

AUTOMOBILES

02 May 2025

Steady start to new financial year

- **PV domestic volumes grew ~5% YoY with the compact segment outpacing the SUVs for the market leader MSIL**
- **The 2-wheeler segment declined by ~14.4%/16.6% YoY/MoM driven by the drag by Hero Motors**
- **Festivities drive the tractor segment MoM, CV segment delivers 10% YoY gain, driven by the gains in LCV ~22%**

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PV segment: The domestic passenger vehicle (PV) industry grew by ~4.9% YoY (down by 5.2% MoM) to 0.33mn units. MSIL volumes fared better than the industry with 7% YoY growth (fell 6.8% MoM), driven by the compact segment growth of 8.1% YoY that outpaced the SUV segment at 4.4% YoY. MSIL's exports jumped 26% YoY (fell 15.3% MoM). TTMT domestic volumes fell by 8.1%/23.7% YoY/MoM. MM sales gained 17.7%/1.3% YoY/MoM driven by SUV sales. Hyundai India's domestic volume fell by 4.6%/9.7% YoY/MoM, thereby slipping behind TAMO to the fourth spot.

Two-Wheelers segment: The 2W segment was a weak show, falling by 14.4%/16.6% YoY/MoM. It was a mixed bag with TVSL outperforming by 14.9%/76% YoY/MoM. EIM grew by 5.7% YoY but declined by 14.3% MoM. HMCL significantly dragged down by 42.8%/44.4% YoY/MoM, due to vendor-related issues (sorted out). BJAUT fell by 7% YoY (flat 0.7% MoM). Exports performed better with 21.8% YoY growth (-18.5% MoM), while domestic volume was down by 20.8%/18.8% YoY/MoM.

Three-Wheelers: 3W volumes grew 9.7% YoY (-12.4% MoM), replicating domestic markets that grew by 3.9% YoY (fell by 16.9% MoM). Export markets show was healthy, growing by 20.1% (-4.3% MoM). BJAUT's and MM domestic 3W volume were flat at -0.4%/-0.6% YoY (-15.4%/-29.4% MoM). TVSL's domestic volumes spiked 103.2% YoY (fell by 6.4% MoM), exports grew as well by 38.5% YoY (down 7% MoM).

Tractors segment: Tractor sales grew by 6.75%/4.5% YoY/MoM. MM grew 24.6% YoY but declined by 34.6% MoM in the export markets, and 4%/18.2% YoY/MoM in the domestic markets. ESCORTS grew 13.7%YoY but declined by 24.4 % MoM in the domestic markets while gained 67.4% YoY (down 3% MoM) in export markets.

Commercial Vehicles: CV segment volume rose by 10.5% YoY, driven by TTMT gaining ~ 15.5% YoY and EIM adding 27.3% YoY (but down by 31.3% MoM). LCV was the main driver growing by 21.6% YoY (fell by 27.3% MoM). Exports beat domestic growth adding 37.3% YoY (-32.9% MoM) vs 9.12% YoY (-59.9% MoM).

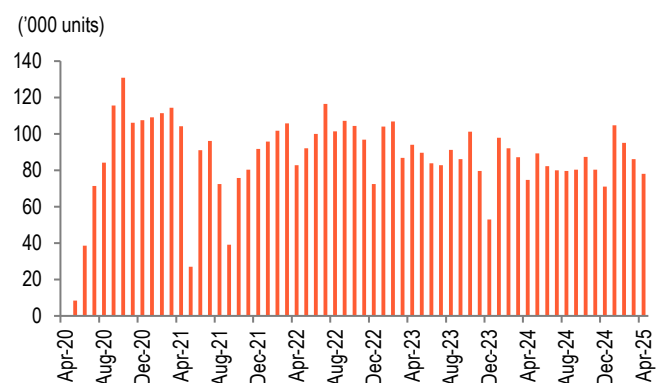
Our Picks: We prefer MSIL & MM while remain cautious on ESCORTS and VSTT.



Summary: performance highlights of individual OEMs

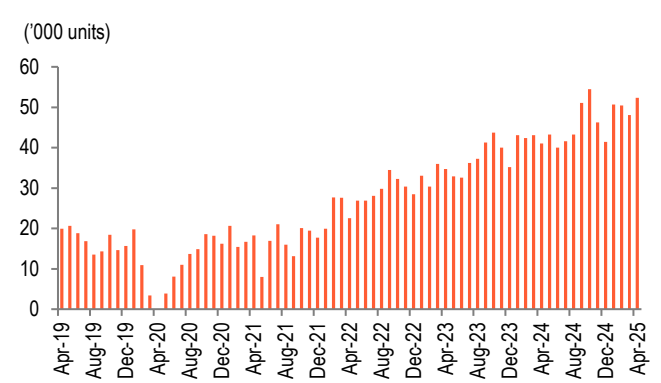
Maruti Suzuki India: MSIL's strength in the compact segment saw demand uptick by 8% YoY (-8% MoM) to 61,591 units. Utility vehicles, on the other hand, had a steady demand with volume gains of 4.4% YoY; but decreased MoM by 3.4%. MSIL's exports have had an upward trend growing 26% YoY (-15.3% MoM). Apart from the e-Vitara, MSIL has another SUV (undisclosed) in the pipeline for FY26. MSIL guided that it will produce 70,000 units of electric SUV in FY26 with the bulk of it focused in the export market.

Fig 1 – MSIL's PV sales



Source: Company, BOBCAPS Research

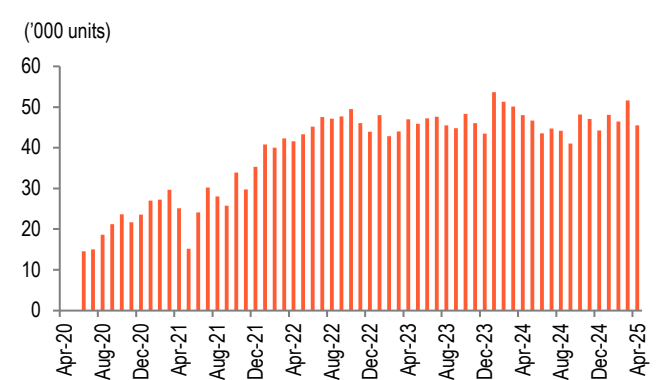
Fig 2 – MM's PV sales



Source: Company, BOBCAPS Research

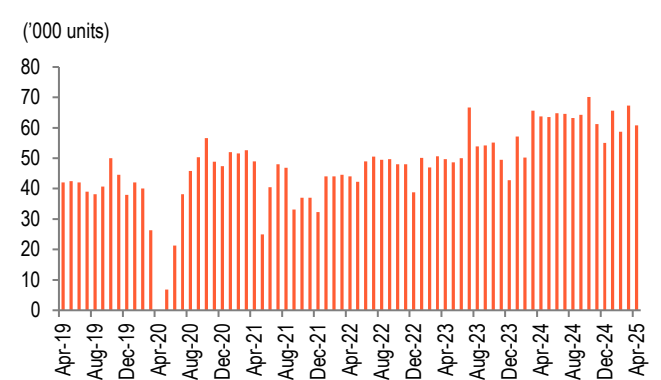
Mahindra & Mahindra: MM's SUV segment had a strong performance, growing by 27.6% YoY and 8.9% MoM. 3W segment was a laggard declining by 0.6%/29.4% YoY/MoM. In the tractor segment, domestic volume grew by 4%/18.2% YoY/MoM while exports 24.6% YoY (-34.6% MoM). MoM growth is due to the festive season (Chaitra Navrati). With the SML Isuzu acquisition, MM will expand its CV portfolio by introducing CNG and EV variants.

Fig 3 – TTMT's PV sales



Source: Company, BOBCAPS Research

Fig 4 – Hyundai's PV sales



Source: Company, BOBCAPS Research

Bajaj Auto: Overall volume declined by 5.8%/1.1% YoY/MoM on 7% YoY decline (0.7% MoM) in the 2W segment. Domestic 2W volumes fell by 13.1% YoY, but increased 2.7% MoM. Export volume has been on a downward trend for the past couple of months and declined by 2.1% MoM (3% YoY). CV segment performance was slow growing by 3% YoY (-11.5% MoM), dragged by a decline in the domestic volume by 0.4%/15.4% YoY/MoM; while exports grew by 10.7% YoY (-2.5% MoM).

TVS Motors: TVSL's performance across segment was strong. 2W volumes grew by 14.9%/7.6% YoY/MoM with motorcycles and scooters growing by 17.2%/17.8% YoY respectively. EV volume was significantly up by 59.1%/2.8% YoY/MoM on a low base.

Hero Motors Corp: HMCL's YoY and MoM sales were impacted due to vendor issues and consequent shut-down across segments. Overall 2-W sales fell by 43%/44% YoY/MoM with the motorcycle volume falling by 42%/44%, while the scooter segment falling even steeper by 48%/55%. Volume impact may continue in May 2025 due to the transition impact, expected to normalised towards Q1FY26.

Fig 5 – BJAUT's 2W sales

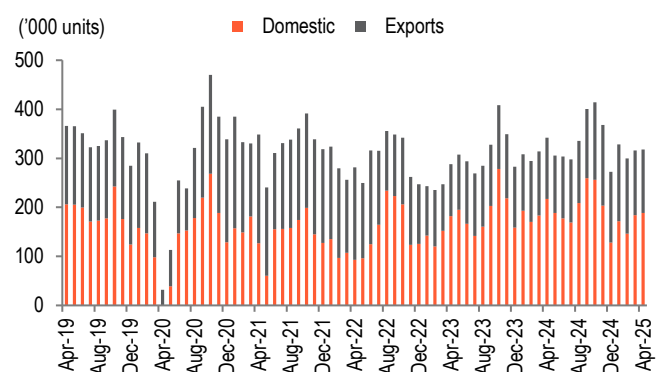


Fig 6 – TVSL's 2W sales

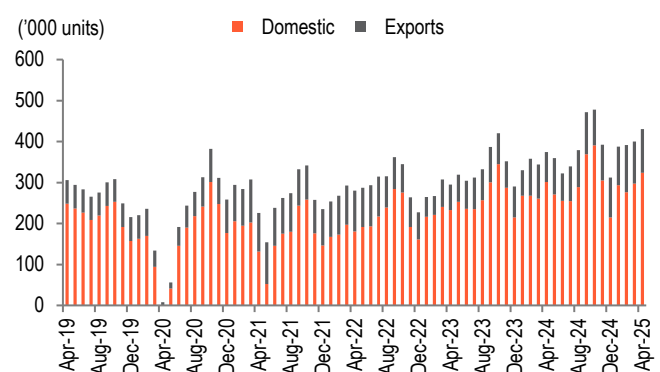


Fig 7 – HMCL's 2W sales



Fig 8 – EIM's 2W sales

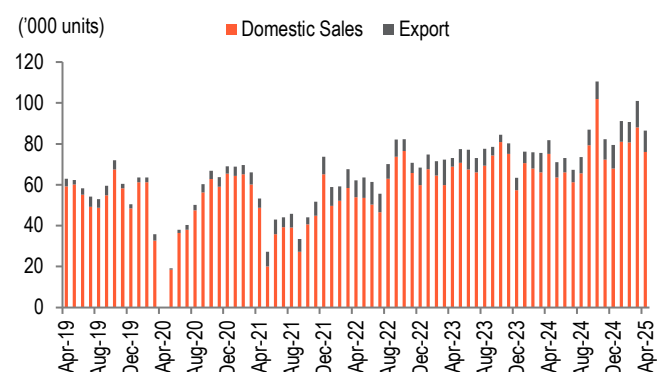
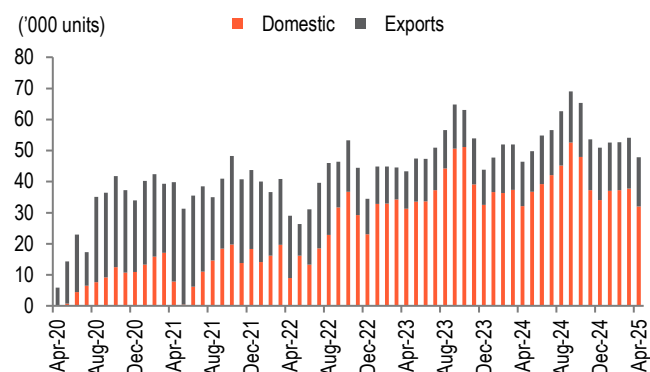
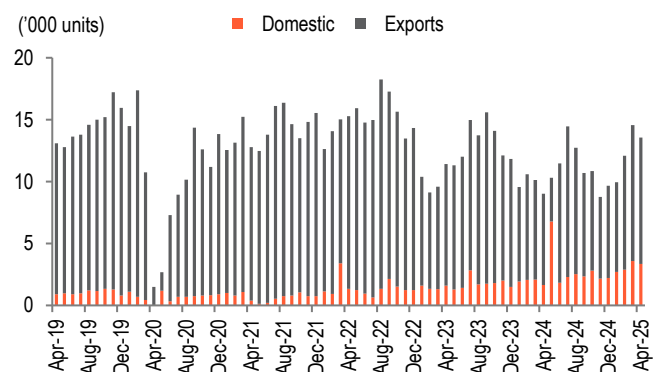
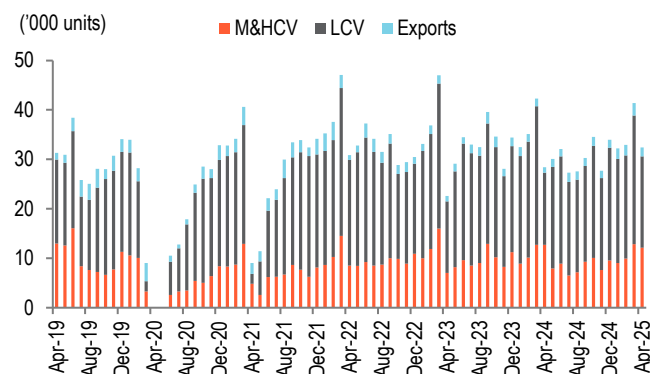
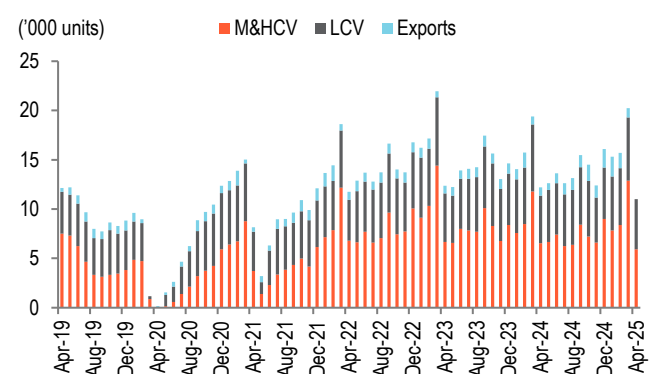


Fig 9 – BJAUT's 3W sales**Fig 10 – TVSL's 3W sales**

Eicher Motors: EIM's 2W volumes grew by 1.3% YoY (-13.7% MoM) below 350cc segment grew by 1.9% YoY (-14.9% MoM). 350cc+, on the other hand, grew by 36.4% YoY (-10.4% MoM); clearly shifting focus on the high-end segment indicating that the core <350cc segment faces stiff competition. Trucks and buses domestic volumes grew 27.7% YoY (-44.1% MoM), whereas exports volumes grew 29.2% YoY (-30.8% MoM).

Ashok Leyland: AL's overall volume growth was weak, declining by 6%/44.2% YoY/MoM. Domestic market dragged down volumes, declining by 7%/44.4% YoY/MoM. Consecutively, trucks and buses segment down by 9.5%/ 28.1% YoY respectively. LCV grew by 5.5% YoY, but declined by 20.6% MoM.

Fig 11 – TTMT's CV sales**Fig 12 – AL's CV sales****Fig 13 – EIM's CV sales**

Escorts: Escorts Kubota's Agri Machinery Business Division had a mixed bag of numbers in April 2025. In the domestic market, volume was up by 13.7% YoY; but declined by 24.4% MoM. Exports grew by 67.4% YoY given the smaller base, but declined by 3% MoM.

VSTT: VSTT's Power Tiller segment recorded a growth of 103.8% YoY but declined by 72.3% MoM. Similarly, tractor segment increased by 52.4% YoY, but declined by 52.8% MoM. Overall volumes increased 94.8% YoY but declined by 70.6% MoM.

Fig 14 – MM's tractor sales



Fig 15 – ESCORTS's tractor sales



Fig 16 – MSIL's domestic and exports volumes

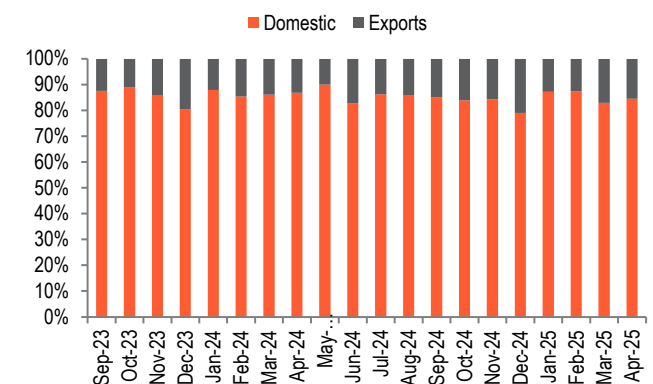


Fig 17 – MM's domestic and exports volumes

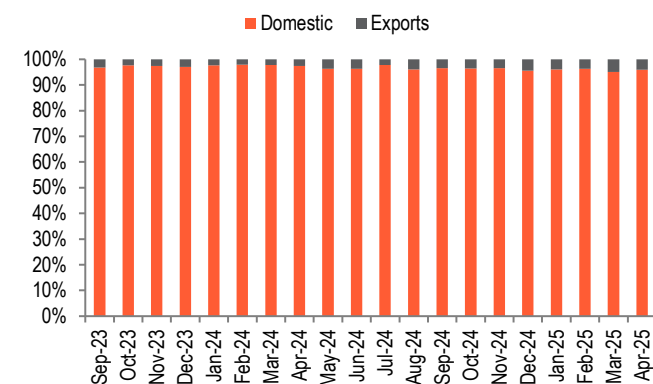


Fig 18 – TTMT's domestic and exports volumes



Fig 19 – AL's domestic and exports volumes

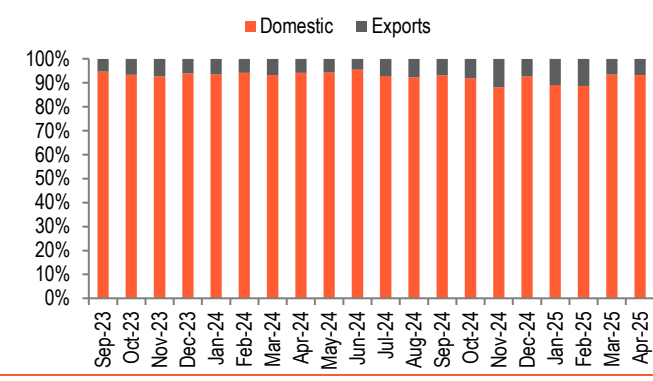
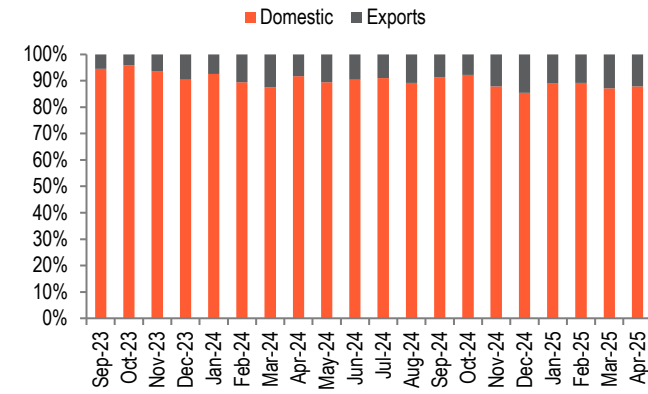


Fig 20 – EIM (2W) – Domestic and exports volumes



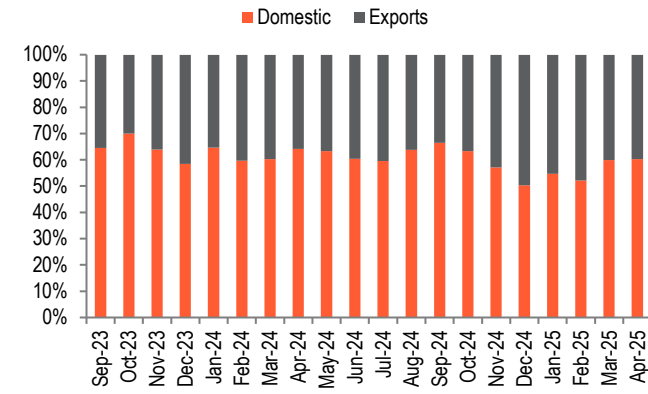
Source: Company, BOBCAPS Research

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



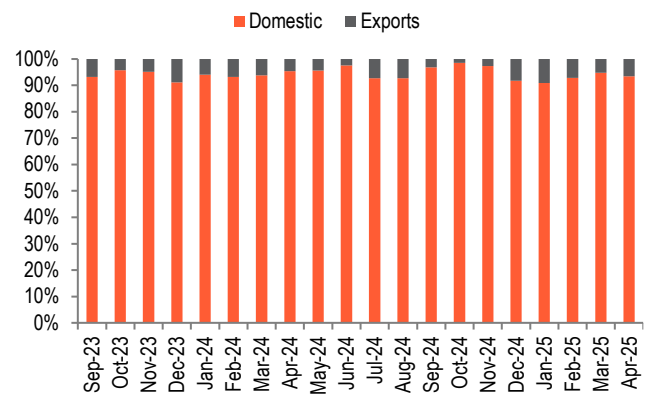
Source: Company, BOBCAPS Research

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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