

Automobiles

Will this year see the clash of titans yet again?

HMSI's 2W market share just 200bp lower than HMCL's so far in FY25

We have analyzed model-wise data for two-wheelers (2Ws) and passenger vehicles (PVs) for YTDFY25. Below are the key highlights:

- In Apr-May'24, domestic 2W industry volumes rose 19% YoY. While domestic motorcycle volumes increased 18.5%, scooters grew 21.6% and mopeds rose 16%.
- One key highlight in the current fiscal is that Honda Motorcycle and Scooter India (HMSI) has its supply constraints resolved and gained the most market share across segments in the first two months of FY25.
- HMSI's overall domestic 2W market share inched up to 28%, just 200bp below that of market leader Hero MotoCorp (HMCL).
- In the 125cc motorcycle segment, HMSI gained the most share, up 690bp YoY to 40.4%. Even TVS Motor (TVSL) gained 160bp share to 14.4%. Despite the success of HMCL's Xtreme 125cc, it lost 190bp share in this segment. Even Bajaj Auto (BJAUT) underperformed in this segment in the first two months.
- In the 150-250cc segment, HMSI recovered its entire market share to 20% (from nil YoY due to supply constraints).
- Surprisingly enough, the 250cc+ segment saw just 5% YoY growth in Apr-May'24 and RE underperformed in this segment with a 1% decline.
- In scooters, while Suzuki gained 220bp to 17%, TVSL gained 70bp share to 22%.
- The PV segment has slowed down and posted just about 2.7% YoY growth for the first two months of FY25 (cars: -16%, UVs: +18%).
- In the UV segment, key outperformers are: MSIL (+33%), M&M (+24.6%), Hyundai (+21%), and Toyota (+38%).
- In the overall domestic PV segment, the key gainers are: M&M (+240bp to 13.3%), Hyundai (+160bp to 10.5%) and Toyota (+130bp to 6.7%). However, MSIL has actually lost 110bp share to 44.4% given its significantly higher share in cars (which is declining).

2W update

- Domestic 2W industry volumes rose 19% YoY in Apr-May'24. While motorcycle volumes increased by 18.5%, scooters grew 21.6% and mopeds rose 16%.
- Within motorcycles, the fastest-growing segment was the 150-250cc segment, with strong 46.5% YoY growth in volumes in this period. It was followed by the 125cc segment with 19% growth and then the 100cc segment with 12% growth. The 250cc+ segment has been the laggard so far, with just 5% YoY growth in Apr-May'24.
- Interestingly, HMSI has been the biggest gainer in most segments in the first two months and now again seems to be eyeing the No. 1 spot in the domestic 2W industry. Its market share rose 400bp YoY in Apr-May'24 to 28%, which is just 200bp lower than the market leader HMCL at 30% (down 200bp YoY).

This year, we're very close to pre-Covid-19 levels. The top half has reached it.

Three-wheelers have reached it. The bottom half is showing good signs for the past two or three months.

It's a reflection of the recovery in the economy and money reaching the pockets of the common man. People who buy entry-level vehicles are making on an average Rs 30,000-Rs 35,000. It is also about a sense of confidence and job security. You can see that very clearly in the loan tenures that people are taking. They're taking four-year tenures. That means there's confidence. That's causing the rise in the industry growth rate. Unless there is a black swan event, we should see 7-8% average growth with the top half growing at 11-12% and the bottom half growing at 5-6%. We may not surpass the 2018-19 peak because the prices have increased by 35-40%. We'll come within striking distance next year.

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Market share movement in each motorcycle category (Apr-May2024)**100cc segment:**

- As highlighted above, the 100cc segment grew 12% YoY in Apr-May'24.
- The low base for the Shine100 is driving robust growth for HMSI in this segment. HMCL has grown largely in line with the industry at 11% YoY.
- Both BJAUT and TVSL have underperformed in this segment.
- HMSI's market share has improved to 7% (+480bp YoY). On the other hand, HMCL has lost 70bp share to 79.4%.

125cc segment:

- The 125cc segment posted 19% YoY growth in the first two months. Here again, HMSI has significantly outperformed the segment with 44% YoY growth as its supply constraints are now behind. Even TVSL has outperformed peers by a wide margin with 34% YoY growth.
- While BJAUT volumes declined 5% YoY in this segment, HMCL volumes grew just 9% YoY despite the launch of the Xtreme125R. The Xtreme 125R posted 14k units in May'24 and continues to see a much slower ramp-up.
- In the 125cc segment, HMSI has gained the most share: +690bp YoY to 40.4%. Even TVSL has gained 160bp share to 14.4%. On the other hand, HMCL has lost 190bp share to 18.7%, and BJAUT has lost 670bp share to 26.4% (over a high base).

150-250cc segment:

- As highlighted above, the 150-250cc segment posted strong 46.5% YoY growth in the first two months of the fiscal, partly aided by a low base and new launches. One has to remember that HMSI was facing significant supply constraints at the beginning of last year to the extent that it had literally sold nil vehicles in this segment in Apr-May'23. With supply constraints having been resolved now, it sold 74.8k units in Apr-May'24 and recovered its entire market share to 20%.
- BJAUT posted healthy 35% YoY growth on the back of its new launches.
- On the other hand, both HMCL and TVSL have underperformed in this segment with about 9% YoY growth each.
- Given HMSI's strong comeback, TVSL has lost 790bp share to 23%, and BJAUT has lost 270bp to 32.8%. Even HMCL has lost 90bp share to 2.6%.

250cc+ segment:

- Surprisingly enough, the 250cc+ segment posted just 5% YoY growth in Apr-May'24.
- RE has actually underperformed in this segment and posted a 1% YoY decline in volumes in this period amid rising competition. Industry growth has been driven by Bajaj-Triumph, which sold 4.3k units and HMCL-Harley, which sold 4k units (HD X440 at 2.2k and Maverick at 1.8k units).

Scooters update:

- The scooter (ICE) segment posted 21.6% YoY growth in Apr-May'24.
- TVSL and Suzuki have outperformed industry growth, with 26%/36% growth, respectively.
- Even HMSI saw healthy 18% YoY growth.
- HMCL continues to underperform with a 7.5% YoY decline in volumes.
- Overall, TVSL has gained 70bp share to 22% in scooters and Suzuki has gained 180bp to 17%.
- On the other hand, HMSI has lost 170bp share to 50.9%, and HMCL has lost 150bp share to 4.8%.

Highlights on specific models:

- HMSI's Shine100 is now averaging about 22k units per month so far in FY25.
- TVSL seems to have discontinued its Star City in the current fiscal, which is the primary reason for the decline in its market share in 100cc.
- HMCL's Xtreme 125R has now ramped up to 14k units in May'24, much slower than earlier envisaged.
- While Triumph is doing an avg of 2.2k units per month, HDX440 and Maverick are selling about 2k per month together.
- In scooters, HMCL's Xoom volumes seem to be fizzling out now (under 4k units per month currently). At the higher end, Suzuki's Burgman is now selling about 18.5k per month.

PV segment update

- The PV segment has slowed down and posted just about 2.7% YoY growth for the first two months of FY25.
- However, while UVs continue to outperform with 18% YoY growth, cars continue to see weak demand, with a 16% YoY decline.

Car segment:

- MSIL has gained 100bp share to 67.5% and TTMT has gained an estimated 110bp share to 7.4%.
- On the other hand, Hyundai has lost 160bp share to 14.9%.

UV segment:

- In the UV segment, key outperformers are: MSIL (+33%), MM (+24.6%), Hyundai (+21%) and Toyota (+38%).
- On the other hand, key underperformers are: TTMT (estimated at +4.5%) and Kia (-6%).
- Hence, MSIL has gained 320bp share to 28.2% so far and MM has gained 120bp share to 21.5%. Hyundai has gained 40bp share to 17%. Toyota has gained 120bp share to 8.5%. Meanwhile, Kia has lost 260bp share to 10.1%.

Domestic PVs:

- In the overall domestic PV segment, the key gainers are: MM (+240bp to 13.3%), Hyundai (+160bp to 10.5%) and Toyota (+130bp to 6.7%).
- However, MSIL has actually lost 110bp share to 44.4% given its significantly higher share in cars (which is declining).

Highlights on specific models:

- In MSIL, one of the key reasons for a decline in car sales is weak sales from Baleno, down to about 13k units per month from 17k per month YoY.
- MSIL's Ertiga continues to be its key growth driver and is now selling about 13.5k units per month.
- Hyundai's Exter is now averaging about 7.5k units per month and boosting growth for Hyundai.
- MM sold 10.5k units of XUV3XO in May'24. On the other hand, XUV400 is selling just 200-250 units per month.
- MSIL's Fronx is now selling an avg of about 13k units per month. On the other hand, Jimny sales are tapering off to just 270 units per month.
- Honda Elevate has not picked up on expected lines and now selling 1.5k units per month.
- Urban Cruiser Taisor, based on Fronx, has sold 2.2k units in the first month of its launch in May'24.
- Kia Carens sales remain steady at 5k+ units per month.
- For MM, both XUV700 and Thar are stable at around 5-6k per month each. Scorpio continues to be the key growth driver and is now clocking 14k units per month avg.

Valuation and view

- While we expect the 2W segment to continue to outperform other segments even in FY25, this is fully priced-in after the recent strong rally in 2W stocks.
- MSIL is our top pick among auto OEMs as it continues to be a play on rural recovery with an attractive valuation.

Exhibit 1: Domestic 100CC volumes up 12% YoY YTD

Volumes	YTDFY25	YTDFY24	YoY (%)
BJAUT	86,393	97,411	-11.3
TVSL	51,238	62,249	-17.7
HMCL	8,07,410	7,24,955	11.4
HMSI	72,373	20,469	253.6
Total	10,17,414	9,05,084	12.4

Source: SIAM, MOFSL

Exhibit 2: HMSI gained market share with the launch of Shine

100 cc Market Share (%)	YTDFY25	YTDFY24
HMCL	79.4	80.1
BJAUT	8.5	10.8
TVSL	5.0	6.9
HMSI	7.1	2.3

Source: SIAM, MOFSL

Exhibit 3: 125CC motorcycle grew 19% YTD

Volumes	YTDFY25	YTDFY24	YoY (%)
HMSI	2,48,245	1,72,491	43.9
HMCL	1,15,114	1,05,811	8.8
BJAUT	1,62,291	1,70,478	-4.8
TVSL	88,347	65,931	34.0
Total	6,13,997	5,14,711	19.3

Source: SIAM, MOFSL

Exhibit 4: HMSI and TVSL gained market share

125 cc Market Share (%)	YTDFY25	YTDFY24
HMSI	40.4	33.5
HMCL	18.7	20.6
BJAUT	26.4	33.1
TVSL	14.4	12.8

Source: SIAM, MOFSL

Exhibit 5: 150-250CC motorcycle volumes grew 47% YoY YTD

Volumes	YTDFY25	YTDFY24	YoY (%)
BJAUT	1,23,559	91,376	35.2
TVSL	87,264	80,103	8.9
HMSI	74,851	-	-
Yamaha	77,689	72,049	7.8
HMCL	9,694	8,943	8.4
Others	3,703	4,691	-21.1
Total	3,76,760	2,57,162	46.5

Source: SIAM, MOFSL

Exhibit 6: HMSI gained significant market share in the space

Market Share (%)	YTDFY25	YTDFY24
BJAUT	32.8	35.5
TVSL	23.2	31.1
HMSI	19.9	0.0
Yamaha	20.6	28.0
HMCL	2.6	3.5
Others	1.0	1.8

Source: SIAM, MOFSL

Exhibit 7: 250cc and above motorcycles volumes up 5% YoY

Volumes	YTDFY25	YTDFY24	YoY (%)
RE	1,38,569	1,39,676	-0.8
HMSI	7,291	7,093	2.8
BJAUT	6,884	3,355	105.2
HMCL	4,010	-	-
TVSL	701	591	18.6
Others	1,390	722	92.5
Total	1,58,845	1,51,437	4.9

Source: SIAM, MOFSL

Exhibit 8: Competition from new entrants dents RE's share

Market Share (%)	YTDFY25	YTDFY24
RE	87.2	92.2
HMSI	4.6	4.7
BJAUT	4.3	2.2
HMCL	2.5	-
Others	0.4	0.4

Source: SIAM, MOFSL

Exhibit 9: Domestic motorcycle volumes grew 19% YoY

Volumes	YTDFY25	YTDFY24	YoY (%)
HMCL	9,36,228	8,39,709	11.5
BJAUT	3,79,127	3,62,620	4.6
TVSL	2,27,550	2,08,874	8.9
HMSI	4,02,760	2,00,053	101.3
RE	1,38,569	1,39,676	-0.8
Others	82,782	77,462	6.9
Total	21,67,016	18,28,394	18.5

Source: SIAM, MOFSL

Exhibit 10: HMSI has been the biggest gainer for YTD so far

Market Share (%)	YTDFY25	YTDFY24
HMCL	43.2	45.9
BJAUT	17.5	19.8
TVSL	10.5	11.4
HMSI	18.6	10.9
RE	6.4	7.6
Others	3.8	4.2

Source: SIAM, MOFSL

Exhibit 11: Scooters ICE volumes grew ~22% YTD

Volumes	YTDFY25	YTDFY24	YoY (%)
HMSI	5,28,875	4,49,381	17.7
TVSL	2,28,778	1,81,870	25.8
Suzuki	1,76,411	1,29,703	36.0
HMCL	49,998	54,064	-7.5
Others	55,521	40,052	38.6
Total	10,39,583	8,55,070	21.6

Source: SIAM, MOFSL

Exhibit 12: TVSL and Suzuki gained market share

Market Share (%)	YTDFY25	YTDFY24
HMSI	50.9	52.6
TVSL	22.9	21.3
Suzuki	17.0	15.2
HMCL	4.8	6.3
Others	4.4	4.7

Source: SIAM, MOFSL

Exhibit 13: Domestic 2W volumes grew 19% YoY

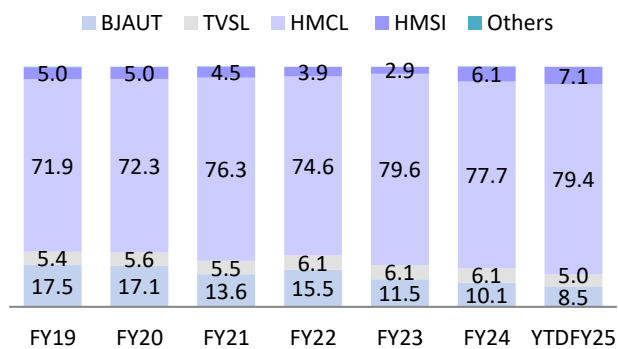
Volumes	YTDFY25	YTDFY24	YoY (%)
HMCL	9,86,226	8,93,773	10.3
HMSI	9,31,635	6,49,434	43.5
BJAUT	3,79,127	3,62,620	4.6
TVSL	5,38,646	4,61,506	16.7
Others	4,53,283	3,86,893	17.2
Total	32,88,917	27,54,226	19.4

Source: SIAM, MOFSL

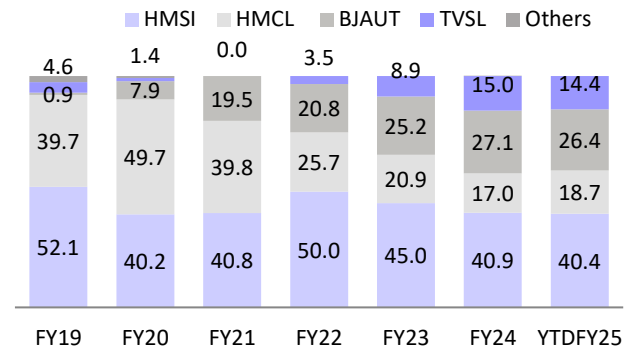
Exhibit 14: HMSI has been the ultimate gainer, TVSL flat

Market Share (%)	YTDFY25	YTDFY24
HMCL	30	32
HMSI	28	24
BJAUT	12	13
TVSL	16	17
Others	14	14

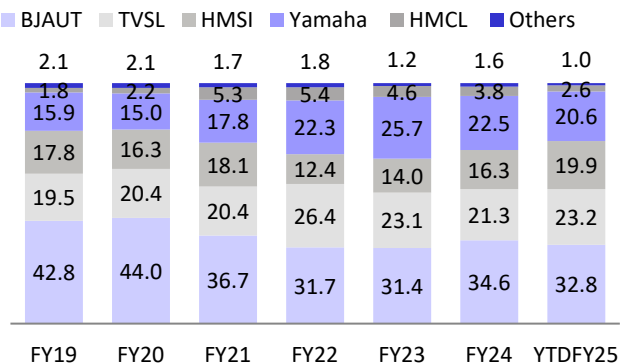
Source: SIAM, MOFSL

Exhibit 15: 100cc motorcycle segment market share trend

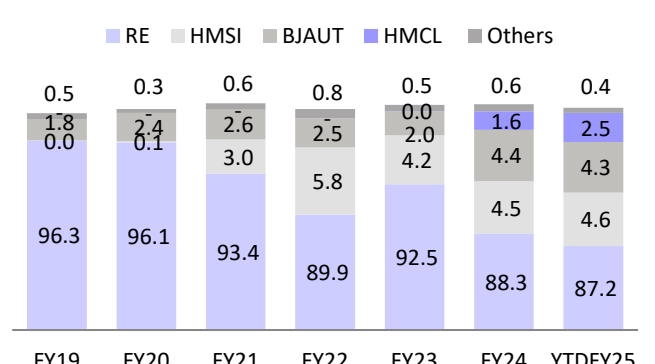
Source: SIAM, MOFSL

Exhibit 16: 125cc motorcycle segment market share trend

Source: SIAM, MOFSL

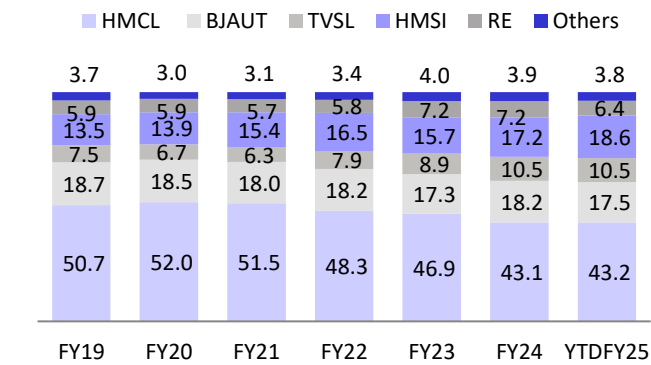
Exhibit 17: 150-250cc segment market share trend

Source: SIAM, MOFSL

Exhibit 18: Market share trend of 250cc and above segment

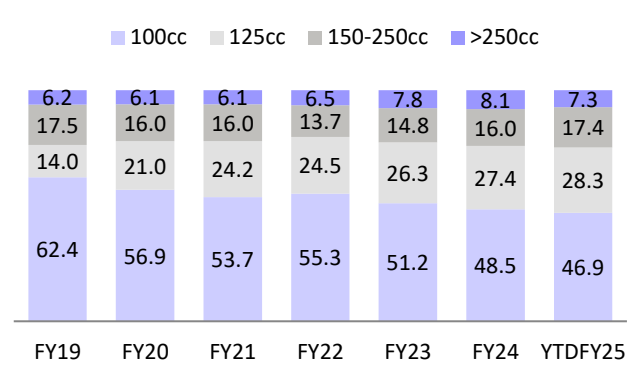
Source: SIAM, MOFSL

Exhibit 19: Market share trend in domestic motorcycles



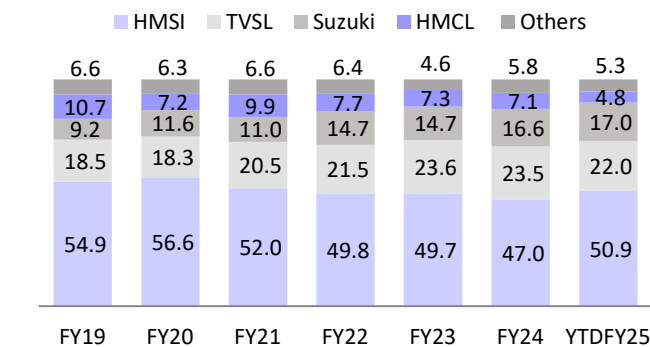
Source: SIAM, MOFSL

Exhibit 20: Domestic motorcycle mix



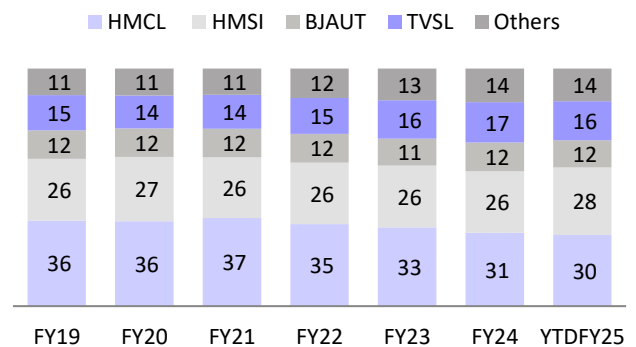
Source: SIAM, MOFSL

Exhibit 21: Market share trend in domestic ICE scooters



Source: SIAM, MOFSL

Exhibit 22: Market share trend in overall ICE 2Ws



Source: SIAM, MOFSL

Exhibit 23: Domestic car volumes declined 16% YTD

Volumes	YTD FY25	YTD FY24	YoY (%)
Maruti Suzuki	1,48,177	1,74,709	-15.2
Hyundai Motors	32,724	43,270	-24.4
Tata Motors*	16,300	16,500	-1.2
Honda Cars	5,889	9,973	-41.0
Toyota Kirloskar Motors	9,198	9,037	1.8
Others	7,321	9,133	-19.8
Total	2,19,609	2,62,622	-16.4

Source: SIAM, MOFSL; *estimated based on press release

Exhibit 24: Domestic car market share trend

Car Market Share (%)	YTD FY25	YTD FY24	Change (bps)
MSIL	67.5	66.5	95
Hyundai	14.9	16.5	-158
TTMT	7.4	6.3	114
Honda	2.7	3.8	-112
Toyota	4.2	3.4	75
Others	3.3	3.5	-14

Source: SIAM, MOFSL

Exhibit 25: Domestic UV volumes grew 18% YTD

Utility Vehicles	YTD FY25	YTD FY24	YoY (%)
Maruti Suzuki	1,10,757	82,997	33.4
M&M	84,226	67,577	24.6
Hyundai Motors	66,628	55,032	21.1
Tata Motors*	30,000	28,700	4.5
Kia Motors	39,468	41,982	-6.0
Toyota Kirloskar Motors	33,406	24,228	37.9
Others	27,727	31,663	-12.4
Total	3,92,212	3,32,179	18.1

Source: SIAM, MOFSL; *estimated based on press release

Exhibit 26: Domestic UV market share trend

UV Market Share (%)	YTD FY25	YTD FY24	Change (bps)
MSIL	28.2	25.0	325
M&M	21.5	20.3	113
Hyundai	17.0	16.6	42
TTMT	7.6	8.6	-99
Kia	10.1	12.6	-258
Toyota	8.5	7.3	122
Others	7.1	9.5	-246

Source: SIAM, MOFSL

Exhibit 27: Domestic PV volumes up 3% YTD

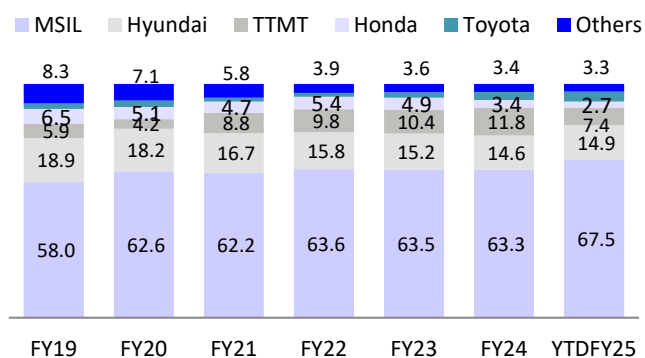
Passenger Vehicles	YTDFY25	YTDFY24	YoY (%)
Maruti Suzuki	2,81,954	2,81,028	0.3
M&M	84,226	67,584	24.6
Hyundai Motors	66,628	55,032	21.1
Tata Motors*	46,300	45,200	2.4
Kia Motors	39,468	41,982	-6.0
Toyota Kirloskar Motors	42,604	33,265	28.1
Others	73,661	94,039	-21.7
Total	6,34,841	6,18,130	2.7

Source: SIAM, MOFSL; *estimated based on press release

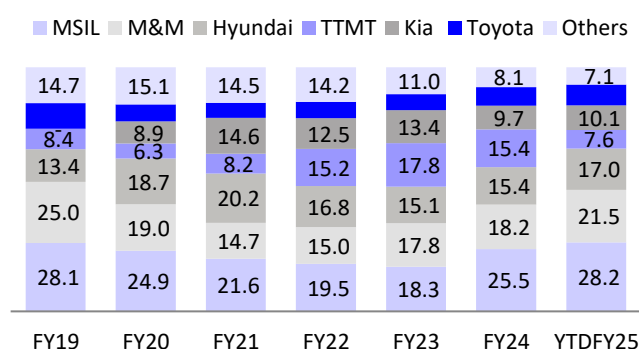
Exhibit 28: Domestic PV market share trend

Market Share (%)	YTDFY25	YTDFY24	Change (bps)
MSIL	44.4	45.5	-105
M&M	13.3	10.9	233
Hyundai	10.5	8.9	159
TTMT	7.3	7.3	-2
Kia	6.2	6.8	-57
Toyota	6.7	5.4	133
Others	11.6	15.2	-361

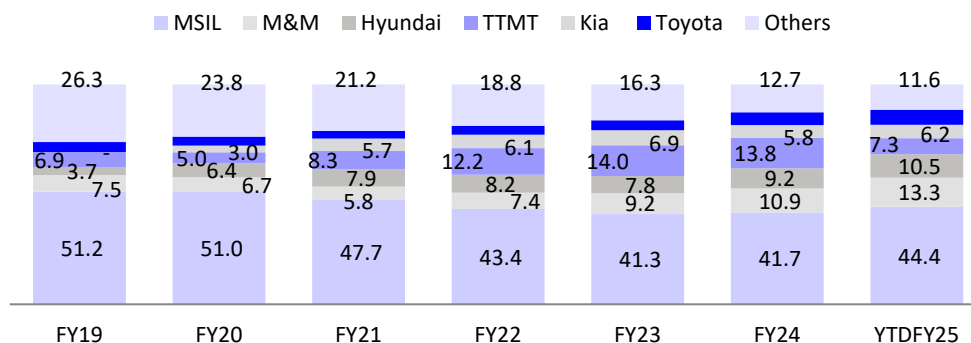
Source: SIAM, MOFSL

Exhibit 29: Market share trend in cars segment

Source: SIAM, MOFSL

Exhibit 30: Market share trend in UV segment

Source: SIAM, MOFSL

Exhibit 31: Market share trend in PV segment

Source: SIAM, MOFSL

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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