Automotives

Growth across segments moderating; UV is still a high-growth sub-segment

PV and 2W wholesale volumes across key OEMs were steady in Mar'24, as a precursor to the summer marriage season, with not much deviation from retail demand, implying control over inventory. TVS/RE domestic 2Ws grew 12%/5% YoY, as against HMCL volumes being down 9% YoY. In PVs, MSIL/MM/TTMT volume grew 15%/13%/14% YoY, respectively. Within MSIL's wholesales, PC segment was down 2% YoY and UV segment was up ~58% YoY. In M&HCVs, volume continued to disappoint, despite the period being seasonally strong – combined volume for AL and TTMT was down 10% YoY. Tractor wholesales declined ~28%/16% YoY for M&M/Escorts, respectively.

2Ws: TVS continues to be the winner in the segment

- **Hero MotoCorp (HMCL):** Wholesale volume was down 6% YoY at ~490k units in Mar'24. Motorcycle (MC) volume decreased 6% YoY to ~457k units and scooter volume was up 1% YoY at ~34k units.
- **TVS Motor (TVSL):** Reported volume growth of 12% YoY at ~355k units. Domestic 2Ws grew 8% YoY to ~260k. 2W exports were 26% higher at 84k. iQube wholesale volume stood at ~15k units. TVSL is aiming to cross 30k unit retails of e2Ws by Q1FY25. Though iQube retails stood at ~26k units in Mar'24, wholesales remained flattish, as from April, a further reduction of subsidies could dent demand in the near term.
- **Eicher Motors:** Royal Enfield volume was up 5% YoY at ~76k units with domestic sales at 66k units (+10% YoY) and exports at 10k units (down 23% YoY).

PVs: UVs continue to drive PV growth; PCs remain weak

- **Maruti Suzuki (MSIL):** Overall volume was up 10% YoY, at ~187k units, with domestic PV volume up 15% YoY, at ~153k units, and exports down 14% YoY, at ~26k units. SUVs continued to drive growth, up ~58% YoY vs. PCs declined ~2% YoY.
- **Mahindra & Mahindra (M&M):** Reported 13% YoY growth in PV volume at ~41k units, and with exit rate above 40k units a month, we remain confident on MM delivering ~15%+ growth in FY25E for its UV portfolio.
- **Tata Motors (TTMT):** Domestic PV volume stood at ~50k units, +14% YoY, with EVs at ~6.6k units.

CVs: Weakness in seasonally strong months continue

- **Tata Motors:** M&HCV volume was down 11% YoY at ~20k units, while LCV volume was 9% lower YoY at ~21k units.
- **Ashok Leyland:** M&HCV volume was down 7% YoY, at 16k units, and LCV volume was up 2% YoY, at ~7.3k units.
- **VECV:** CV volume was down ~6% YoY, at ~11k units.
- **LCV:** TTMT/AL/M&M declined by 9%/2%/15% YoY to ~21k/7k/18k units, respectively.

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Exhibit 1: Volume summary for Mar'24

	Mar-24	Mar-23	Feb-24	YoY	MoM	FY24	FY23	YoY
HERO MOTOCORP	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
Motorcycles	4,56,724	4,85,896	4,36,929	(6)	5	51,90,672	49,59,157	5
Scooters	33,691	33,446	31,481	1	7	4,30,783	3,69,389	17
Total	**4,90,415**	**5,19,342**	**4,68,410**	**-6**	**5**	**56,21,455**	**53,28,546**	**5**
TVS MOTORS	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
Motorcycles	1,71,611	1,41,250	1,84,023	21	(7)	19,90,343	17,33,256	15
Scooters	1,31,472	1,28,817	1,32,152	2	(1)	15,51,997	13,07,165	19
Mopeds	26,113	22,128	23,676	18	10	3,08,641	3,75,879	(18)
i-Qube	15,250	15,364	17,959	(1)	(15)	1,93,843	96,654	101
2 Wheelers	**3,44,446**	**3,07,559**	**3,57,810**	**12**	**(4)**	**40,44,824**	**35,12,954**	**15**
Domestic	2,60,532	2,40,780	2,67,502	8	(3)	31,57,050	25,97,936	22
Exports	83,914	66,779	90,308	26	(7)	8,87,774	9,15,018	(3)
3 Wheelers	**10,146**	**9,593**	**10,614**	**6**	**(4)**	**1,46,170**	**1,68,122**	**(13)**
Domestic	2,088	1,335	2,066	56	1	20,791	23,286	(11)
Exports	8,058	8,258	8,548	(2)	(6)	1,25,379	1,44,836	(13)
Total TVS Motors	**3,54,592**	**3,17,152**	**3,68,424**	**12**	**-4**	**41,90,994**	**36,82,068**	**14**
Domestic	2,62,620	2,42,115	2,69,568	8	(3)	31,77,841	26,22,214	21
Exports	91,972	75,037	98,856	23	(7)	10,13,153	10,59,854	(4)
EICHER MOTORS	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
LCV/MCV Trucks	5,343	5,804	3,457	(8)	55	42,751	41,420	3
LCV/MCV Bus	2,632	2,818	1,898	(7)	39	18,444	16,846	9
HCVs	3,011	3,055	1,891	(1)	59	21,893	19,494	12
Total Eicher	**10,986**	**11,677**	**7,246**	**(6)**	**52**	**83,088**	**77,760**	**7**
Volvo Trucks	256	229	178	12	44	2,472	1,863	33
Total HCVs (VECV)	**3,267**	**3,284**	**2,069**	**(1)**	**58**	**24,365**	**21,357**	**14**
Total CVs (VECV)	**11,242**	**11,906**	**7,424**	**(6)**	**51**	**85,560**	**79,623**	**7**
Royal Enfield (RE)	**75,551**	**72,235**	**75,935**	**5**	**-1**	**9,12,732**	**8,34,915**	**9**
of which, RE exports	9,507	12,351	8,013	(23)	19	77,937	1,00,055	(22)
MARUTI SUZUKI	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
Mini	11,829	11,582	14,782	2	(20)	1,42,094	2,32,911	(39)
Compact	69,844	71,832	71,627	(3)	(2)	8,28,016	8,63,029	(4)
Mid-Size	590	300	481	97	23	10,337	13,610	(24)
Passenger Cars	**82,263**	**83,714**	**86,890**	**(2)**	**(5)**	**9,80,447**	**11,09,550**	**(12)**
Utility Vehicles	58,436	37,054	61,234	58	(5)	6,42,295	3,66,129	75
Vans	12,019	11,995	12,147	0	(1)	1,37,139	1,31,191	5
Utility Vehicles + Vans	**70,455**	**49,049**	**73,381**	**44**	**(4)**	**7,79,434**	**4,97,320**	**57**
Domestic PV Sales	**1,52,718**	**1,32,763**	**1,60,271**	**15**	**(5)**	**17,59,881**	**16,06,870**	**10**
Light Commercial Vehicles	**3,612**	**4,024**	**3,126**	**(10)**	**16**	**33,763**	**38,006**	**(11)**
Sales to OEM	**4,974**	**3,165**	**5,147**	**57**	**(3)**	**58,612**	**61,955**	**(5)**
Total Domestic Sales	**1,61,304**	**1,39,952**	**1,68,544**	**15**	**(4)**	**18,52,256**	**17,06,831**	**9**
Exports	25,892	30,119	28,927	(14)	(10)	2,83,067	2,59,333	9
Total Maruti Suzuki	**1,87,196**	**1,70,071**	**1,97,471**	**10**	**-5**	**21,35,323**	**19,66,164**	**9**
MAHINDRA & MAHINDRA	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
Utility Vehicles	40,631	35,976	42,401	13	(4)	4,59,864	3,56,961	29
Cars & Vans	-	21	-	(100)	-	13	2,292	(99)
Passenger Vehicles	**40,631**	**35,997**	**42,401**	**13**	**(4)**	**4,59,877**	**3,59,253**	**28**
LCV < 3.5 T	17,613	20,813	19,925	(15)	(12)	2,43,618	2,38,537	2
LCV > 3.5T	3	3	3	-	-	36	68	(47)
M&HCV	3,314	1,466	2,897	126	14	19,156	9,981	92
Commercial Vehicles	**20,930**	**22,282**	**22,825**	**(6)**	**(8)**	**2,62,810**	**2,48,586**	**6**
Three-Wheelers	**5,279**	**5,697**	**6,158**	**(7)**	**(14)**	**77,589**	**58,520**	**33**
Total Domestic Sales	**66,840**	**63,976**	**71,384**	**4**	**(6)**	**8,00,276**	**6,66,359**	**20**
Exports	**1,573**	**2,115**	**1,539**	**(26)**	**2**	**24,663**	**32,107**	**(23)**
Total Auto Sales	**68,413**	**66,091**	**72,923**	**4**	**-6**	**8,24,939**	**6,98,466**	**18**
Tractors Domestic	24,276	33,622	20,121	(28)	21	3,64,526	3,89,531	(6)
Tractors - Exports	1,748	1,392	1,551	26	13	13,860	18,014	(23)
Total Tractor Sales	**26,024**	**35,014**	**21,672**	**-26**	**20**	**3,78,386**	**4,07,545**	**-7**
ESCORTS AGRI MACHINERY	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
Domestic	8,054	9,601	6,041	(16)	33	90,239	95,266	(5)
Exports	533	704	440	(24)	21	5,619	8,024	(30)
Total	**8,587**	**10,305**	**6,481**	**-17**	**32**	**95,858**	**1,03,290**	**-7**
ASHOK LEYLAND	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
M&HCV	15,562	16,773	11,369	(7)	37	1,24,187	1,23,246	1
LCV (Dost)	7,304	7,153	6,095	2	20	69,497	67,933	2
Total	**22,866**	**23,926**	**17,464**	**-4**	**31**	**1,93,684**	**1,91,179**	**1**

Exhibit 1: Volume summary for Mar'24

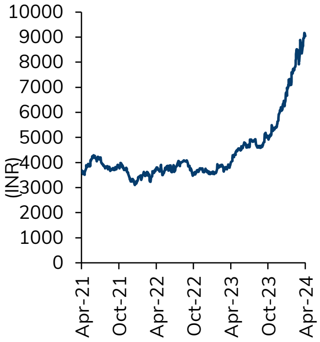
	Mar-24	Mar-23	Feb-24	YoY	MoM	FY24	FY23	YoY
TATA MOTORS	**Mar-24**	**Mar-23**	**Feb-24**	**YoY**	**MoM**	**FY24**	**FY23**	**YoY**
M&HCV	19,976	22,533	16,227	(11)	23	1,77,652	1,79,841	(1)
LCV	20,736	22,774	17,340	(9)	20	2,00,408	2,13,476	(6)
Utility	27,622	20,658	28,907	34	(4)	3,26,213	3,19,206	2
Cars	15,900	16,977	15,487	(6)	3	1,72,259	1,70,573	1
EV	6,588	6,409	6,873	3	(4)	72,483	48,861	48
Total Domestic Sales	**90,822**	**89,351**	**84,834**	**2**	**7**	**9,49,015**	**9,30,257**	**2**
Exports	1,737	3,085	1,572	(44)	10	20,325	24,757	(18)
Total Tata Motors	**92,559**	**92,436**	**86,406**	**0**	**7**	**9,69,340**	**9,55,014**	**2**

Source: Company data, I-Sec research

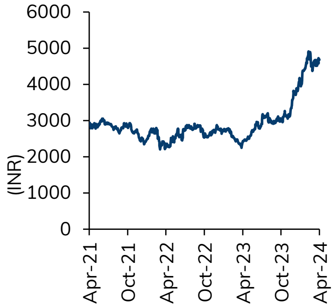
Price charts

Ashok Leyland

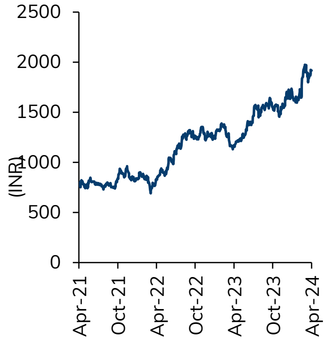
Bajaj Auto



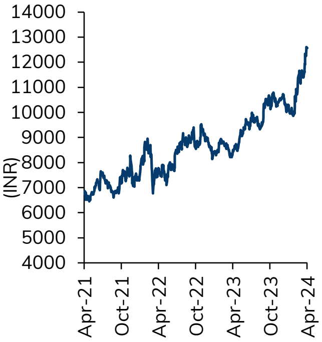
Hero MotoCorp



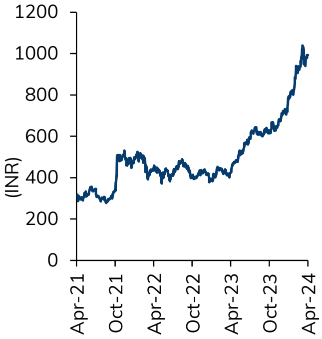
Mahindra & Mahindra



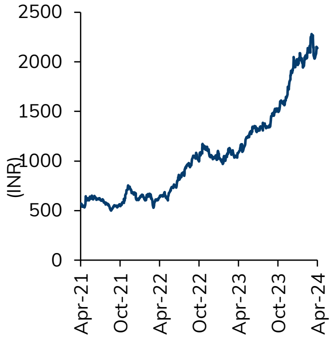
Maruti Suzuki



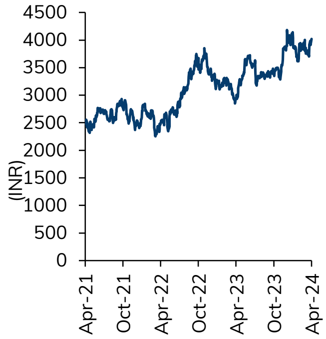
Tata Motors



TVS Motor



Eicher Motors



Source: Bloomberg

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