MARUTI SUZUKI

Way of Life!

Made By Aayan Gupta

Maruti Suzuki

- The Company was established in 1981 . A joint venture agreement was signed between the Government of India and Suzuki motor Corporation (SMC), Japan in 1982.. The Company became a subsidiary of SMC in 2002.It is the market leader in passenger vehicle segment in India. In terms of production volume and sales, the Company is now SMC's largest subsidiary. SMC currently holds 56.28% of its equity stake. The principal activities of the Company are manufacturing, purchase and sale of motor vehicles, components and spare parts

Market share of major car manufacturers (%)

- Maruti Suzuki - 45.0
- Hyundai - 15
- Tata - 13
- Mahindra - 10
- Kia-7
- Others: 13%

Segment wise market share of MSIL (%)

- Passenger cars - 62-60A
- Utility vehicles - 24.9%
- Vans - 89.6%

Segment wise sales of MSIL (%)

- Mini - 16.8%
- Compact 53%
- midsize -1%
- Utility vehicles - 16.8%
- vans - 7 .7o/o
- lcv -2.2%
- Sales to other (OEM) - 2.3%

Sales volume MSIL (%)

- Domestic - 94%
- Exports - 6%
- First Mover advantage in transitioning into BS-VI models
- MSlL has also successfully transitioned its entire portfolio into BS-Vl models, ahead of competition, success of existing models, combined with expanding product portfolio and acceptance of its BS-VI models has solidified its dominant market position. For instance, in fiscal 2020, IUSIL had 7 models in the list of top 10 models sold during the year.

Strong financial risk Profile

- MSIL 6as maintained its strong financial risk profile with estimated large net worth and liquidity of -Rs.61 ,000 crore and -Rs.47,000 crore, respectively, as on March 31 , 2O23. the company has a strong cash generating ability and has only small working capital debt.
- Maruti suzuki's recent research reports highlight a mix of positive and challenging trends. while the company has achieved record net sales and profit in FY2O24-25, with a strong sales growth of 7 .5% and net profit growth of 5.6 %, certain reports indicate concerns about declining profitability in specific quarters due to factors like higher discounting and increased input costs.

Key Findings from Recent RePorts

- Record Sales and Profit: Maruti Suzuki announced record net sales of INR 1,451 ,152 million and a net profit of NR 139,552 million in FY2024-25.
- Sales Growth : A7.50/o increase in net sales was reported for FY2024-25 compared to the previous year.
- Profitability: Net profit saw a 5.6% increase in FY2O24-25, although some reports noted a decline in profitability in certain quarters.

Volume Growth:

- Reports indicate strong domestic and export volume growth, with one report citing a 15% QoQ growth in domestic volumes and a 5.3% QoQ growth in exports in Q4FY22, according to lClCl Direct.
- Average Selling Price (ASP): while ASPs generally show a positive trend, some reports highlight the impact of discounting on ASPs, particularly in Q3FY23, which contributed to lower-than expected revenue.
- Margins: Margins have shown variability, with some reports noting a positive surprise in Q4FY22 and others reporting a decline in Q1FY23, according to lClCl Direct.

Operating Efficiency and Customer Satisfaction

- Operating Efficiency: Reports indicate that maruti suzuki is generally efficient in managing production and operational costs, with a healthy net profit margin.
- Customer Satisfaction: research suggest that customer satisfaction significantly influences loyalty towards the brand, and factors like product quality , after –sales services and the dealership experience paly a crucial role according to a research report from www.irjmets.com .

Market Position and challenges

- Market Position: Maruti Suzuki maintains a strong market position as India’s largest passenger vehicle manufacturer, with a large dealership network according to nuvama wealth.
- Challenges:
- Competition: Growing competition in the passenger vehicle market remains a challenge for Maruti Suzuki.
- Input Costs: increasing input costs, including raw materials' can impact profitability.