

AUTOMOBILES

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A mixed signal with PV segment gain, 2W weak, CV gains MoM

- Passenger vehicle domestic volumes grew 6.7% YoY with share of SUV segment continue to stay healthy; MSIL share gaining 1% YoY to 37%
- The 2-wheeler segment declined ~ 6.4%/2.2% MoM/YoY contributed fully by the fall in HMCL volume while TVSL, BJAUT and EIM increased YoY
- Commercial vehicle segment continues to improve MoM with 1.5% growth (fall of 2.3% YoY). Total tractor segment improved ~16% YoY

Milind Raginwar
 research@bobcaps.in

Passenger vehicle segment: Domestic PV industry volumes grew 6.7% YoY (declined 5.21% MoM). MSIL's volume declined 6.5% MoM however, grew 1% YoY as the SUV segment partially offset the decline in mini segment sales (declined 12.4% YoY). MSIL's exports declined 13.5%/7.7% YoY/MoM. TTMT domestic volumes fell 3.4%/9.4% MoM/YoY. MM continues its strong growth with ~19% YoY (flat MoM) driven by sales of SUV. Hyundai India's domestic volume grew by 17% YoY but fell by 10.5% MoM. Hyundai continued its second position.

Two-wheeler segment: The 2W segment fell 2.2%/6.4% YoY/MoM. HMCL fall was sharp by 17.2%/12.4% YoY/MoM. BJAUT volumes were mixed bag with 1.6% gain YoY (fall by ~9% MoM), BJAUT's domestic volume fall of 14.3% YoY was offset by a 23.5% exports growth YoY. TVSL's volume grew 3.2% YoY and EIM volume grew by 19.6% YoY indicating preference for premium products in the segment.

Three-Wheeler segment: Volumes grew 3.5%/1.6% YoY/MoM, domestic and export markets both grew YoY, however domestic market declined MoM. BJAUT's domestic 3W volume grew 2.5% YoY and MM's domestic volume grew 3.8% YoY but fell by 14.2% MoM. TVSL's domestic volumes grew 40.9%/7.5% YoY/MoM, export grew as well by 7.3%/26.7% YoY/MoM however its contribution is miniscule in the total volume.

Tractors segment: Overall tractor sales grew ~16%/flat YoY/MoM. ESCORTS grew 10%/32% YoY/MoM in the domestic markets and grew by 41%/1.8% YoY/MoM in the Export markets. MM grew 6.2%/31.6% YoY/MoM in the export markets however in the domestic markets grew 18.7% YoY and declined by 9.2% MoM.

Commercial vehicles: CV segment volume fell ~2% YoY but gained by 1.5% MoM. Domestic volumes grew 1.2% MoM (fell 5.5% YoY). M&HCV segment volume grew 6% MoM (down 4% YoY). In the M&HCV segment, TTMT volumes declined 2%/10% YoY/MoM and AL volume was mixed bag grew 2.5% MoM (down 6% YoY). In the LCV segment TTMT fell 11%/flat YoY/MoM, and AL grew 1.1%/5.6% 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 6.2% YoY/flat MoM (+12.9%% YTD). The passenger car segment's (comprising mini, compact, super compact and mid-size cars) share in domestic sales declined to 54.56% in Feb'25 from 56.56%/flat MoM/YoY. The YTD contribution of this segment declined to 45.33% from 48.86% YoY. MSIL's exports declined 13.5%YoY/7.7% MoM to ~25k units. MSIL unveiled its first e-SUV, the e-Vitara at the Bharat Mobility Global Expo 2025. It comes with efficient battery pack to deliver 500km for 61kwh in a single charge. E-Vitara will have OEM sales and exports to about 100 countries.

Fig 1 – MSIL's PV sales

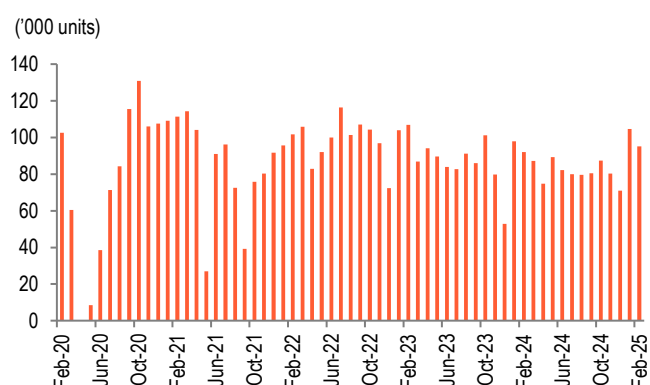
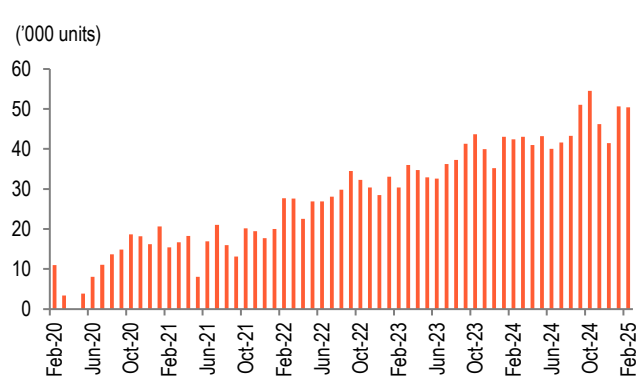


Fig 2 – MM's PV sales



Mahindra & Mahindra: MM's SUV segment grew 18.9% YoY/flat MoM. In the tractor segment, domestic volume grew by 18.7% YoY/ declined 9.2% MoM. Tractor exports grew 6.2%/31.5%% YoY/MoM due to lower base. MM announced that the XEV 9e and BE 6 cumulatively achieved 30.18k bookings on the first day of its official bookings.

Fig 3 – TTMT's PV sales

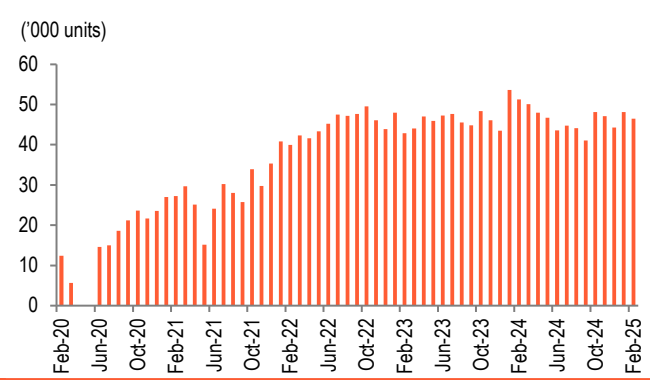
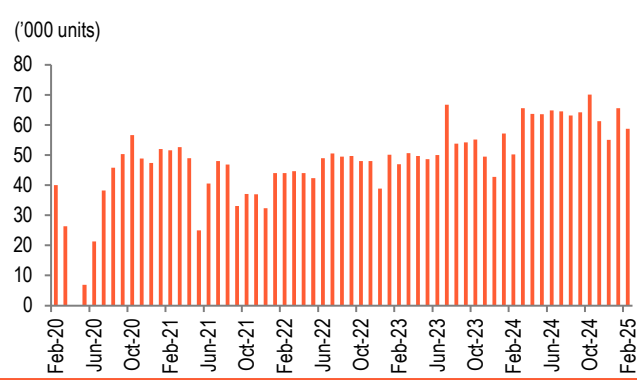


Fig 4 – Hyundai's PV sales



Bajaj Auto: The overall 2-W volume grew 1.6% YoY however, fell sharply by 8.8% YoY. Decline in 2W domestic volumes of 14.3% YoY to 146k units was partially offset by 23.5% YoY growth in export volumes. The commercial vehicle exports volume was down by 1.5%/1.2% YoY/MoM to 15.3k units, whereas domestic volumes grew by flat/2.5% MoM/YoY to 37.27k units.

TVS Motors: TVS iQube Electric 2W grew ~33.7% YoY/fell 4.7% MoM to ~24k units in Feb'25. The YTD growth of the EV vehicles was also very healthy at ~37% in FY25 compared to FY24. TVSL has entered Morocco region and experienced a positive response. Total domestic 2-W grew 3.2% YoY but was down 6.1% MoM.

Hero Motors Corp: The company's domestic volumes dipped 19.8%/13.4% YoY/MoM and exports though a small portion of the overall volume for HMCL grew 33%/flat YoY/MoM. However, YTD FY25 volume grew ~4.3% and continues to experience healthy demand across the 100cc and 125cc segments.

Fig 5 – BJAUT's 2W sales

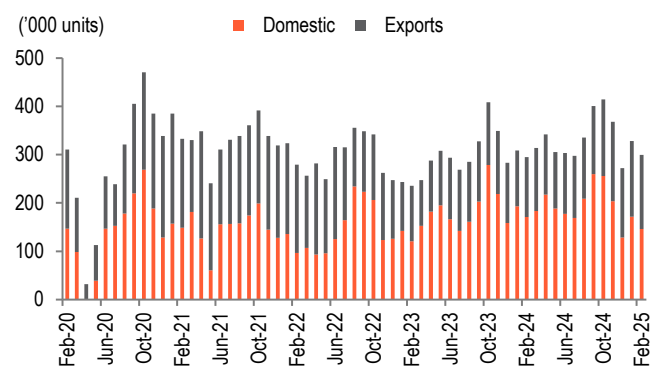


Fig 6 – TVSL's 2W sales

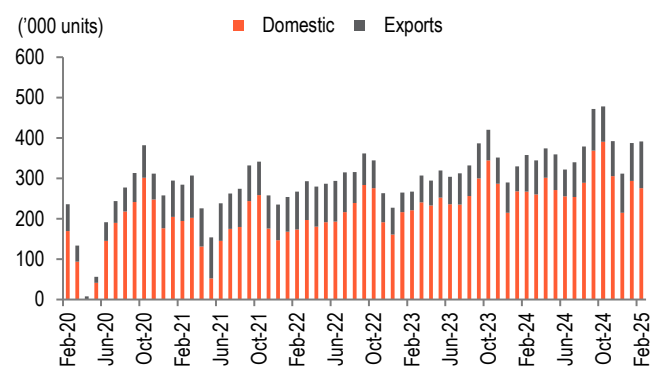


Fig 7 – HMCL's 2W sales

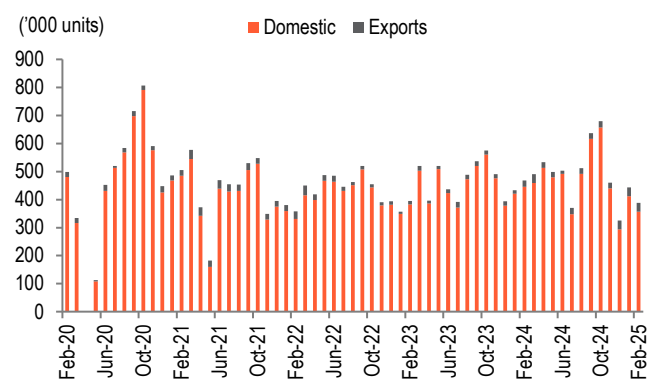


Fig 8 – EIM's 2W sales

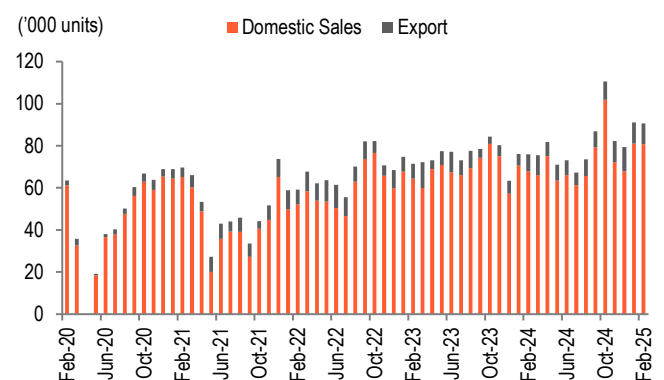
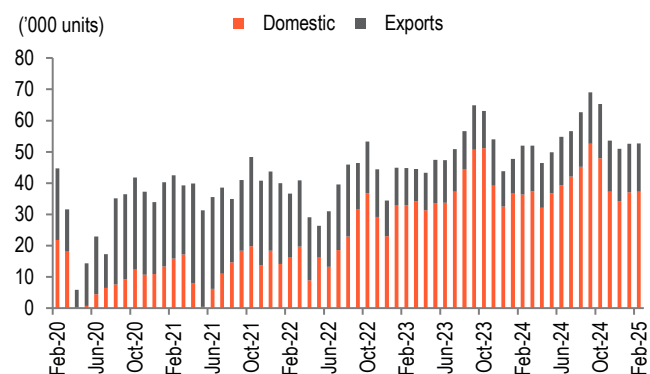
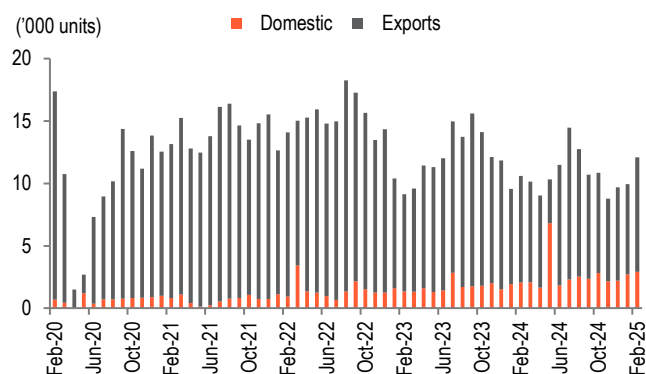
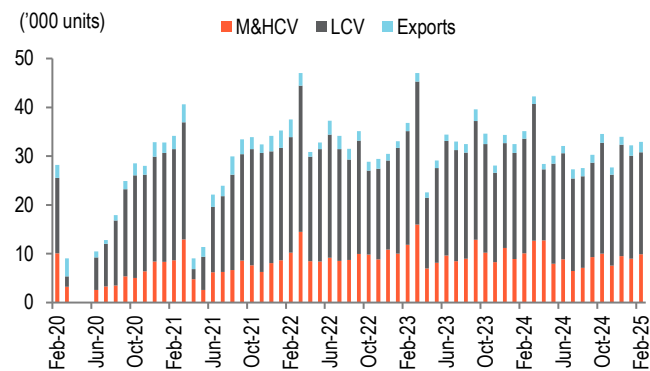
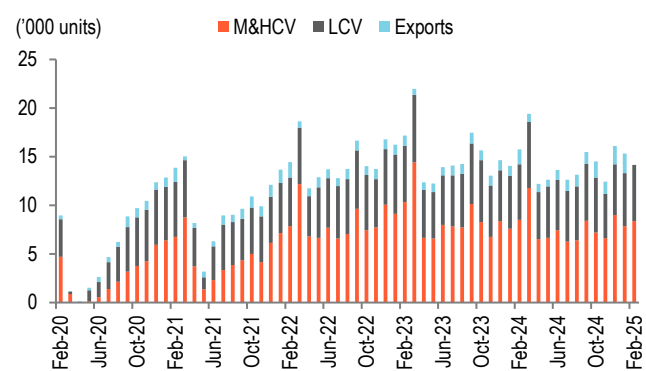
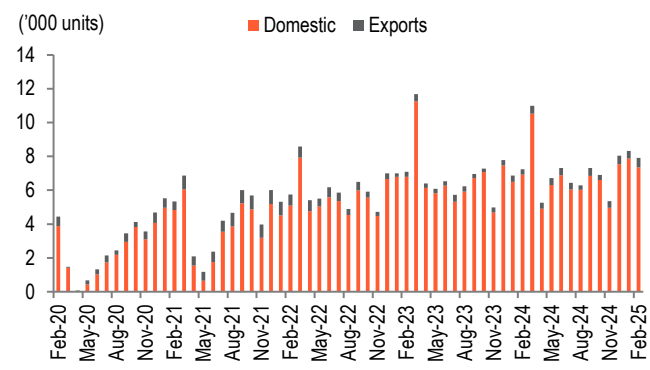


Fig 9 – BJAUT's 3W sales**Fig 10 – TVSL's 3W sales**

Eicher Motors: EIM's trucks and buses domestic volumes grew 9.1%/fell 5% YoY/MoM in Feb'25, whereas exports volumes grew 74.7%/22.7% YoY/MoM. The less than 350 cc segment grew 17.6% YoY/marginally down by 1.3% MoM, while the 350cc+ volumes grew 32%/4.7% YoY/MoM. Exports for EIM grew 23.2% YoY/fell 2.1% MoM.

Ashok Leyland: AL's overall volumes grew YoY/MoM by 2.5%/4%. In the domestic market, the trucks segment grew by 6.7% MoM/fell 1.5% YoY, while domestic bus segment fall was sharper at 22.6%/14% YoY/MoM. LCV domestic volumes grew 1.1%/5.6% YoY/MoM. The overall exports delivered a growth of 99.8%/7.3% YoY/MoM to 2k units however on a lower base.

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 in Feb'25 sold 8.5k tractors, registering growth of 11.4%/28.8% YoY/MoM. Export volumes grew 41.4%/1.8% YoY/MoM. Domestic tractor sales in Feb'25 was 7.9k, growing 9.6%/31.5% YoY/MoM. The MoM volume growth is commendable.

VSTT: VSTT's Power Tiller segment volume fell 21.8%/4.9% YoY/MoM and the tractor segment fall was 22.4%/1% YoY/MoM. The overall volumes dipped 21.8% YoY/ 4.6% MoM. Effectively, the YTD volumes dropped 6.6%.

Fig 14 – MM's tractor sales

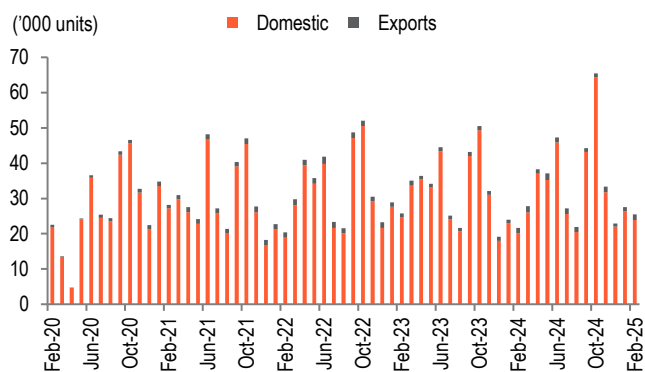


Fig 15 – ESCORTS's tractor sales



Fig 16 – MSIL's domestic and exports volumes



Fig 17 – MM's domestic and exports volumes

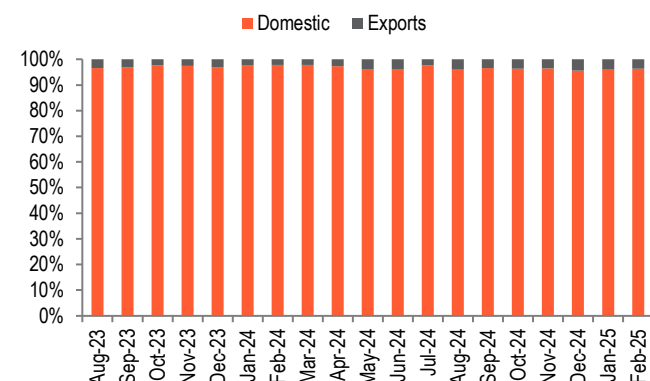


Fig 18 – TTMT's domestic and exports volumes

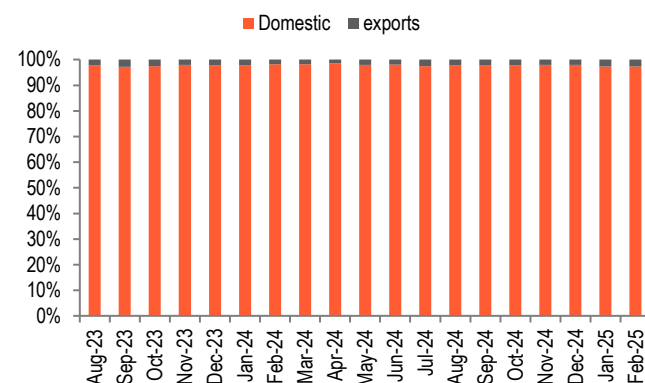


Fig 19 – AL's domestic and exports volumes

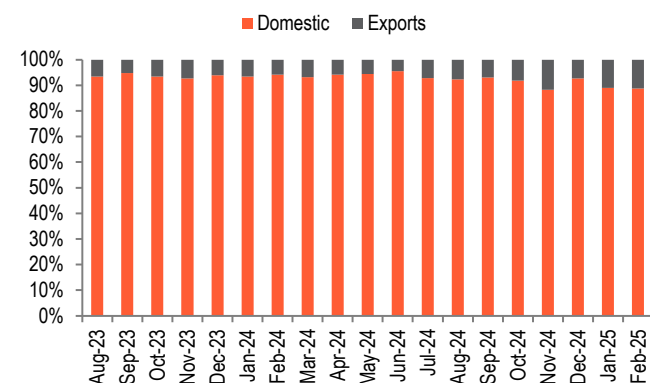


Fig 20 – EIM (2W) – Domestic and exports volumes



Source: Company, BOBCAPS Research

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



Source: Company, BOBCAPS Research

Fig 22 – BJAUT's domestic and exports volumes



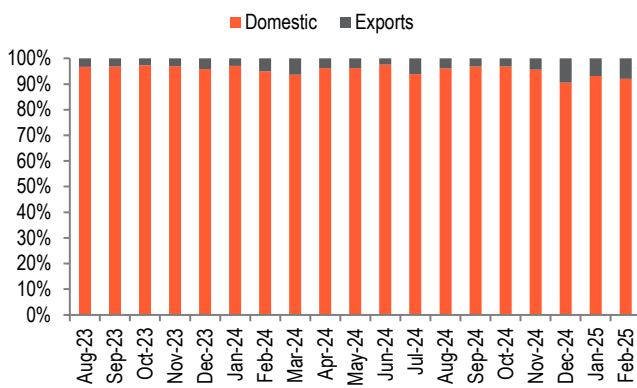
Source: Company, BOBCAPS Research

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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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

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