

Auto Sector

MSIL's sales (Oct): First time monthly shipments top 190,000 units, focus on sustainability after the festive period

2024 Institutional Investor
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Maruti Suzuki's (MSIL) October total shipments including exports climbed 18.9% YoY to 199,000 units, hitting a new all-time high by a wide margin. Domestic Indian shipments also reached a record high of 172,000 units (+20% YoY). Considering Indian production capacity (2.05 million units annually in real terms), we think growth in volume of the Grand Vitara and Invicto supplied OEM by Toyota Motor also contributed. MSIL had already announced that it expected domestic shipment volume growth of 18% YoY during the festive season at its October 27 results briefing, and we therefore think October performance was to some degree expected. MSIL's cumulative domestic shipments have risen 10.8% YoY year-to-date, with growth outpacing total industry volume. We estimate that domestic shipment volume will flatten out from November alongside a reactionary pullback in total domestic Indian industry volume, whereas we will keep a close eye on the possibility of continued export volume growth on the back of SUV models.

- Sales hit record high:** Maruti Suzuki (MSIL) announced October domestic Indian shipments of 172,000 units (+20.0% YoY) and total shipments including OEM and exports of 199,000 units (+18.9% YoY), both reaching record highs by a wide margin. We think increased unit deliveries of the Grand Vitara and Invicto supplied OEM by Toyota contributed to shipment growth. The utility segment's domestic sales weighting inched down to 34.4% from the 2Q average of 38.6%, but we attribute this to reallocations to overseas exports. MSIL has continued to add popular SUVs to its export line-up, including the Grand Vitara, Fronx, and Jimny 5-door, and we believe the proportion allocated to domestic sales has come down slightly amid supply constraints. The SUV model weighting remains high in the order backlog, and we see no need for overblown concerns.
- Shipment rush to abate after the festive season?** MSIL indicated that it expected domestic shipment growth of 18% YoY during the festive season at its October 27 results briefing, but also said it envisaged an increase of around 10% YoY for the domestic market over the full financial year. MSIL's domestic shipments will likely also flatten out from November alongside a pullback in total industry volume in India, but if exports of the abovementioned SUV models move forwards, this could feed through to resumed growth in the scale of exports. MSIL has previously increased production of entry models for export sharply because of semiconductor supply limitations, but its current export fleet's average selling price (ASP) is slightly higher than on domestic

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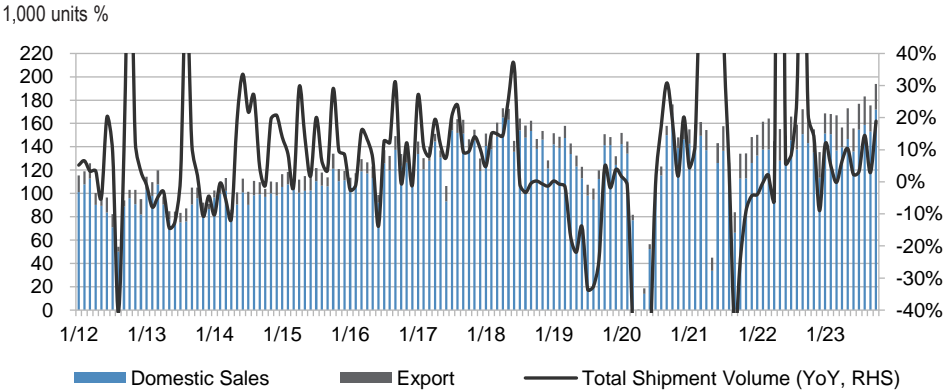
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sales because of the upturn in the SUV mix, and we do not expect profitability to deteriorate.

Figure 1: MSIL Monthly Sales Units



Source: Company data, J.P. Morgan

Figure 2: MSIL Monthly Sales

Unit, %

India Domestic Sales										Other OEM		Export	MSIL	India	MSIL
PV							Utility	Van	Light			Total	Total	PV Share	
		Mini	Compact	Super Compact	Mid-Size	Executive	Total			CV			Total		
FY															
13		436,032	252,708	197,685	4,029	1	890,455	61,119	102,115		1,053,689	--	101,352	1,155,041	2,504,851 42.10%
14		425,742	448,223	66,415	33,151	--	973,531	68,198	128,973		1,170,702	--	121,713	1,292,415	2,600,007 45.00%
15		432,977	541,951	38,303	54,233	--	1,067,464	94,416	143,471		1,305,351	--	123,897	1,429,248	2,789,208 46.80%
16		413,981	584,850	32,612	64,448	--	1,095,891	195,741	152,009		1,444,541	--	124,062	1,568,603	3,046,999 47.40%
17		427,183	748,475	--	58,913	--	1,234,571	253,759	155,137		1,653,500	--	126,074	1,779,574	3,288,584 50.00%
18		379,050	861,804	--	46,169	--	1,287,023	264,197	178,606		1,753,700	--	108,749	1,862,449	3,377,450 51.20%
19		247,776	787,610	--	25,258	--	1,060,644	235,298	118,404	21,778	1,436,124	24,638	102,171	1,562,933	2,775,560 51.00%
20		226,159	719,647	--	13,852	--	959,658	229,101	105,081	29,556	1,323,396	38,326	96,139	1,457,861	2,711,457 47.70%
21		211,762	704,881	--	15,869	--	932,512	290,701	108,345	33,812	1,365,370	48,907	238,376	1,652,653	3,069,499 43.40%
22		232,911	863,029	--	13,610	--	1,109,550	366,129	131,191	38,006	1,644,876	61,955	259,333	1,966,164	3,890,114 41.30%
Quarter															
FY21	Q1	47,240	161,510	--	2,518	--	211,268	60,011	21,783	4,056	297,118	10,977	45,519	353,614	646,272 45.30%
	Q2	55,082	136,736	--	4,577	--	196,395	75,068	28,567	8,660	308,690	11,443	59,408	379,541	741,300 40.50%
	Q3	55,624	175,054	--	3,362	--	234,040	78,637	29,056	10,103	351,836	13,837	64,995	430,668	761,266 44.90%
	Q4	53,816	231,581	--	5,412	--	290,809	76,985	28,939	10,993	407,726	12,650	68,454	488,830	920,661 43.10%
FY22	Q1	48,987	204,877	--	2,672	--	256,536	80,852	31,766	10,817	379,971	18,523	69,437	467,931	910,431 40.50%
	Q2	72,069	228,551	--	4,254	--	304,874	82,778	37,744	8,692	434,088	20,112	63,195	517,395	1,026,309 41.40%
	Q3	52,952	204,031	--	4,592	--	261,575	96,542	26,625	7,098	391,840	12,089	61,982	465,911	934,955 41.20%
	Q4	58,903	225,570	--	2,092	--	286,565	105,957	35,056	11,399	438,977	11,231	64,719	514,927	1,018,419 42.00%
FY23	Q1	40,400	210,825	--	3,753	--	254,978	126,401	32,676	8,079	422,134	12,678	63,218	498,030	995,974 41.57%
	Q2	32,150	208,105	--	3,688	--	243,943	180,066	35,043	7,417	466,469	16,262	69,324	552,055	1,074,189 42.73%
Month															
	20/8	19,709	61,956	--	1,223	--	82,888	21,030	9,115	2,292	115,325	1,379	7,920	124,624	215,916 52.40%
	20/9	27,246	84,213	--	1,534	--	112,993	23,699	11,220	2,128	150,040	2,568	7,834	160,442	272,027 54.40%
	20/10	28,462	95,067	--	1,422	--	124,951	25,396	13,309	3,169	166,825	6,037	9,586	182,448	310,294 52.70%
	20/11	22,339	76,630	--	1,870	--	100,839	23,753	11,183	3,181	138,956	5,263	9,004	153,223	264,898 51.30%
	20/12	24,927	77,641	--	1,270	--	103,838	25,701	11,215	5,726	146,480	3,808	9,938	160,226	252,998 55.60%
	21/1	25,153	76,935	--	1,347	--	103,435	23,887	11,680	3,602	142,604	5,703	12,445	160,752	276,554 50.30%
	21/2	23,959	80,517	--	1,510	--	105,986	26,884	11,891	2,722	147,483	5,500	11,486	164,649	281,380 51.40%
	21/3	24,653	82,201	--	1,628	--	108,482	26,174	11,547	3,315	149,518	5,899	11,597	167,014	290,939 50.30%
	21/4	25,041	72,318	--	1,567	--	98,926	25,484	11,469	1,272	137,151	5,303	17,237	159,691	261,633 51.90%
	21/5	4,760	20,343	--	349	--	25,452	6,355	1,096	868	33,771	1,522	11,262	46,555	88,045 37.40%
	21/6	17,439	68,849	--	602	--	86,890	28,172	9,218	1,916	126,196	4,152	17,020	147,368	231,633 53.70%
	21/7	19,685	70,268	--	1,450	--	91,403	32,272	10,057	2,768	136,500	4,738	21,224	162,462	264,442 50.60%
	21/8	20,461	45,577	--	2146	--	68,184	24,337	10,666	2,588	105,775	4,305	20,619	130,699	232,224 44.40%
	21/9	14,936	20,891	--	981	--	36,808	18,459	7,844	3,304	66,415	2,400	17,565	86,380	160,070 39.90%
	21/10	21,831	48,690	--	1,069	--	71,590	27,081	10,320	3,797	112,788	4,225	21,322	138,335	229,553 47.50%
	21/11	17,473	57,019	--	1,089	--	75,581	24,574	9,571	3,291	113,017	4,774	21,393	139,184	215,626 50.90%
	21/12	16,320	69,345	--	1,204	--	86,869	26,982	9,165	3,015	126,031	4,838	22,280	153,149	219,421 56.10%
	22/1	18,634	71,472	--	1,666	--	91,772	26,624	10,528	3,537	132,461	3,981	17,937	154,379	254,287 50.70%
	22/2	19,691	77,795	--	1,912	--	99,398	25,360	9,190	3,659	137,607	2,428	24,021	164,056	262,984 50.90%
	22/3	15,491	82,314	--	1,834	--	99,639	25,001	9,221	3,797	137,658	6,241	26,496	170,395	279,501 47.90%
	22/4	17,137	59,184	--	579	--	76,900	33,941	11,154	4,266	126,261	5,987	18,413	150,661	251,581 48.50%
	22/5	17,408	67,947	--	586	--	85,941	28,051	10,482	3,526	128,000	6,222	27,191	161,413	251,052 49.60%
	22/6	14,442	77,746	--	1507	--	93,695	18,860	10,130	3,025	125,710	6,314	23,833	155,857	275,788 44.50%
	22/7	20,333	84,818	--	1379	--	106,530	23,272	13,048	2,816	145,666	9,939	20,311	175,916	293,865 48.60%
	22/8	22,162	71,557	--	1,516	--	95,235	26,932	11,999	3,371	137,537	6,155	21,481	165,173	281,210 47.70%
	22/9	29,574	72,176	--	1,359	--	103,109	32,574	12,697	2,505	150,885	4,018	21,403	176,306	307,389 48.30%
	22/10	24,936	73,685	--	1,884	--	100,505	30,971	8,861	2,913	143,250	3,822	20,448	167,520	291,113 48.20%
	22/11	18,251	72,844	--	1,554	--	92,649	32,563	7,183	2,660	136,055	4,251	19,738	159,044	276,231 47.90%
	22/12	9,765	57,502	--	1,154	--	68,421	33,008	10,581	1,525	113,535	4,016	21,796	139,347	235,309 47.60%
	23/1	25,446	73,840	--	1,000	--	100,286	35,353	11,709	4,019	151,367	3,775	17,393	172,535	298,093 49.43%
	23/2	21,875	79,898	--	792	--	102,565	33,550	11,352	3,356	150,823	4,291	17,207	172,321	291,928 50.51%
	23/3	11,582	71,832	--	300	--	83,714	37,054	11,995	4,024	136,787	3,165	30,119	170,071	292,030 45.46%
	23/4	14,110	74,935	--	1017	--	90,062	36,754	10,504	2,199	139,519	4,039	16,971	160,529	284,271 48.31%
	23/5	12,236	71,419	--	992	--	84,647	46,243	12,818	2,888	146,596	5,010	26,477	178,083	288,369 49.83%
	23/6	14,054	64,471	--	1,744	--	80,269	43,404	9,354	2,992	136,019	3,629	19,770	159,418	280,252 47.47%
	23/7	9,590	67,102	--	1,348	--	78,040	62,049	12,037	2,559	154,685	4,746	22,199	181,630	302,521 50.29%
	23/8	12,209	72,451	--	849	--	85,509	58,746	11,859	2,564	158,678	5,790	24,614	189,082	313,715 49.76%
	23/9	10,351	68,552	--	1,491	--	80,394	59,271	11,147	2,294	153,106	5,726	22,511	181,343	316,908 47.59%
	23/10	14,568	80,662	--	695	--	95,925	59,147	12,975	3,894	171,941	5,325	21,951	199,217	--

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