

AUTOMOBILES

02 December 2024

On a course correction following strong festive season

- **Passenger vehicle domestic volumes grew in lower single digit (~2.5%) YoY with share of SUV segment continuing to stay higher**
- **The 2-wheeler segment fell sharply ~ 23% MoM post festive season, grows marginally by ~2.4% YoY**
- **Commercial vehicle segment continues to be a spot of both with decline of ~3.4%/1.6% MoM/YoY**

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Passenger vehicle segment: Domestic PV industry volumes grew 2.56% YoY however fell ~ 18% MoM following the pre-festive season sharp jump. MSIL's volume grew 10.4% YoY as the SUV segment continues to offset the decline in compact segment sales (declined 12.1% MoM). Exports grew 24.8% YoY but slipped 13.7% MoM. TTMT volumes were flat YoY/MoM and MM grew/fell 15.6%/15.2% YoY/MoM driven by record sales of SUV. Hyundai India's domestic volume grew by 24% YoY and continued its second position (fall of 12.6% MoM).

Two-wheeler segment: The 2W segment grew 2.37% YoY however slipped steeply by ~23% MoM on account of normalization of volumes post festivities. HMCL fell 6.4%/32.3% YoY/MoM. BJAUT delivered a tepid growth of 5.5% YoY, BJAUT's domestic volume fall of 6.9% YoY was offset by a 26.1% growth in exports. TVSL's volume grew 11.5% YoY contributed by both domestic and export volumes. EIM's volume grew marginally by 2.5% YoY whereas declined 26% MoM.

Three-Wheeler segment: Volumes were flat (0.7%) YoY (-18%MoM) due to drop in domestic volumes and exports. BJAUT's domestic 3W volume decreased 4.9%/22.3% YoY/MoM and TVSL's overall volume fell 27.6% YoY dragged by exports.

Tractors segment: Overall tractor sales grew 5.1%YoY but was down 49% MoM as normalcy was restored post festivals. ESCORTS, MM and VSTT volume grew in the domestic markets YoY, dropped MoM; MM exports grew 62.4%/44.8% YoY/MoM in contrast ESCORTS exports fell sharply by 39.5%/10% YoY/ MoM.

Commercial vehicles: CV segment volume fell ~1.6%/3.4% YoY/MoM. Domestic and export volumes were flat YoY, but grew/slipped 5.2%/25% YoY/MoM. M&HCV segment volume fell 3.07%/16.04% YoY/MoM. In the M&HCV TTMT volumes fell 8.1%/24.3% YoY/MoM however, AL volume grew 2.3% YoY but dropped 6.2% MoM. In the LCV segment TTMT grew 1.5% YoY and decreased 18% MoM, and AL fell by 13.9%/19% YoY/MoM. Overall, the segment fell 2%/18.21% YoY/MoM.

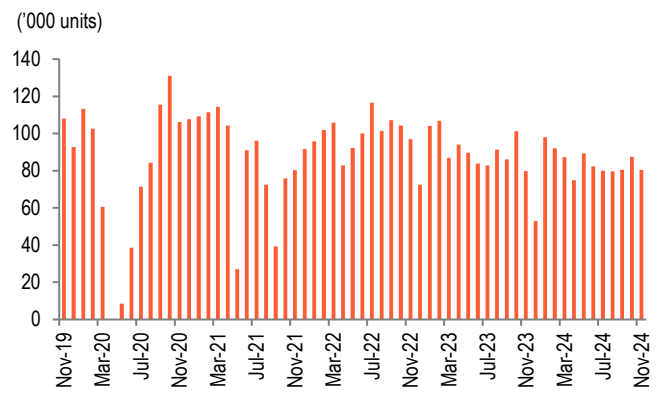
Key ratings: BUY rating on MSIL, MM and AL, and SELL on ESCORTS and VSTT.



Summary of key performance highlights of individual OEMs

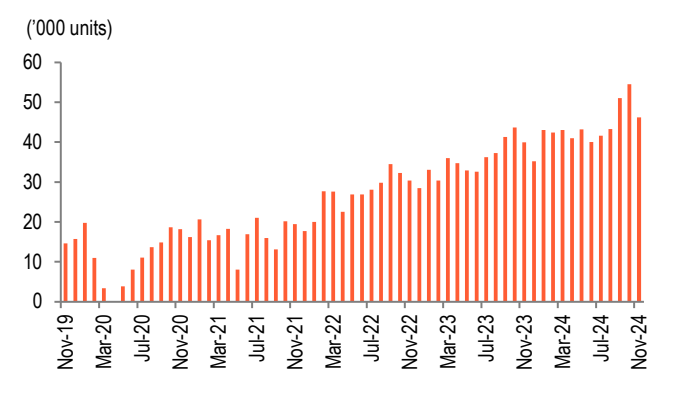
Maruti Suzuki India: Demand uptick for utility vehicles (UV) continued with volume gains of 20.4% YoY (+~14% YTD). However, volume fell by 16.5% MoM. The passenger car segment's (comprising mini, compact, super compact and mid-size cars) share in domestic sales slipped to 52.6% in Nov'24 from ~56.4% in Nov'23 however rose marginally MoM from 50.5% in Oct'24. The YTD contribution of this segment declined to 52.71% from 57.34% YoY. MSIL's exports rose 24.8% YoY but fell marginally MoM by 13.7% to ~28.6k units. The MoM fall is on account of volumes returning to normalcy post the spike in festive season.

Fig 1 – MSIL's PV sales



Source: Company, BOBCAPS Research

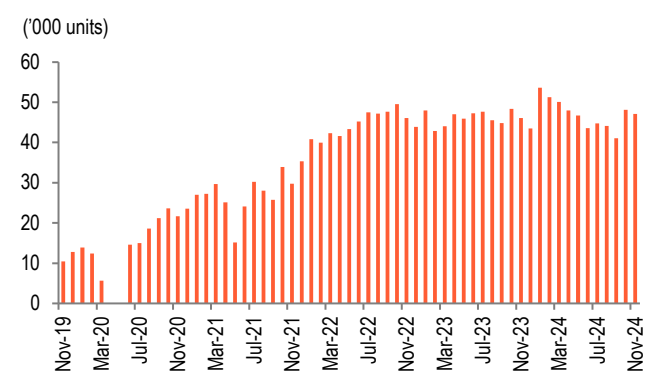
Fig 2 – MM's PV sales



Source: Company, BOBCAPS Research

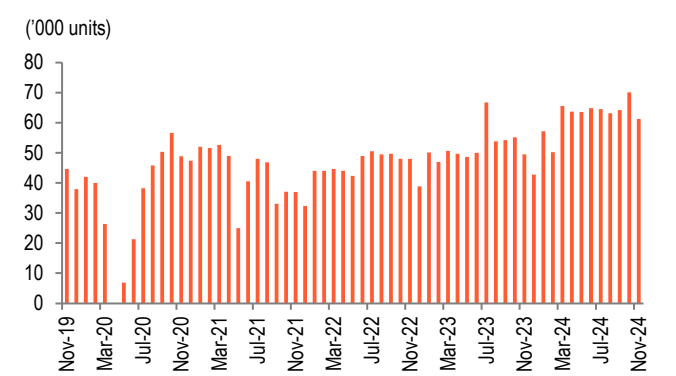
Mahindra & Mahindra: MM's SUV segment grew ~15.6% YoY following a healthy response to the newly launched Thar Roxx and the compact model 3XO, however dipped 15.2% MoM post healthy festive season. In the tractor segment, domestic volume grew by 2.2%YoY however dropped by 50.6% MoM. Tractor exports grew 62.4%/44.8% YoY/MoM signifying focus on export markets over domestic markets. With the cumulative monsoon rainfall being normal to above normal in all the regions across the country and healthy reservoir levels tractor volume in H2 is expected to deliver healthy growth.

Fig 3 – TTMT's PV sales



Source: Company, BOBCAPS Research

Fig 4 – Hyundai's PV sales



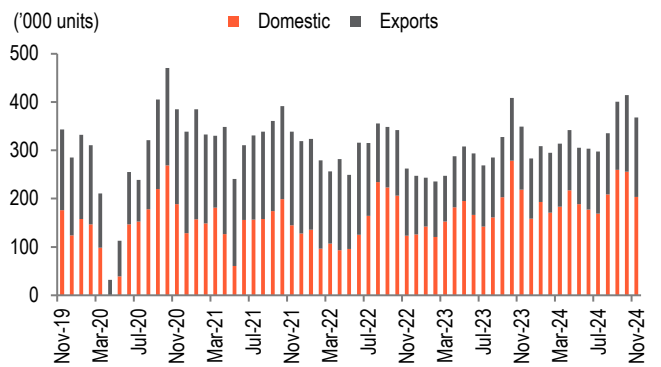
Source: Company, BOBCAPS Research

Bajaj Auto: The overall 2-W volume growth stayed muted as strong export volume (26.1%/3.8% YoY/MoM) was offset by decline in domestic volumes that dipped by 6.9%/ 20.4% YoY/MoM. Post CNG launch, BJAUT is exploring compressed biogas and hydrogen fueled 2-W though it is at an inception stage. The commercial vehicle volume exports grew by 10.2% on a lower base however fell by 6.3% MoM, leading to an overall fall of 1%/18% YoY/MoM as domestic volume continue to remain a drag.

TVS Motors: TVS iQube Electric 2W grew ~56.7% YoY to ~26.29k units in Nov'24 whereas MoM decreased by 10.3%. YTD growth of the EV vehicles is also very healthy at 31.6% in FY25 compared to FY24. TVSL is currently exporting iQube to a few ASEAN and Asian countries. Total 2-W grew 11.5% YoY however dropped 18% MoM.

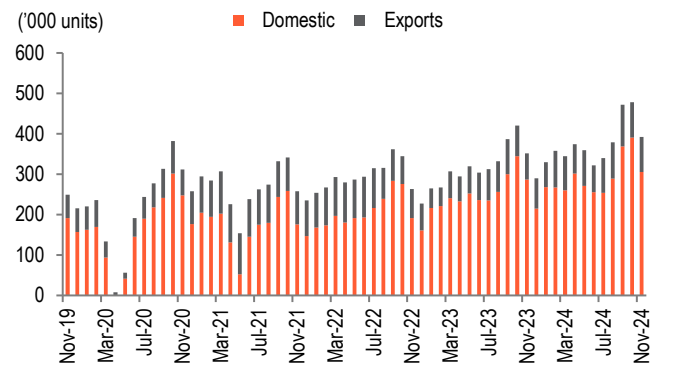
Hero Motors Corp: HMCL at the EICMA show unveiled X-pulse 210, Xtreme 250R, Karizma XMR 250 motorcycles, and the VIDA Z electric scooter. The company's YTD FY25 volume grew ~9.4% and continues to experience strong demand across the 100cc, 125cc, and premium segments. Exports grew 35.7% YoY however dropped 7.7% MoM, though exports are a small portion of the overall volume for HMCL.

Fig 5 – BJAUT's 2W sales



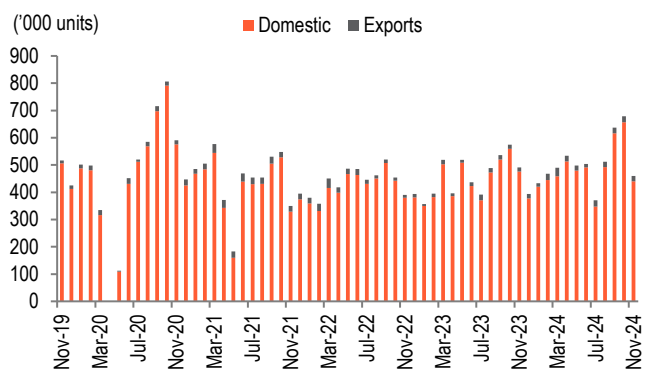
Source: Company, BOBCAPS Research

Fig 6 – TVSL's 2W sales



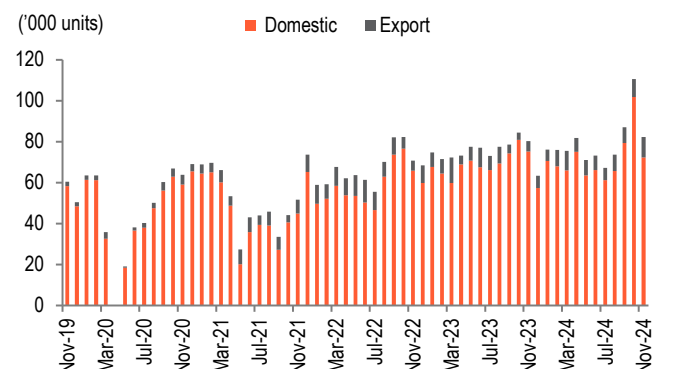
Source: Company, BOBCAPS Research

Fig 7 – HMCL's 2W sales



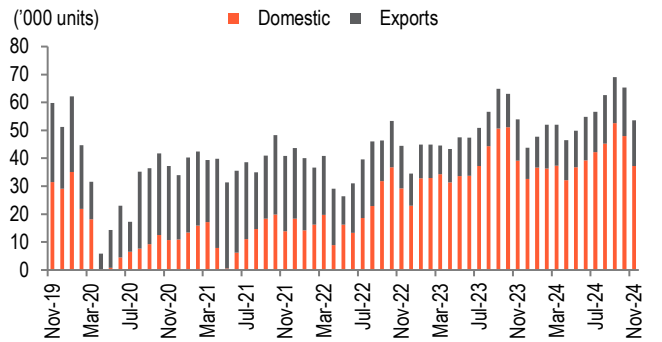
Source: Company, BOBCAPS Research

Fig 8 – EIM's 2W sales



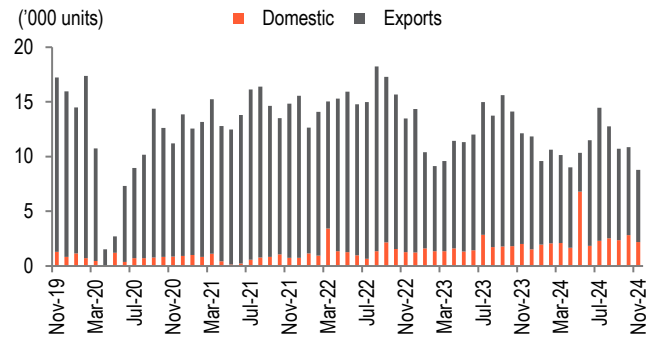
Source: Company, BOBCAPS Research

Fig 9 – BJAUT’s 3W sales



Source: Company, BOBCAPS Research

Fig 10 – TVSL’s 3W sales

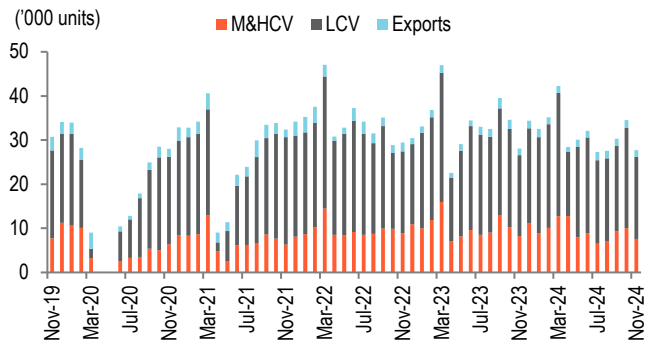


Source: Company, BOBCAPS Research

Eicher Motors: EIM’s trucks and buses domestic volumes grew 5.8% YoY however decreased MoM by ~25% in Nov’24, whereas exports volumes grew 32.7%/34% YoY/MoM. The less than 350 cc segment fell ~4.1%/26.4% YoY/MoM, while the 350cc+ grew with a healthy rise of 84% YoY and 40.4% YTD sales. Exports for EIM grew 26.8% YTD growth.

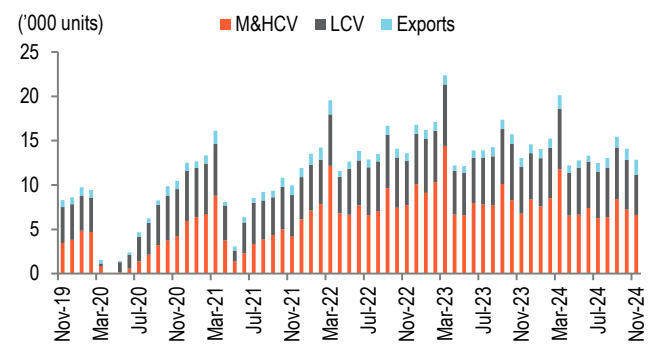
Ashok Leyland: AL’s overall volumes were flat YoY but fell ~8% MoM. In the domestic market, the trucks segment fell by 2.2%/8.3% YoY/MoM, while bus segment growth momentum continued as reflected in the 34.6% YTD sales in FY25. LCV segment slipped by 13.9%/19% YoY/MoM. However, overall exports delivered growth of 62.8%/33.9% YoY/MoM.

Fig 11 – TTMT’s CV sales



Source: Company, BOBCAPS Research

Fig 12 – AL’s CV sales



Source: Company, BOBCAPS Research

Fig 13 – EIM’s CV sales

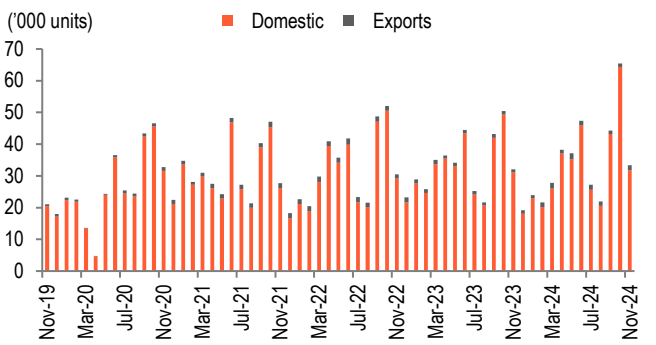


Source: Company, BOBCAPS Research

Escorts: Escorts Kubota’s Agri Machinery Business Division in Nov’24 sold 8.9k tractors, registering growth of 8.7% YoY. The fall of 50% MoM was however sharper and driven by drop in domestic volumes. Domestic tractor sales in Nov’24 was 8.7k, growing 11.1% YoY. With timely, widespread and above-average monsoon leading to replenished water reservoir levels and favourable terms of trade, uptake in MSP, ESC anticipates good tractor sales growth in H2FY25.

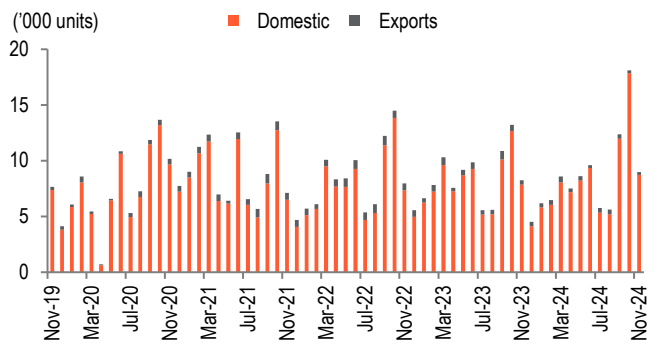
VSTT: VSTT’s Power Tiller segment volume grew 5.7% YoY and the tractor segment grew 17.6% YoY in Nov’24 leading to aggregate volumes growth of 7.4% YoY. However, MoM/YTD volume dropped 8.6%/6.6%. Power Tillers grew YoY/MoM however YTD volumes are down ~8.1%.

Fig 14 – MM’s tractor sales



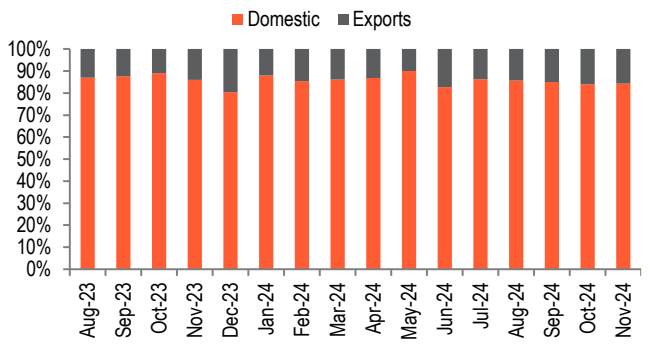
Source: Company, BOBCAPS Research

Fig 15 – ESCORTS's tractor sales



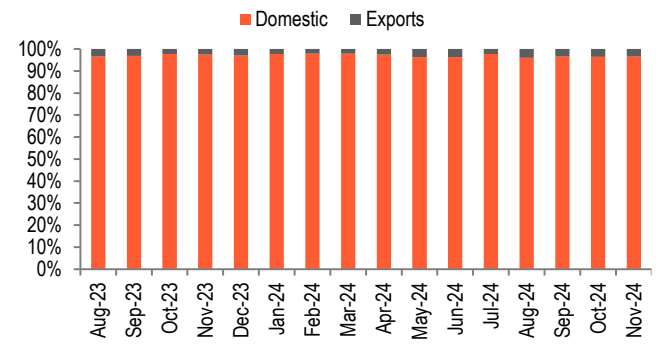
Source: Company, BOBCAPS Research

Fig 16 – MSIL's domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 17 – MM's domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 18 – TTMT's domestic and exports volumes



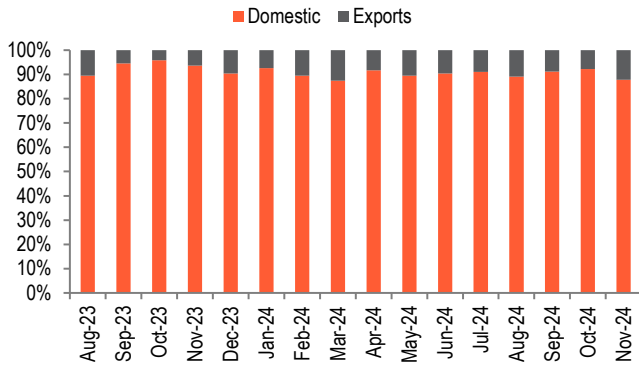
Source: Company, BOBCAPS Research

Fig 19 – AL's domestic and exports volumes



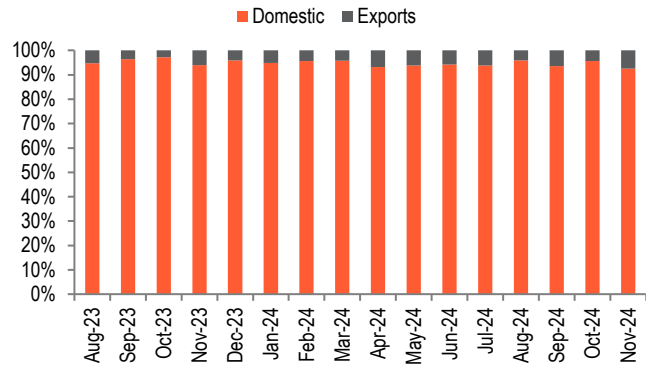
Source: Company, BOBCAPS Research

Fig 20 – EIM (2W) – Domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 21 – EIM (CV) – Domestic and exports volumes



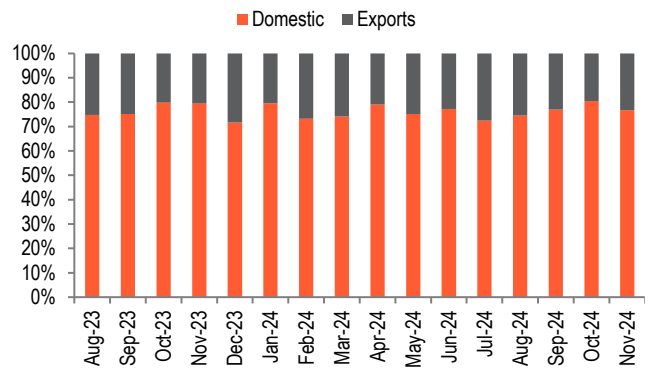
Source: Company, BOBCAPS Research

Fig 22 – BJAUT's domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 23 – TVSL's domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 24 – HMCL's domestic and exports volumes



Source: Company, BOBCAPS Research

Fig 25 – ESCORTS' domestic and exports volumes



Source: Company, BOBCAPS Research

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