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Alternative Power

By Guy Youngs, Forecast & Adoption Lead

Volvo Announces World's First Electric Articulated Hauler

Guy Youngs

The star of the recent Bauma-Germany 2025 show is arguably the game-changing A30 Electric articulated hauler. It's the first vehicle of its kind in what is both a key industrial segment for Volvo and a world's first for a series production BEV in its class - 60-years since Volvo revolutionized the construction industry with the launch of Gravel Charlie, the world's first articulated hauler.

The Volvo A30 Electric offers a 64,000 lb. (32 ton)/23.3 cubic yard payload capacity and thanks to its 245 kWh li-ion battery, the electric ADTs offer 4-4.5 hours across most applications, and up to seven hours depending on driving conditions.

Source: *Electrek* **Read The Article**

PSR Analysis: Mining companies really want to see this tech emerge and mature. Reducing the reliance on diesel reduces the environmental impact of projects and makes them easier to license. But the question here is whether or not the battery size at 245 kWh is sufficient.

Aeson Power Unveils Sodium Battery Products

At EES Europe 2025, one of the leading events for the energy storage industry, Aeson Power debuted its sodium battery energy storage product line, including the SIBPOM-4850 for telecommunications, the SIBPOM-12100 for UPS, and the SIBPOM-125kWh energy storage cabinet for C&I-scale use.

The Australian energy storage manufacturer also introduced sodium-ion batteries for the automotive sector. For the vehicle sector, Aeson Power introduced two series of sodium-ion batteries—the NaForce and NaPulse—each of which includes both a start-stop option and a starting option. The batteries provide instant starting at extreme temperatures, are fast charging, and have a lightweight design and long service life

Source: *PV Magazine* **Read The Article**

PSR Analysis: These batteries are much safer than Lithium Ion, they offer high-temperature resistance superior rate performance, high charge-discharge efficiency and a long life, so it's easy to see why people are so excited about them.

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Alternative Power

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The International Maritime Organization (IMO), a UN agency which regulates maritime transport, has voted to implement a global cap on carbon emissions from ocean shipping and a penalty on entities that exceed that limit.

IMO Votes First-Ever Global Carbon Price on Shipping

The International Maritime Organization (IMO), a UN agency which regulates maritime transport, has voted to implement a global cap on carbon emissions from ocean shipping and a penalty on entities that exceed that limit.

The agreement makes the shipping industry the first sector to agree on an internationally mandated target to reduce emissions along with a global carbon price. The agreement includes standards for greenhouse gas intensity from maritime shipping fuels, with those standards starting in 2028 and reducing through 2035. The end goal is to reach net-zero emissions in shipping by 2050

Source: *Electrek* **Read The Article**

PSR Analysis: Given that international shipping contributes 3% of global carbon emissions (or 4% depending on your source) this is an important first step. It will however, need to be expanded and improved upon in order to reach the 2050 target.

CATL Next Gen Batteries Coming Soon To An EV Near You!

A few weeks ago, BYD announced new battery technology that allows electric cars to recharge in about 5 minutes. This month, at the annual Shanghai Auto Show, CATL fired back with fast charging news of its own. It claims its second generation Shenxing battery can add 520 kilometers (323 miles) of range in just five minutes of charging time. The BYD announcement claims its batteries can add 400 kilometers (250 miles) in 5 minutes using a Level 3 fast charger

Source: *CleanTechnica* **Read The Article**

PSR Analysis: The anti EV lobby has constantly attacked EVs in two main areas, firstly over a less than 300 mile range (that has been blown out of the water by many vehicles) and secondly by long charge times. The fact that you will be able to charge so quickly, blows this argument out of the water, too. It's also become very clear that the talk of Tesla leading the battery revolution is an illusion. The real debate here is actually how practical charging at this high a rate is, and whether or not it will damage the battery long term. **PSR**

DATAPOINT: *North America Zero Turn Mowers*

841,500

By Carol Turner, Senior Analyst, Global Operations

841,500 units is the estimate by Power Systems Research of the number of Zero Turn Mowers expected to be produced in the United States in 2025.

Zero Turn Mowers are Zero-Turn Mowers are riding lawn mowers that have a

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DataPoint Report

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turning radius that is effectively zero inches. Models are made for either residential or commercial applications.

This product information comes from industry interviews and from two proprietary databases maintained by Power Systems Research: **EnginLink™**, which provides information on engines, and **OE Link™**, a database of equipment manufacturers.

Exports: Up to 30% worldwide.

Market Share: With 45% of total units produced, MTD Products leads in production of Zero Turn Mowers in North America. In second position is Bad Boy Mowers with 9%, and third is Stanley Black & Decker (Excel) with 8% (69081). Note: Ariens has 8% with 68,134 units.

Trends. Production of zero turn mowers in North America decreased nearly 10.5% in 2024 from 2023. It is expected that production will remain flat with a nominal ¼% increase in 2025, compared to 2024. The decline is mostly attributed to brands being eliminated along with less popular selling models.

Prior year increases are credited to the demand for new products that enhance overall mowing productivity with increased mowing speeds. Generally, zero turn mowers cover a lot of ground quickly, making zero turn mowers a favorite among landscapers and homeowners. They are particularly popular with today's consumers. In fact, zero turn mowers are designed to cut grass nearly twice as fast as other mower styles along with consistent and precision cutting. New models are always being introduced that attract buyers. Production should gain an additional 10% by 2030.

Battery Electric Units

2023: 29,948
2024: 29,573 **2023-2024:** 1.3% decrease
2025: 24,062 **2024-2025:** 18.6% decrease

Companies offering battery powered zero turn mowers:

- Ariens
- Briggs
- Deere
- Doosan
- Exmark
- Mean Geen Mowers (100% battery powered)
- MTD
- Rhino
- Scag
- Stanley
- Toro
- WorldLawn
- **PSR**

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North America Report

By Chris Fisher, Senior Commercial Vehicle Analyst

Layoffs Begin in the North American Truck Segment

Chris Fisher

Both Volvo and International Truck have initiated layoffs this year due to sluggish orders and high production capacity in preparation for a potential 2026 truck pre-buy ahead of the phase 3 GHG Emission Regulations scheduled for implementation in 2027.

Volvo Trucks North America plans to lay off up to another 350 workers from a Virginia plant as part of job cuts affecting up to 980 employees across the country since the beginning of the year.

Employees at the New River Valley plant in Dublin, Virginia, were notified of the workforce reduction this month, and their last day at the facility will be June 27, Volvo spokesperson Janie Coley said.

"Heavy-duty truck orders continue to be negatively affected by market uncertainty about freight rates and demand, possible regulatory changes, and the impact of tariffs," Coley said in a statement to **The Patriot News**.

"In the case of [New River Valley], this is unfortunately a second wave of layoffs. You might recall that we announced a layoff of 250-350 in February; this ended up being about 180 people, due to attrition. So, we currently expect that the total impact at [New River Valley] will unfortunately be about 430 to 530 people."

Volvo recently announced it was laying off 250 to 350 people at its Mack Trucks Lehigh Valley Operations in Macungie, Pennsylvania, and 50 to 100 people at its Volvo Group Powertrain Operations plant in Hagerstown, Maryland.

Source: *FreightWaves*

Traton SE has eliminated the second shift at its **International** brand's Mexican plant, a move that means 900 people have lost their jobs, as executives look to contain costs after a first quarter during which North American orders fell by more than a third.

CEO Christian Levin and CFO Michael Jackstein told analysts April 28 that they also have instituted a hiring freeze at International, where sales fell 11% from the first three months of 2024 as customers have pulled back on spending in the face of tariff-led economic uncertainty. The division's incoming orders fell to less than 9,700 in the first quarter from nearly 13,600 early last year. In the United States and Canada, orders fell to about 8,000 from more than 12,200 a year earlier.

On a conference call discussing Traton's Q1 results and outlook, Levin and Jackstein said they are looking at other layoffs to cut costs in the face of what Levin called "a wet blanket over the entire market right now." In addition to

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Primarily due to the uncertainty of future freight demand driven by implementation of international tariffs, many of the truck companies are holding off on replacing or expanding their fleets until there is more clarity in the market.

macroeconomic worries, he said, uncertainty about the Environmental Protection Agency's 2027 emissions regulation changes has forced Traton to assume there will be "no sizable" prebuy of trucks in 2025. That means Class 8 volumes in North America are likely to be down nearly 10% to roughly 280,000 vehicles.

Article Source: *FleetOwner*

PSR Analysis. Primarily due to the uncertainty of future freight demand driven by implementation of international tariffs, many of the truck companies are holding off on replacing or expanding their fleets until there is more clarity in the market.

While VTNA produces all of their trucks for the North American market in the United States, International truck produces their North American trucks in both the United States and Mexico. Since all of the International truck models produced in Mexico are also produced in the United States, International can easily transfer production between countries.

The longer the trade negotiations continue, the more pressure this will place on commercial truck demand. We will likely see more layoffs from the other OEMs in the coming weeks or months as the OEMs will need to reduce production capacity. At this point, it looks like any 2026 truck pre-buy is at risk or at least seriously tempered down.

With regards to tariffs, the United States and the United Kingdom have reached a tariff deal and there are a number of deals with other countries that reportedly are in the works, according to the White House. The United States and China have recently reduced tariffs and postponed the deadline for an additional 90 days as negotiations continue. **PSR**

Europe Report

By Emiliano Marzoli, Manager of European Operations

KTM Grapples with Restructuring Efforts

Emiliano Marzoli

The KTM Group, under the parent company Pierer Mobility AG, is currently navigating significant financial headwinds. Late November 2024 saw KTM AG enter a 90-day period of self-administration, a form of insolvency protection, burdened by approximately €3 billion in debt. This move initiated a critical restructuring phase aimed at stabilizing the company's financial position. A key milestone was reached in late February 2025 when creditors approved KTM's restructuring plan, agreeing to a 30% debt repayment by May 23, 2025. This agreement hinged on KTM successfully raising €600 million by this crucial deadline, leading to an active search for potential investors.

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The financial strain is further underscored by Pierer Mobility AG's reported net loss of €172 million for 2024. This downturn reflects a significant drop in both motorcycle and bicycle sales coupled with a substantial increase in the company's overall debt. Despite the creditors' approval of the restructuring plan, concerns persist regarding KTM's long-term financial viability and its ability to secure the necessary capital injection. The situation has also led to strategic adjustments within the group, including the end of a distribution agreement with CFMoto in the UK and Europe, and speculation surrounding the potential divestment of MV Agusta as part of cost-cutting measures, although MV Agusta has maintained its independence. Bajaj Auto, a significant shareholder, has provided some financial support and is viewed as a potentially crucial player in KTM's recovery strategy. The coming weeks leading up to the May 23rd deadline are critical for the KTM Group's immediate financial future.

Uncertain Production Outlook Faces KTM Austria. The financial turmoil has directly impacted KTM's production capabilities, particularly at its main plant in Mattighofen, Austria. Production was initially halted in late 2024 as part of restructuring efforts and to manage an existing inventory backlog. A brief resumption of operations occurred in mid-March 2025, following some initial financial headway. However, this respite was short-lived, with production grinding to a halt again by late April 2025 due to a critical shortage of essential components. This shortage is a direct consequence of the financial uncertainty, leading some suppliers to delay or cease deliveries, with reports indicating demands for prepayment.

During the brief period of resumed production, only a limited number of approximately 4,200 motorcycles were assembled, utilizing existing parts inventory. Current expectations indicate that full operation across all production lines is not anticipated until late July 2025 at the earliest. Considering a historical production output of around 140,000 units in 2023 at the Austria plant and an initial, pre-halt target of approximately 230,000 units for the entire group in the current financial year, the extended production disruptions make these figures highly improbable for the Austrian facility alone in 2025. Estimations for the 2025 output at the Austria plant range from a low of 40,000 to 70,000 units in a scenario with prolonged supply chain issues and a slow recovery, to a more optimistic range of 80,000 to 110,000 units if financial restructuring progresses swiftly and parts supply resumes by late July. The actual production volume will be heavily contingent on the successful navigation of the ongoing financial challenges and the restoration of a stable supply chain. **PSR**

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The show spotlighted sustainable tech, automation, and digital solutions, with both business deals and attendance increasing since the last show in 2024.

Show Report

By Fabio Ferraresi, Director Business Development South America

Fabio Ferraresi

Agrishow 2025 Provides Innovations in Agricultural Equipment

Agrishow 2025, held April 28-May 2, 2025, in Ribeirão Preto, São Paulo, confirmed Brazil's leadership in Agricultural innovation. The show spotlighted sustainable tech, automation, and digital solutions, with both business deals and attendance increasing since the last show in 2024. The focus: boosting productivity, reducing environmental impact, and preparing for a tech-driven ag future.

The event showcased cutting-edge machinery, sustainable solutions, and the latest in precision agriculture.

Agrishow 2025 show drew 197,000 visitors, up slightly from 195,000 in 2024, and the 800+ exhibitors matched last year's count. This year's show floor covered 520,000 square meters, down slightly from 530,000 square meters in 2024.

However, business deals reportedly hit R$14.6 billion (US$2.6B), a 7% rise over 2024's R$13.6B.

Far East: Japan Report

By Akihiro Komuro, Research Analyst, Far East and Southeast Asia

Akihiro Komuro

Japan Engine Conducts Final Tests on Ammonia Marine Engine

Japan Engine Corporation, a manufacturer of marine engines, says it has begun final testing of a new engine that uses a fuel mixture of ammonia and heavy fuel oil. The testing involves running the engine alone in a factory to confirm safety and to check for abnormal behavior. Testing is expected to be completed by September, with production planned to begin in October.

The large, low-speed marine engine developed by the company can burn up to 95% ammonia (by heat ratio) mixed with heavy fuel oil. The engine used in this trial will be installed in an ammonia carrier ship currently under development with Nippon Yusen and others. The ship is expected to be completed in fiscal 2026.

Ammonia does not emit CO2 when burned. Switching from conventional engines that use fossil fuel heavy oil is expected to contribute to decarbonization.

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However, burning ammonia can produce nitrogen oxides (NOx), which cause air pollution, and nitrous oxide (N2O), which contributes to global warming. The first engine will be equipped with devices to remove NOx and N2O.

Source: The Nikkei

PSR Analysis: New marine fuels such as hydrogen and ammonia are under research and development, but based on media reports, ammonia appears to be leading the way toward practical application. The main advantage is that it does not emit CO2 when burned. Tests are currently being conducted with a mixture of fuels, but the goal is to achieve combustion with ammonia alone. However, the supply chain for ammonia is virtually non-existent at this stage. It has not yet been decided that ammonia will become the mainstream new fuel, and the development of the necessary infrastructure at ports is likely to take some time. **PSR**

Komatsu Reports $650 Million USD Impact of US Tariffs

Komatsu announced that its consolidated net income for the fiscal year ending March 2026 is expected to decrease by 30% year on year to 309 billion yen. This is lower than the market forecast of 403 billion yen. The U.S. administration's tariff policy will have a negative impact of $650 Million USD (94.3 billion yen). The exchange rate assumption of 1 yen = 135 yen (compared with 152.8 yen in the previous fiscal year) is also a factor, as it reflects an appreciation of the yen by approximately 8 yen compared with the current market rate.

Of the 943 billion yen, 785 billion yen is attributable to increased production costs due to tariffs, and 158 billion yen is attributable to a decrease in sales volume due to reduced demand.

Komatsu produces about half of its products for the U.S. market in Japan, China and other countries. In its core construction machinery and vehicles business, the company estimates the impact of tariff-related cost increases at 140 billion yen, but has revised this to 78 billion yen after considering existing inventory in the U.S. The impact on industrial machinery is estimated at 5 billion yen.

The impact on sales was analyzed based on nominal GDP. The Chief Financial Officer stated on the earnings call, "Nominal GDP has historically had a strong correlation with construction equipment demand. We have determined that a 1.1% decrease in this growth rate will result in a 2.7% decrease in construction equipment demand.

Looking at sales of construction equipment and vehicles by region, almost all regions are expected to see a decline in sales. North America is expected to decline 13%, while Oceania and Asia (excluding Japan and China), which performed well in the previous quarter, are expected to decline 17% and 14%, respectively. Due to the impact of tariffs and other factors, demand forecasts for the seven major construction equipment products, including hydraulic excavators, are expected to be flat to 5% compared to last year. On a regional basis, North America, where housing starts are stagnating, is expected to see a significant

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decline of 5% to 10%. Europe and Japan are expected to be flat to down 5% compared to last year.

Source: The Nikkei

PSR Analysis: This report is an example of how changes in US tariff policy will have a major impact on OEMs. Komatsu has traditionally taken a cautious approach to forecasting, but even so, the impact is likely to be very significant. It is ironic that tariffs, rather than factors such as products or market conditions, are having the greatest impact on profits. Is it a healthy competitive environment when areas where companies should be competing based on technological capabilities, sales prowess, and after-sales support are being narrowed by changes in international trade trends? **PSR**

極東 > 日本レポート:

小室 明大 – 極東及び東南アジア リサーチアナリスト

ジャパンエンジン、船のアンモニア混焼エンジン初号機で最終試験

超小型EV「mibot」の製造・販売を手掛けるKGモーターズが量産に向けて動き出す。本社の近くに建設した組み立て工場で、2025年10月に量産を開始する。25年度は300台を生産し、26年度に3000台、27年度には1万台に生産台数を増やす計画である。

船舶用エンジンメーカーのジャパンエンジンコーポレーションは、アンモニアと重油を混ぜ合わせた燃料を使う新エンジンを実用化するための最終試験を始めたと発表した。工場内でエンジンのみを駆動させ、安全性に加え異常な挙動などがないかを確認する。9月までに試験を終え、10月には出荷段階に入る。

同社が開発する船舶用大型低速エンジンはアンモニアを最大95%（熱量比）で重油と混焼できるという。今回実験に使うエンジンは日本郵船などと開発中のアンモニア輸送船に搭載する。船舶は2026年度に完成する予定だ。

アンモニアは燃焼時にCO_2を排出しない。化石燃料の重油を使う従来のエンジンからの転換は脱炭素につながると期待される。

ただ燃やした際に大気汚染の原因となる窒素酸化物（NOx）や、温暖化への影響がある亜酸化窒素（N_2O）を発生させる可能性がある。初号機にはNOxやN_2Oを除去する装置を取り付けた。

参考: 日経（一部筆者により元記事内容を改編しました）

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Far East Report

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PSR 分析: 舶用新燃料は水素やアンモニアなどさまざまな研究がされているが、報道を見ている限りではアンモニアが実用化に向けて一歩リードしている様相だ。最大の魅力は燃焼させてもCO2を発生しないという点にある。現時点では混焼での試験だが、ゆくゆくはアンモニア単体での燃焼を目標にしている。ただしアンモニアのサプライチェーンは現時点ではほとんどゼロといっていい。まだアンモニアが新燃料の主流と決定したわけではなく、各港でそうしたインフラ整備をするのはもう少し先になるだろう。PSR

関税に関する話題: 日本

コマツ、米関税影響943億円　26年3月期の純利益30%減

コマツは、2026年3月期の連結純利益が前期比30%減の3090億円になる見通しだと発表した。事前の市場予想（4030億円）を下回る。米政権の関税政策で総額943億円のマイナス影響が出る。為替を1ドル=135円（前期は152.8円）と、実勢より8円ほど円高に設定することも響く。

943億円の内訳は関税コストによる原価増で785億円、需要減による販売数量減で158億円。

コマツは米国向けの製品の約半分を日本や中国などで生産する。主力の建設機械・車両部門では関税によるコスト増影響を1400億円としつつ、すでに米国にある在庫を考慮し780億円と見積もった。産業機械の影響は5億円とした。

販売影響は名目GDPをもとに分析した。最高財務責任者は決算会見で「過去の建機需要と相関が強かったのは名目GDPだ。この成長率が1.1%下がると建機需要が2.7%下がると判断した」。

建機・車両部門の売上高を地域別にみると、ほぼすべての地域で減収予想だ。北米が13%減、前期に好調だったオセアニアやアジア（日本・中国除く）もそれぞれ17%減、14%減となる。関税影響などで油圧ショベルなど主要7建機の需要見通しは前年並み～5%減を見込む。地域別では、住宅着工件数が低迷する北米で5～10%減と落ち込みが目立つ。欧州や日本は前年並み～5%減の予想だ。

参考: 日経（一部筆者により元記事内容を改編しました）

PSR 分析: この報道は、米国の関税ポリシー変更がOEMにとって大きな影響をもたらす一例だ。コマツは伝統的に厳しめの予測をするスタンスだが、それを考慮した上でも非常に大きな影響といえるだろう。製品や市場環境という要素よりも関税という要素が収益に最も大きな影響を与えるというのはいささか皮肉的にも見える。本来は技術力や営業力、アフターサポートなどで競争すべき領域が、国際貿易のトレンド変更で狭められてしまうのは健全な競争環境といえるのだろうか。**PSR**

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China Report

By Jack Hao, Senior Research Manager - China

China Truck Group, Toyota Motor Sign Development Pact

Jack Hao

Last month, China National Heavy Duty Truck Group and Toyota Motor Corporation signed a strategic cooperation agreement to develop hydrogen powered commercial vehicles.

China is a market with great potential for the promotion and popularization of hydrogen energy, and long-haul heavy-duty logistics vehicles are an important application scenario that highly matches hydrogen energy.

Toyota Motor Corporation possesses world-leading hydrogen fuel cell technology, and China National Heavy Duty Truck Group is a leading enterprise in China's commercial vehicle industry. The hydrogen fuel cell tractor jointly developed by the two parties has already been delivered to the market in batches.

In the future, the two sides will establish more extensive cooperation in the fields of cooperative research and development, demonstration and operation, promotion and application, and business model innovation of hydrogen fuel commercial vehicles, and work together to create a new ecosystem for the zero-carbon logistics industry chain.

Source: *CNHTC* **Read The Article**

PSR Analysis: Toyota possesses world-leading hydrogen fuel cell technology, while China National Heavy Duty Truck Group is a leading enterprise in China's commercial vehicle industry. The hydrogen fuel cell tractors jointly developed by the two parties have already been delivered to the market in batches. This kind of cooperation can combine Toyota's technological advantages with China National Heavy Duty Truck Group's market and manufacturing capabilities, accelerating the optimization and innovation of hydrogen fuel cell technology.

The cooperation between Toyota and China National Heavy Duty Truck Group will drive the coordinated development of upstream and downstream enterprises, forming a complete hydrogen energy industry chain. For example, the inauguration of Toyota's dedicated fuel cell research and production plant in Beijing marks the entry into a new phase of the fuel cell project jointly promoted by Toyota and its Chinese local partners. This kind of industrial synergy will help enhance the overall competitiveness of the hydrogen energy industry and promote its rapid development

By 2025, three hydrogen energy corridors are planned to be put into operation, covering major arteries such as the Beijing-Shanghai, Guangzhou-Shenzhen, and Chengdu-Chongqing routes. After scaling up, the cost of fuel cell systems is expected to decrease by 60% compared to 2020.

At the same time, it is also observed that infrastructure needs to be developed

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in tandem. Currently, 60% of the cost of hydrogen comes from green hydrogen production using renewable electricity, and there is a need to further reduce electricity prices.

Additionally, there are only 300 hydrogen refueling stations nationwide, with a target of 1,000 stations by 2025. The construction of hydrogen refueling stations requires substantial financial investment. The government is advised to include hydrogen-powered heavy-duty trucks in the purchase subsidy program for new energy vehicles. The implementation progress of these measures will largely determine the development trajectory of hydrogen energy heavy-duty trucks. **PSR**

India Report

By Aditya Kondejkar, Research Analyst – South Asia Operations

Evaluating Mahindra's Acquisition of SML Isuzu

Aditya Kondejkar

Mahindra & Mahindra's acquisition of a 58.96% stake in SML Isuzu for ₹555 crore marks a calculated push to expand its presence in the intermediate and light commercial vehicle (ICV and LCV) segments. With minimal exposure in the bus segment and a modest 3% market share in >3.5T CVs, this move is structured to unlock operational synergies, enhance platform capabilities, and fill existing product portfolio gaps.

Source: *Mahindra.com* **Read The Article**

Mahindra & Mahindra's (M&M agreement to acquire a controlling stake in SML Isuzu comes at a pivotal point in the Indian commercial vehicle (CV) industry, where demand is gradually recovering post-COVID and the LCV and ICV segments are projected to lead growth. The $64,824,000 USD (₹555 crore) investment—targeted via the purchase from Sumitomo Corporation and Isuzu Motors Ltd—positions M&M to double its CV market share from 3% to 6% immediately, with stated ambitions of reaching 10–12% by FY31 and 20% by FY36.

Commercial Vehicle Context and Rationale. Historically, M&M has been a strong player in sub-3.5T LCVs, commanding a dominant market share of over 50%, primarily through its pickup and small commercial vehicle portfolio. However, its performance in heavier CVs and buses has remained weak, with only 2%–3% penetration. SML Isuzu, on the other hand, brings a legacy brand (Swaraj Mazda), a 16% market share in the ILCV bus segment, and consistent operational performance, with $256,492,800 USD (₹2,196 crore) revenue and $20,907,200 USD (₹179 crore) EBITDA in FY24.

The acquisition offers immediate access to a product portfolio that complements Mahindra's. M&M currently lacks a meaningful presence in buses and CNG

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India Report

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Shared R&D, unification of supply chains, and rationalized go-to-market strategies could improve margins over the medium term.

commercial vehicles—segments in which SML is stronger. This adds a layer of diversification to M&M's CV profile while also improving utilization of its existing infrastructure and sourcing channels.

Strategic Fit and Integration Potential. Operational synergies are expected in areas such as cost management, manufacturing, shared sourcing, and dealer network leverage. Notably, Mahindra has indicated plans to engage in cross-platform integration of aggregates, particularly around alternate fuels like CNG and EVs. This will likely enable Mahindra to expedite its alternative fuel roadmap without starting from scratch in critical vehicle segments.

From a capacity and platform perspective, M&M also intends to consolidate and optimize operations. Shared R&D, unification of supply chains, and rationalized go-to-market strategies could improve margins over the medium term. Importantly, both M&M and SML have steered clear of the MHCV segment, reflecting a conscious decision to concentrate efforts where each has relative strength—namely, LCVs and ICVs.

Market Dynamics and Timing. The transaction takes place in a relatively cautious market cycle. FY25 was muted for the LCV segment, but a revival is anticipated from FY26 onwards, M&M's move may therefore be timed to benefit from an upswing. Given the competitive nature of the CV landscape—dominated by Tata Motors and Ashok Leyland—scaling quickly in such segments will require more than acquisition; it demands aggressive execution and a differentiated value proposition, especially in fleet and institutional sales.

PSR Analysis. The acquisition of SML Isuzu signals a strategic recalibration rather than a diversification. By staying focused on LCVs and ICVs, Mahindra avoids overstretching into the highly capital-intensive MHCV space, while building capability in segments with better growth headroom. Near-term gains will likely depend on effective integration, successful platform consolidation, and tangible improvements in market access.

Over the long term, if Mahindra can maintain capital discipline while leveraging operational synergies—particularly in the CNG and e-bus space—the move could shift the competitive dynamics in India's mid-size CV segment. Execution risks remain, especially in maintaining legacy brand value while introducing new technologies. However, with measured ambition and focused strategy, the acquisition could mark a turning point in M&M's commercial vehicle journey. **PSR**

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Russia Report

By Maxim Sakov, Market Consultant, Russia Operations

Editor's Note: *Power Systems Research has paused all research and business development activities in Russia. We maintained an important presence in Russia from 2013-2022 to bring important updates to our clients about the powered equipment markets within Russia. We are continuing to monitor the current situation and hope to again establish this presence when the conflict with Ukraine is resolved. Please contact us at* ***info@powersys.com*** *if you have questions regarding business conditions in Russia. Thank you.* **PSR**

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