Auto Volumes – May 2024

ICICI direct Research

May 2, 2024

2-wheeler continues to shine, CV recovers on a low base

Auto OEM wholesale sales volume for the month of April 2024 came in broadly flat to positive with volumes growing healthy double digit on YoY basis in the 2-W space, while it remained steady with single digit growth in the PV domain. Volumes in CV space reported optical recovery on a low base (healthy pre-buying witnessed in March 2023 and consequent fall witnessed in April 2023) while Tractors remained broadly flat. M&M and Hero MotoCorp outperformed their peers in their respective segments.

In 2-W pack, for April 2024 market leader Hero MotoCorp outperformed its peers with healthy volume growth of 34.7% YoY at 5.3 lakh units. Royal Enfield brand at Eicher Motors witness recovery, reporting volume of 82k units, up 12% YoY. Volumes at TVS Motors were at 3.7 lakh units up 27% YoY while volumes at Bajaj Auto stood at 3.4 lakh units, up 18.7% YoY.

In PV space, M&M continue to outperform its peers with only PV player reporting double-digit volume growth of 18% YoY at 41k units. Maruti Suzuki sales volume for the month were up 4.6% YoY at 1.66 lakh units, while Tata Motors volumes were broadly flat at 48k units (EV: 6.4k units).

In CV segment, Market leader Tata Motors reported volumes of 29.5k units up 31% YoY. While Ashok Leyland reported a volume growth of 10% YoY at 14k units. VECV arm of Eicher Motors reported a decline of 18% YoY at 5.4k units. M&M reported volumes of 22k in CV domain, up 9.2% YoY. CV space is expected to report tangible volume recovery in H2FY25E.

In tractor segment, volumes were broadly flattish at both the listed tractor players with M&M reporting volumes of 37k units while same at Escorts stood at 7.5k units. Interestingly, Tractors exports witnessed double digit YoY growth for the month of April'24 at both M&M and Escorts. Key monitorable for this space would be impending monsoon distribution with forecast of healthy monsoons in India for 2024.

Exhibit 1: Snapshot of OEM performance during April 2024

	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
2-W								
Hero	5,33,585	3,96,107	34.7	4,90,415	8.8	5,33,585	3,96,107	34.7
Bajaj	3,41,789	2,87,985	18.7	3,13,885	8.9	3,41,789	2,87,985	18.7
TVS	3,74,592	2,94,786	27.1	3,44,446	8.8	3,74,592	2,94,786	27.1
Eicher	81,870	73,136	11.9	75,551	8.4	81,870	73,136	11.9
PV								
Maruti Suzuki	1,65,593	1,58,330	4.6	1,83,584	(9.8)	1,65,593	1,58,330	4.6
Tata Motors	47,983	47,107	1.9	50,297	(4.6)	47,983	47,107	1.9
M&M	41,008	34,698	18.2	40,631	0.9	41,008	34,698	18.2
CV								
Ashok Leyland	14,271	12,974	10.0	22,866	(37.6)	14,271	12,974	10.0
M&HCV	9,123	7,933	15.0	15,562	(41.4)	9,123	7,933	15.0
LCV	5,148	5,041	2.1	7,304	(29.5)	5,148	5,041	2.1
Tata Motors	29,538	22,492	31.3	42,262	(30.1)	29,538	22,492	31.3
M&HCV	12,377	9,045	36.8	18,564	(33.3)	12,377	9,045	36.8
LCV	17,161	13,447	27.6	23,698	(27.6)	17,161	13,447	27.6
M&M	22,102	20,231	9.2	20,930	5.6	22,102	20,231	9.2
M&HCV	3,038	1,743	74.3	3,317	(8.4)	3,038	1,743	74.3
LCV	19,064	18,488	3.1	17,613	8.2	19,064	18,488	3.1
Maruti Suzuki (LCV)	2,496	2,199	13.5	3,612	(30.9)	2,496	2,199	13.5
VECV	5,377	6,567	(18.1)	11,242	(52.2)	5,377	6,567	(18.1)
3-W								
Bajaj	46,467	43,293	7.3	52,019	(10.7)	46,467	43,293	7.3
Atul Auto	1,692	715	136.6	3,128	(45.9)	1,692	715	136.6
TVS Motors	9,023	11,438	(21.1)	10,146	(11.1)	9,023	11,438	(21.1)
M&M	5,504	5,552	(0.9)	5,279	4.3	5,504	5,552	(0.9)
Tractors								
M&M	37,039	36,405	1.7	26,024	42.3	37,039	36,405	1.7
Escorts	7,515	7,565	(0.7)	8,587	(12.5)	7,515	7,565	(0.7)

Source: Company, ICICI Direct Research

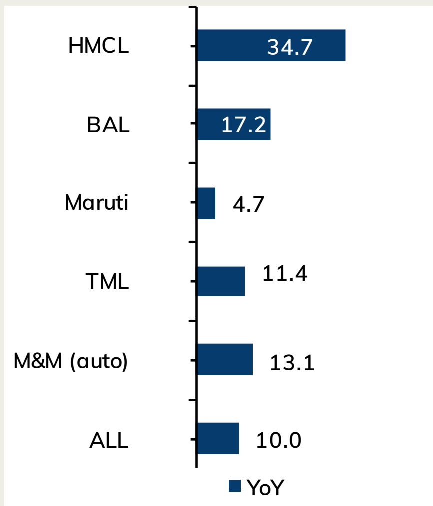
Sector Views

Selectively Positive

Volume performance- April 2024

- Wholesale volume prints for the month of April 2024 came in broadly positive with 2-W segment growing healthy double digit on YoY basis while PV segment reported steady prints. Volumes in CV space witness recovery on a low base YoY
- Key outperformers within key segments were Hero MotoCorp in the 2W space while M&M outperformed in PV domain.
- Vahan registrations (retail sales) for April 2024 totalled ~22.1 lakh units, up 26% on YoY basis (~17.5 lakh units in April 2023)
- For FY25E, we expect growth trajectory to be led by the 2-W space with high base and impending elections limiting growth in the PV and CV categories.

OEM Volume Performance- April 2024



Source: Company, ICICI Direct Research

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Key Volume tables – OEM specific

Exhibit 2: Hero MotoCorp (HMCL)

	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Motorcycles	4,96,542	3,68,830	34.6	4,56,724	8.7	4,96,542	3,68,829	34.6
Scooters	37,043	27,277	35.8	33,691	9.9	37,043	27,278	35.8
Total Sales	5,33,585	3,96,107	34.7	4,90,415	8.8	5,33,585	3,96,107	34.7

Source: Company, ICICI Direct Research

Market leader Hero MotoCorp outperformed 2-W space. Total wholesale sales reported healthy volume growth of 34.7% YoY at 5.33 lakh units.

Exhibit 3: Bajaj Auto

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
2-W	3,41,789	2,87,985	18.7	3,13,885	8.9	3,41,789	2,87,985	18.7
3-W	46,467	43,293	7.3	52,019	(10.7)	46,467	43,293	7.3
Total Sales	3,88,256	3,31,278	17.2	3,65,904	6.1	3,88,256	3,31,278	17.2
Domestic	2,49,083	2,13,172	16.8	2,20,393	13.0	2,49,083	2,13,172	16.8
Exports	1,39,173	1,18,106	17.8	1,45,511	(4.4)	1,39,173	1,18,106	17.8

Source: Company, ICICI Direct Research

For the month of April 2024, total volumes at Bajaj Auto were up 17.2% YoY at 3.88 lakh units (domestic up 16.8%, exports up 17.8%). The 2-W space witnessed a growth of 18.7% YoY while 3-W was up 7.3% YoY at 46,467 units.

Exhibit 4: Eicher Motors (Royal Enfield)

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Upto 350 cc	72,866	64,728	12.6	66,363	9.8	72,866	64,728	12.6
> 350 cc	9,004	8,408	7.1	9,188	(2.0)	9,004	8,408	7.1
Total Sales	81,870	73,136	11.9	75,551	8.4	81,870	73,136	11.9
Domestic	75,038	68,881	8.9	66,044	13.6	75,038	68,881	8.9
Exports	6,832	4,255	60.6	9,507	(28.1)	6,832	4,255	60.6

Source: Company, ICICI Direct Research

Eicher Motor's RE reported healthy volume prints for the month April 2024 with model's engine up to 350cc up ~12.6% YoY at 72,866 units. Exports also reported healthy performance with volume growth of more than 60% YoY at 6,832 units.

Exhibit 5: TVS Motors

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Motorcycles	1,88,110	1,52,365	23.5	1,71,611	9.6	1,88,110	1,52,365	23.5
Scooters	1,44,126	1,07,496	34.1	1,31,472	9.6	1,44,126	1,07,496	34.1
- EV	*17,403*	*6,227*	*NM*	*15,250*	*14.1*	*17,403*	*6,227*	*179.5*
Mopeds	42,356	34,925	21.3	41,363	2.4	42,356	34,925	21.3
Total 2-W Sales	3,74,592	2,94,786	27.1	3,44,446	8.8	3,74,592	2,94,786	27.1
3-Wheelers	9,023	11,438	(21.1)	10,146	(11.1)	9,023	11,438	(21.1)
Total Sales	3,83,615	3,06,224	25.3	3,54,592	8.2	3,83,615	3,06,224	25.3
Exports	80,508	71,663	12.3	91,972	(12.5)	80,508	71,663	12.3

Source: Company, ICICI Direct Research

For TVS Motors, 2-W sales were up 27% YoY at 3.7 lakh units. 3-W sales were down 21% YoY at 9,023 units. Export volumes were healthy with sales volume up 12% YoY at 80,508 units. Exports marginally tapered on MoM basis

Exhibit 6: Maruti Suzuki (MSIL)

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Vans	12,060	10,504	14.8	12,019	0.3	12,060	10,504	14.8
Mini & Compact	68,472	89,045	(23.1)	81,673	(16.2)	68,472	89,045	(23.1)
Ciaz	867	1,017	(14.7)	590	46.9	867	1,017	(14.7)
Total Passengers	81,399	1,00,566	(19.1)	94,282	(13.7)	81,399	1,00,566	(19.1)
UV	56,553	36,754	53.9	58,436	(3.2)	56,553	36,754	53.9
Total Domestic	1,37,952	1,37,320	0.5	1,52,718	(9.7)	1,37,952	1,37,320	0.5
Sales to other OEM	5,481	4,039	35.7	4,974	10.2	5,481	4,039	35.7
LCV	2,496	2,199	13.5	3,612	(30.9)	2,496	2,199	13.5
Exports	22,160	16,971	30.6	25,892	(14.4)	22,160	16,971	30.6
Total Sales	1,68,089	1,60,529	4.7	1,87,196	(10.2)	1,68,089	1,60,529	4.7

Source: Company, ICICI Direct Research

At Maruti Suzuki total sales volume for the month were up 4.7% YoY at 1.68 lakh units. Product mix continues to improve in the favour of UV space with Utility Vehicle up 54% YoY at 56,553 units. Exports were also up 30.6% YoY at 22,160 units.

Exhibit 7: Tata Motors

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Total CV	29,538	22,492	31.3	42,262	(30.1)	29,538	22,492	31.3
- M&HCV (Domestic)	7,875	6,984	12.8	12,710	(38.0)	7,875	6,984	12.8
- I&LCV (Domestic)	4,316	2,148	100.9	6,781	(36.4)	4,316	2,148	100.9
- LCV (Domestic)	11,823	10,314	14.6	15,367	(23.1)	11,823	10,314	14.6
- Pass Carriers (Dome	4,502	2,061	118.4	5,854	(23.1)	4,502	2,061	118.4
Total PV	47,983	47,107	1.9	50,297	(4.6)	47,983	47,107	1.9
- PV EV	6,364	6,516	(2.3)	6,738	(5.6)	6,364	6,516	(2.3)
Total sales	77,521	69,599	11.4	92,559	(16.2)	77,521	69,599	11.4
Total domestic	76,399	68,514	11.5	90,822	(15.9)	76,399	68,514	11.5
Total exports	1,122	1,085	3.4	1,737	(35.4)	1,122	1,085	3.4

Source: Company, ICICI Direct Research

For Tata Motors, total sales volume for the month was up 11.4% YoY to 77,521 units, with CV sales up healthy 31% YoY at 29,538 units (on a low base) whereas PV sales were broadly flat at 47,983 units. PV EV sales volume reported marginal degrowth of 2% YoY at 6,364 units.

Exhibit 8: Ashok Leyland

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
M&HCV Passenger	2,371	1,102	115.2	3,348	(29.2)	2,371	1,102	115.2
M&HCV Goods	6,752	6,831	(1.2)	12,214	(44.7)	6,752	6,831	(1.2)
M&HCV Total	9,123	7,933	15.0	15,562	(41.4)	9,123	7,933	15.0
LCV	5,148	5,041	2.1	7,304	(29.5)	5,148	5,041	2.1
Total Sales	14,271	12,974	10.0	22,866	(37.6)	14,271	12,974	10.0
Exports	825	608	35.7	1,549	(46.7)	825	608	35.7

Source: Company, ICICI Direct Research

Ashok Leyland reported steady volumes for the month April 2024. Total sales volume was up 10% YoY at 14,271 units. M&HCV Passenger segment more than doubled to 2371 units.

Exhibit 9: Mahindra & Mahindra

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Uvs	41,008	34,694	18.2	40,631	0.9	41,008	34,694	18.2
Cars and Vans	-	4	NM	-	NA	-	4	(100.0)
4-Wheeler pickups	19,064	18,488	3.1	17,613	8.2	19,064	18,488	3.1
M & HCV	3,038	1,743	74.3	3,317	(8.4)	3,038	1,743	74.3
Total 4-W	63,110	54,929	14.9	61,561	2.5	63,110	54,929	14.9
3-W	5,504	5,552	(0.9)	5,279	4.3	5,504	5,552	(0.9)
Total domestic Auto	68,614	60,481	13.4	66,840	2.7	68,614	60,481	13.4
Exports	1,857	1,813	2.4	1,573	18.1	1,857	1,813	2.4
Total Auto Sales	70,471	62,294	13.1	68,413	3.0	70,471	62,294	13.1
Tractors - Domestic	35,805	35,398	1.1	24,276	47.5	35,805	35,398	1.1
- Exports	1,234	1,007	22.5	1,748	(29.4)	1,234	1,007	22.5
Total Tractors	37,039	36,405	1.7	26,024	42.3	37,039	36,405	1.7

Source: Company, ICICI Direct Research

M&M automotive segment volumes grew 13% YoY at 70,471 units. SUV segment volumes for the month came in at 41,008 units, up 18% YoY. Tractors sales were broadly flat at 37,039 units with exports witnessing healthy volume growth

Exhibit 10: Escorts Kubota

Segment	Apr-24	Apr-23	%chg	Mar-24	%chg	YTDFY25	YTDFY24	%chg
Tractors - domestic	7,168	7,252	(1.2)	8,054	(11.0)	7,168	7,252	(1.2)
Tractors - exports	347	313	10.9	533	(34.9)	347	313	10.9
Total tractors	7,515	7,565	(0.7)	8,587	(12.5)	7,515	7,565	(0.7)
Construction equip.	446	457	(2.4)	662	(32.6)	446	457	(2.4)

Source: Company, ICICI Direct Research

Escorts Kubota reported flattish sales volume for the month. Total tractor sales were flat at 7,515 units. Construction Equipment reported a degrowth of ~2% YoY at 446 units. Exports volumes in tractor segment was the only solace as it grew double digit at ~11% YoY

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