



AUTO WHOLESALERS UPDATE OCTOBER 2023

INSTITUTIONAL RESEARCH

Auto sales in October 2023 have shown strong growth in the domestic space underpinned by the festive season spending and a slight up-tick on the export front. Overall sales in the month would have been higher, considering that the Shraddh period (September 29-October 14), when a large number of people in India prefer to delay new purchases, was in the first fortnight of the month. Nevertheless, demand turned out to be very strong in the second half of the month.

Passenger Vehicles

The monthly domestic Passenger Vehicle (PV) wholesales registered a 7.6% MoM increase to reach a record high of 391,472 units compared to the previous peak of 363,733 units in September 2023. The growth in October 2023 was propelled by robust SUV sales as the shift to premium featured cars solidified but a slight revival was seen in the entry-level segment as well owing to seasonal discounts and improved sentiment in semi-urban markets. The EV Passenger vehicle demand has also been healthy, with Tata Motors' EV portfolio growing by 28%.

Maruti Suzuki

Maruti posted its highest-ever domestic PV sales in a month at 1.68 lakh units, crossing its last peak of 1.56 lakh units in August 2023. Overall, MSIL sold 1.95 lakh units including exports and sales to other OEMs. As a result, Maruti's market share in October rose to 43% from 41.7% last year. Its SUV portfolio grew 91% YoY and now accounts for ~36% (22% in October 2022) of its total PV sales. Besides being a leader in SUVs, Maruti's sales to other OEMs and export sales also grew 39% and 7.4%, respectively.

Mahindra & Mahindra

Sales of the utility vehicles manufacturer rose 35.3% to 43,708 units, a new high for the fourth consecutive month on sustained and surging demand. M&M is driving hard towards a record FY24, somewhere in the region of 4.5 lakh or more, given the massive number of bookings the company has for many of its high-selling SUVs like the XUV700, Thar, Scorpio N & Classic, and the XUV300. While the strong festival demand should see the growth momentum sustain in November, the company will keep a close watch on select supply-related challenges.

Tata Motors

After two consecutive months of decline in August and September, Tata Motors is back in the green registering its best-ever monthly sales of 48,637 units, led by strong traction in their newer models - the updated Harrier and Safari, and a rise in demand for CNG options. Despite the PV industry seeing demand slow down for sedans and hatchbacks, Tata Motors has been among the few OEMs to buck the downturn by expanding their share in small cars and sedans. They are benefiting from their multi-fuel and multi-powertrain strategy.

On the EV sales front, the market leader continues to make gains, selling 5,465 units in October and reporting a growth of 28% YoY. It has expanded the addressable market with three body styles - sedan (Tigor / X-Press T), SUV (Nexon.ev), and hatchback (Tiago.ev) - which cater to both the premium and mass market customer segments.

Two Wheelers

Domestic two-wheeler sales in October 2023 saw double-digit growth across OEMs buoyed by the festive season. The top half of two-wheeler portfolios performed much better than the entry-level segment. Exports showed a mixed picture as some markets were under extreme macroeconomic pressure (Nigeria) and others saw a revival in two-wheeler demand. This healthy growth trend is expected to continue in the latter half of the festive season in November led by positive macroeconomic factors and superb traction in recent product launches.

TVS Motors

TVS Motors' domestic 2W sales rose 25%, with most segments showing healthy growth and a strong demand revival in their bike segment. The company is also seeing healthy demand in their international markets, with export sales growing 10% YoY. EV 2W sales were flat MoM at 15,729 units.

Hero Motocorp

Hero Motocorp's total sales, including exports, advanced 26.5% YoY on the back of the recent product launches in the premium segment and ongoing festive season. Demand for bikes surged 26% YoY after a couple of months of subdued growth. Demand growth in international markets was also healthy at 29% YoY. The growth can be attributed to the company's resilience in adapting to market dynamics and bringing new products in line with consumer preferences, thus allowing it to hold on to its strong market share.

Eicher Motors

After a de-growth in September, Eicher Motors is back on the growth trajectory by registering a 2.7% growth overall. Its <350 cc segment saw a revival, growing 2% YoY on a higher base owing to its newer models garnering attention. Exports were down 39% YoY to 3,477 units compared to 5,707 units in October 2022.

Auto Wholesales Update (October 2023)

Bajaj Auto

Bajaj Auto's domestic 2W sales surged 35.1% YoY, supported by the revamp of the Pulsar portfolio. 3W & CV segments have also posted healthy growth of ~40% in the domestic market. Key export markets still remain under macroeconomic pressure (For example: the Nigerian currency was devalued to record lows).

EV 2W

EV 2W sales in October 2023, due to a tepid first fortnight, saw a 7% YoY de-growth to 71,604 units but demand accelerated in the second half of the month. October marks the third highest monthly sales in CY23 after May 2023 (105,521 units) and March 2023 (86,339 units). While March numbers reflect the typical fiscal-year end high, the record retails in May were a result of buyers rushing to buy EV two-wheelers before the reduction of 25% on FAME subsidy kicked in from June 1, 2023. The sales in October show that demand has matched and also gone beyond the monthly sales achieved before the FAME subsidy was slashed and reflects the gradual maturing of the market as consumers are now buying EVs at higher prices.

Commercial Vehicles

The Commercial Vehicles sales also grew in double digits overall, seeing healthy demand from the infrastructure sector post-monsoon and a healthy rise in freight requirements. The LCV segment saw a revival in October after slowing down during the monsoon.

Mahindra & Mahindra

In October, M&M clocked its highest-ever CV volumes at 25,715 vehicles, a growth of 22.6% YoY on replacement demand and a rise in freight requirements. Within categories such as LCV <2T and LCV 2T-3.5T, it posted a growth of 5% YoY and 29% YoY, respectively. Additionally, 3-wheelers, including electric variants, showed substantial growth to 9,402 units in October, marking an impressive 85% increase.

Tata Motors

Tata Motors registered a total of 34,317 units in October 2023. The standout performer within segments was the HCV segment, which witnessed a remarkable 10% growth compared to October 2022, with 10,204 units sold. ILMCV Trucks followed suit with a 14% growth rate. However, it was the Passenger Carriers segment that stole the show, with a remarkable 43% increase in sales, indicating a strong demand for Tata Motors' offerings in this category. On the flip side, the SCV cargo and pickup segment saw an 8% decline in sales, likely influenced by market fluctuations.

Tata Motors also unveiled two state-of-the-art & new-age R&D facilities to meet its mission of offering sustainable mobility solutions. The unveilings constitute of engine test cell for the development of a Hydrogen Internal Combustion Engine and the necessary infrastructure for storage and dispensing of Hydrogen fuel for the Fuel Cell and H2ICE vehicles.

Overall Wholesales						
Company Name	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Maruti Suzuki	1,99,217	1,67,520	18.9%	1,81,343	9.9%	Mini/entry (-41.6% YoY), Compact (+9.5% YoY)
Tata Motors	82,954	78,335	5.9%	84,381	-1.7%	EV sales (+28% YoY)
Mahindra and Mahindra	80,679	61,114	32.0%	75,604	6.7%	Fourth consecutive month of highest sales ever
Eicher Motors*	91,921	88,273	4.1%	85,778	7.2%	
Bajaj Auto	4,71,188	3,95,238	19.2%	3,92,558	20.0%	>125cc is growing 2-2.5x of the <125cc segment
TVS Motors	4,34,714	3,60,288	20.7%	4,02,553	8.0%	EV market share increased from 19% to 22% in 2 months
Hero Motocorp	5,74,930	4,54,582	26.5%	5,36,499	7.2%	New launches in ICE and EV segments
Ashok Leyland	16,864	14,863	13.5%	19,202	-12.2%	Tamil Nadu STU order for 1,666 buses
Escorts Kubota	13,205	14,492	-8.9%	10,861	21.6%	
Atul Auto	3,060	2,352	30.1%	2,262	35.3%	MoM growth 35.3%

*includes VECV sales

Source : BSE, Company Websites

Auto Wholesales Update (October 2023)

Ashok Leyland

Ashok Leyland reported a 13.7% growth in domestic sales to 15,759 units on healthy demand growth across segments. The Bus segment outperformed growing 50% YoY owing to orders from STU's.

VECV

VECV has also shown strong growth in domestic sales of 27.4% YoY and reported healthy demand across all segments. Their bus segment grew a robust 56.5% owing to rise in travel requirements.

Tractors

Tractor sales in October saw a single-digit decline as the festive season this year was delayed and spread across two months. However, November will see better volumes in tractors with key festivals in the first half of the month, higher MSPs for key Rabi crops, and the government's continued support to the agri economy.

Mahindra & Mahindra

Mahindra & Mahindra sold 49,336 units in October 2023 as against 50,539 units in October 2022 in the domestic market, reflecting a 2% drop while exports dipped further by 23%.

Escorts Kubota

Escorts Kubota also reported an 8.7% decline in its domestic volumes to 12,642 units. Exports also suffered a decline of 13.3% YoY to 563 units in October 2023.

Auto Wholesales Update (October 2023)

Domestic Wholesales

PVs

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Maruti Suzuki	1,68,047	1,40,337	19.7%	1,50,812	11.4%	Utility segment (+91% YoY), LCV (+33.7% YoY) EV sales (+28% YoY)
Tata Motors	48,337	45,217	6.9%	44,809	7.9%	
Mahindra & Mahindra	43,708	32,298	35.3%	41,267	5.9%	

2Ws

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Bajaj Auto	2,78,486	2,06,131	35.1%	2,02,510	37.5%	Scooters (+22% YoY), bikes (+23% YoY) Scooters (+30.2% YoY), bikes (+26% YoY)
TVS	3,44,957	2,75,934	25.0%	3,00,493	14.8%	
Hero Motocorp	5,59,766	4,42,825	26.4%	5,19,789	7.7%	
Eicher Motors	80,958	76,528	5.8%	74,261	9.0%	

CVs

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Mahindra & Mahindra	25,715	20,980	22.6%	23,997	7.2%	LCV (2-3.5T) (+29% YoY), LCV>3.5T &MHCV (+49% YoY) M&HCV (+11% YoY), Buses (+50% YoY) HCV (+43.6% YoY), Buses (+56.5% YoY) MHCV (+11.5% YoY), Buses (+43% YoY)
Ashok Leyland	15,759	13,860	13.7%	18,193	-13.4%	
VECV	7,077	5,555	27.4%	6,715	5.4%	
Tata Motors	32,488	31,320	3.7%	37,214	-12.7%	

Tractors

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Mahindra & Mahindra	49,336	50,539	-2.4%	42,034	17.4%	
Escorts Kubota	12,642	13,843	-8.7%	10,114	25.0%	

Export Wholesales

PVs

Company	Sep-23	Sep-22	YoY	Aug-23	MoM	Comments
Maruti Suzuki	22,511	21,403	5.2%	24,614	-8.5%	
Tata Motors	508	210	141.9%	420	21.0%	
Mahindra & Mahindra	1,426	1,637	-12.9%	1,529	-6.7%	

2Ws

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Bajaj Auto	1,29,658	1,35,772	-4.5%	1,25,202	3.6%	Strong traction in new markets (Venezuela)
TVS	75,653	68,696	10.1%	86,462	-12.5%	
Hero Motocorp	15,164	11,757	29.0%	16,710	-9.3%	
Eicher Motors	3,477	5,707	-39.1%	4,319	-19.5%	

CVs

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Mahindra & Mahindra	1,298	2,003	-35.2%	1,426	-9.0%	
Ashok Leyland	1,105	1,003	10.2%	1,009	9.5%	
VECV	201	356	-43.5%	250	-19.6%	
Tata Motors	1,829	1,592	14.9%	1,850	-1.1%	

Tractors

Company	Oct-23	Oct-22	YoY	Sep-23	MoM	Comments
Mahindra & Mahindra	1,124	1,455	-22.7%	1,176	-4.4%	Key markets remain inflation ridden
Escorts Kubota	563	649	-13.3%	747	-24.6%	

Source : BSE, Company Websites



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