

## Commercial vehicles

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

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

### CV Domestic Sales (Lakhs)



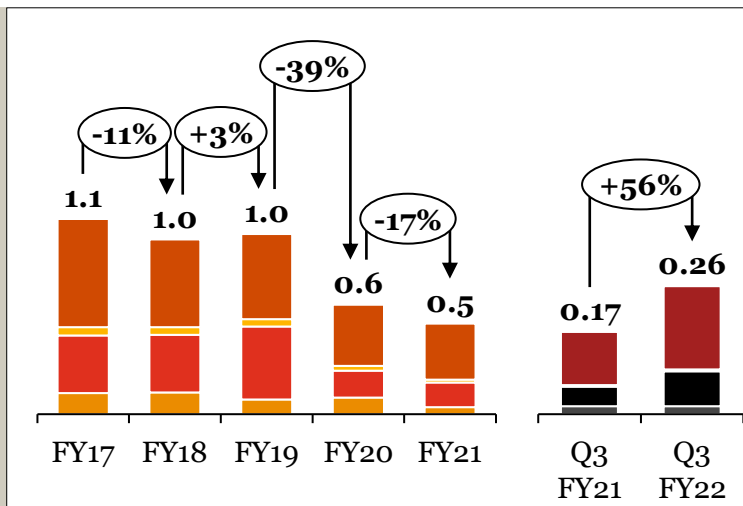
### Market Share Q3 FY22

Tata Motors Ltd	46.12%
Mahindra & Mahindra Ltd	23.62%
Ashok Leyland Ltd	15.87%
VECV-Eicher	6.80%
Other	7.59%

### Key Trends

- The relative stability in CV sales is an indicator of sustainable inventory alignment, enabled by retail being ahead of wholesale by 15% during December.
- Rising steel prices have resulted in an increase in input costs for most players, resulting in a 2% hike in CV prices in October.

### CV Exports (Lakhs)

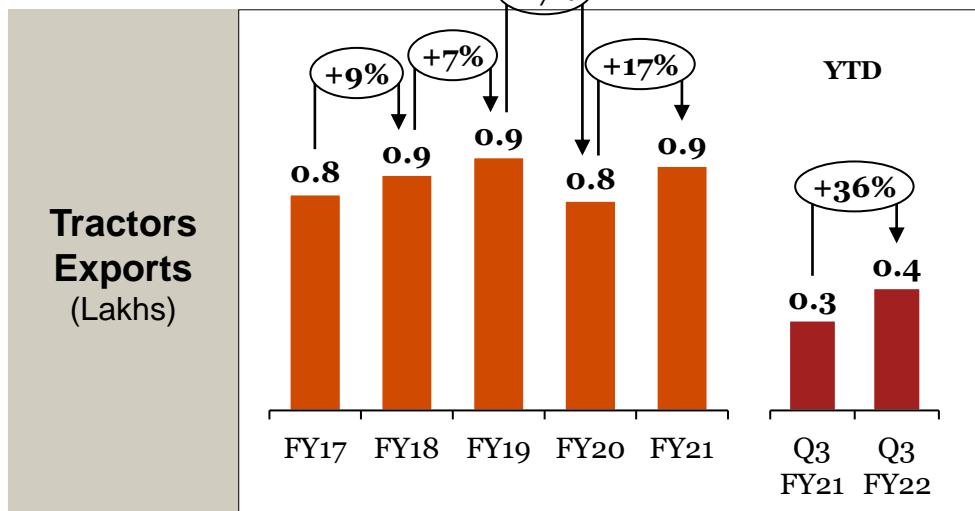
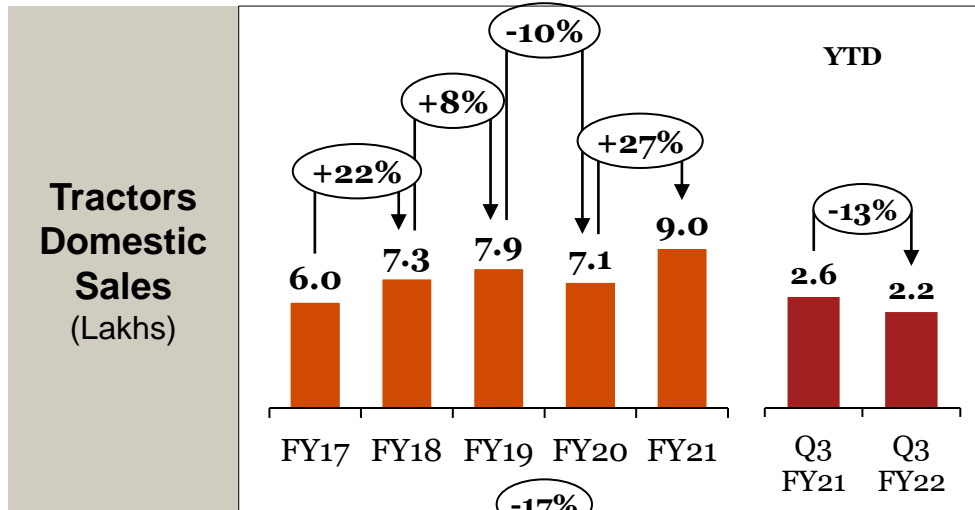


### Market Share Q3 FY22

Tata Motors Ltd	36.51%
Mahindra & Mahindra Ltd	24.96%
Isuzu Motors India Pvt Ltd	13.08%
Ashok Leyland Ltd	12.19%
Other	13.26%

- The rise in domestic demand during the initial stages of the quarter was led by the construction, infrastructure, e-commerce and retail sectors.
- A ramp up in industrial production within global economies aided export numbers, coupled with a low base-effect.

# Tractors



**Market Share Q3 FY22**

Mahindra & Mahindra Ltd.	38.82%
TAFE	17.90%
International Tractors Ltd.	12.12%
Escorts Ltd.	12.09%
Other	19.07%

**Market Share Q3 FY22**

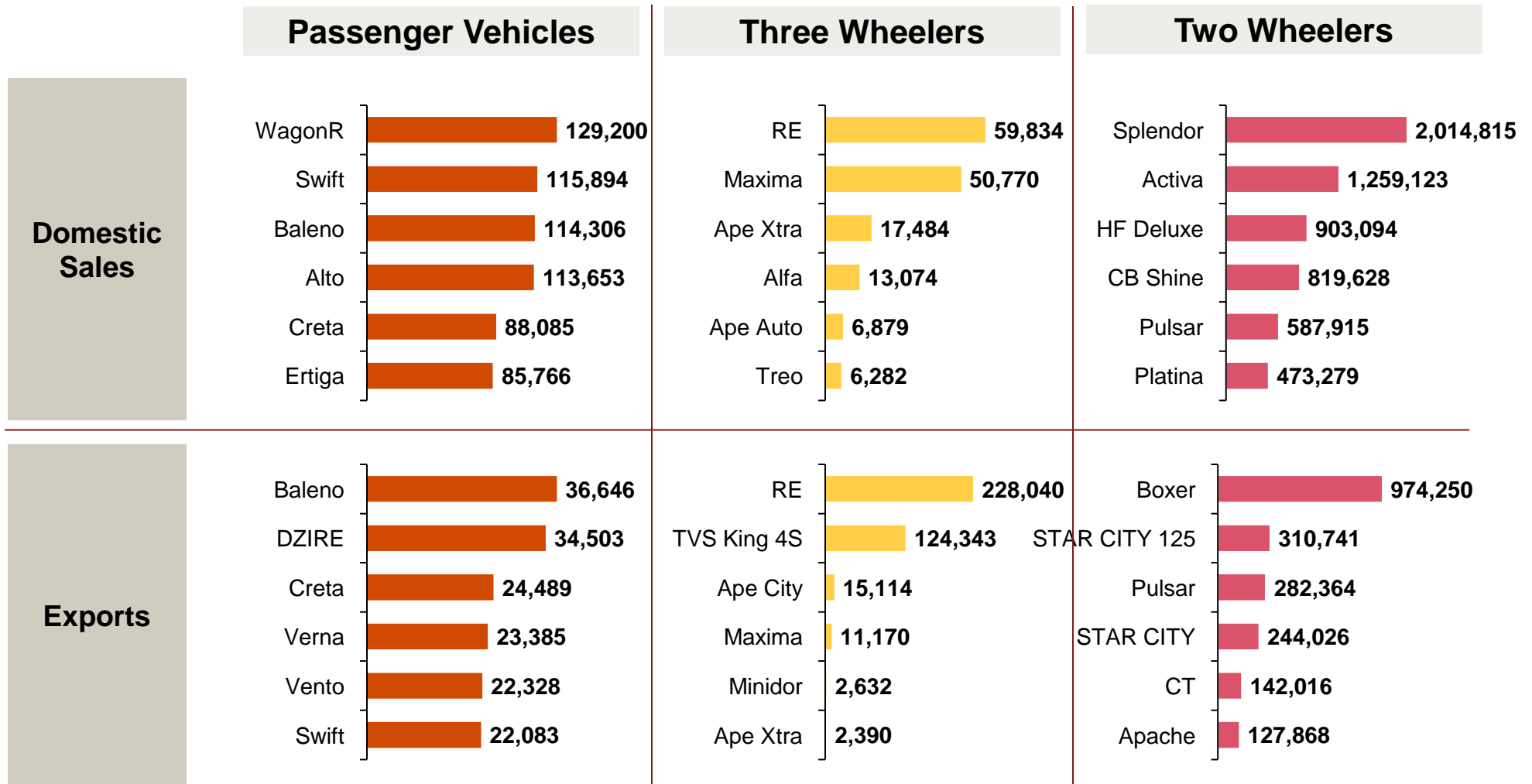
International Tractors Ltd.	30.24%
TAFE	16.75%
Johndeere	15.06%
Mahindra & Mahindra Ltd.	13.32%
Other	24.63%

**Key Trends**

- Muted buying sentiment in rural areas during the latter half of the quarter coupled with a high base-effect due to pent-up demand last year oversaw a 13% drop in sales YoY.

- Agricultural production had previously remained unaffected by COVID-19 lockdowns and restrictions globally, thus allowing exports of tractors to grow despite concerns over the Omicron variant.

## Q2 FY22 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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