

Capital Goods

Strong domestic sales of earth-moving machinery in Mar

China Construction Machinery Association (CCMA) released the earth-moving machinery sales data for Mar. Domestic sales of excavators / wheel loaders grew 29%/23% YoY, suggesting strong demand in the traditional peak season. We believe excavator offers resilience with growth driven largely by the domestic replacement demand, which is less affected by the tariff war. Reiterate **BUY** on **SANY Heavy (600031 CH)** given the high contribution from excavator sales. We also like **Zoomlion (1157 HK / 000157 CH, BUY)** given its strategic focus on emerging markets (the US contributes <1% of revenue).

- **Excavator sales +18% YoY in Mar.** Domestic sales surged 29% YoY to 19.5k units. Exports increased 3% YoY to 10k units. In 1Q25, total excavator sales grew 23% (domestic: +38%; export: +6%).
- **Wheel loader sales +13% YoY in Mar.** Domestic sales grew 23% YoY to 8.2k units. Exports slightly increased 1% YoY to 5.7k units. Electric wheel loader sales volume reached 2.8k units (+3x YoY), representing 20% of the total wheel loader sales, which is a record high. In 1Q25, total wheel loader sales grew 15% YoY (domestic: +25%; export: +5%).
- The sales data for other construction machinery will be released by CCMA later this month.

Major construction machinery sales in Mar 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	29,590	19,517	10,073	18%	29%	3%
Wheel loader	13,917	8,168	5,749	13%	23%	1%

Source: CCMA, CMBIGM

Downstream applications of construction machinery in China

Type of machinery	Infrastructure	Property	Mining	Manufacturing
Excavator	High	Medium	Low	Low
Wheel loader	Medium	Low	High	Low
Truck crane	High	Low	n/a	Low
Tower crane	n/a	High	n/a	n/a
Concrete machinery	Medium	High	n/a	Low
Coal mining equipment	n/a	n/a	High	n/a
Mining transport truck	n/a	n/a	High	n/a
Aerial work platform	Medium	Low	na	High

Source: CMBIGM

OUTPERFORM
(Maintain)

China Capital Goods Sector

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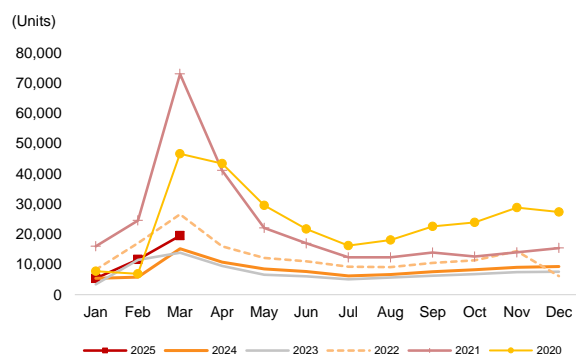
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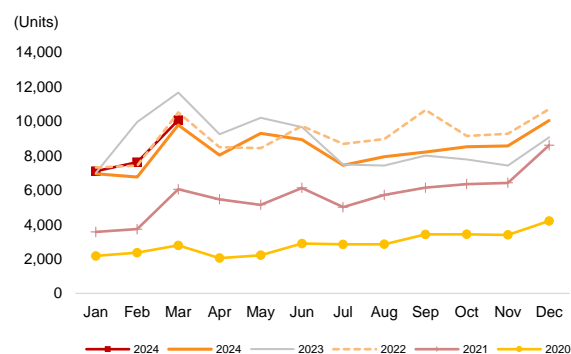
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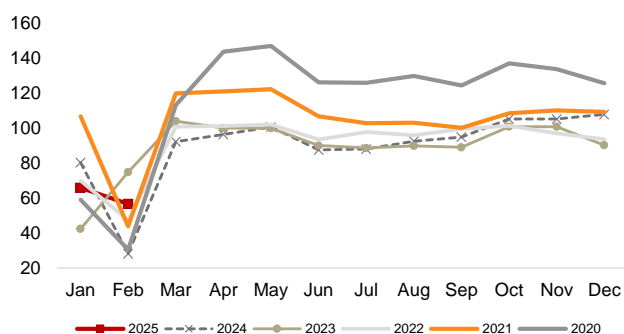
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Figure 1: Monthly excavator sales in China

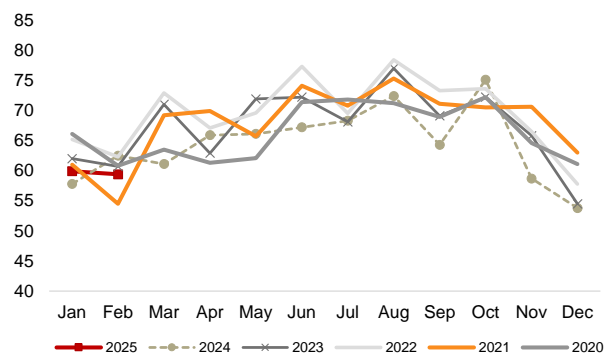
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

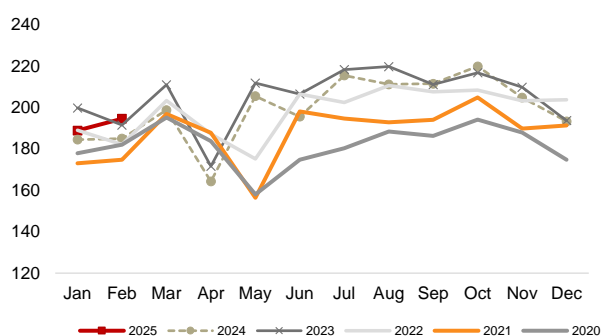
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in China

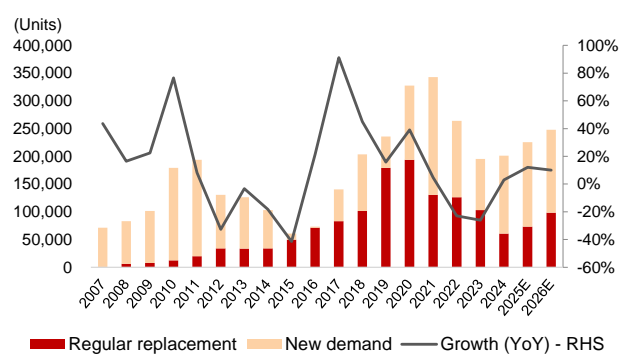
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

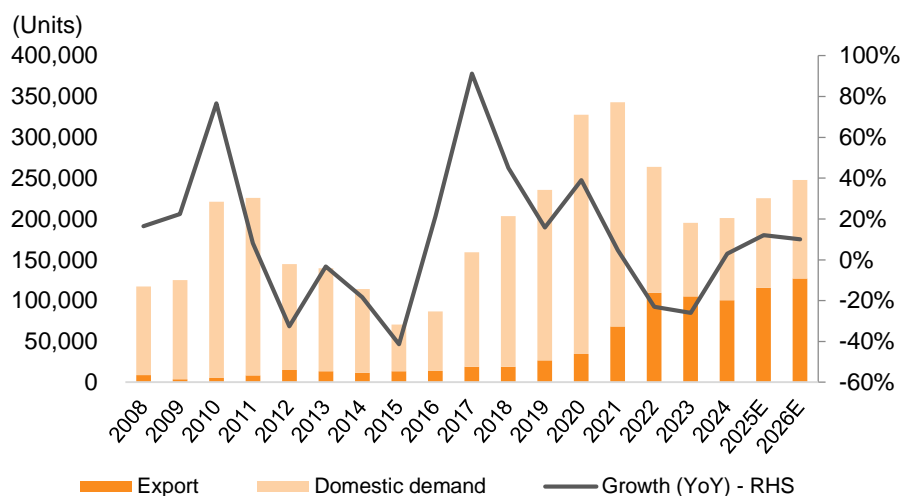
Source: Komatsu, CMBIGM

Figure 5: Komatsu excavator monthly utilisation hours in Indonesia

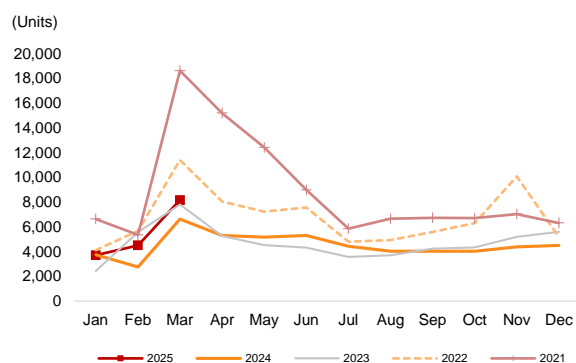
Source: Komatsu, CMBIGM

Figure 6: CMBIGM excavator sales projection

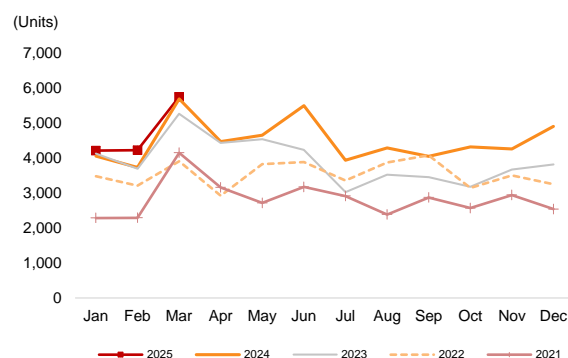
Source: CCMA, CMBIGM estimates

Figure 7: CMBI excavator sales projection (breakdown by region)

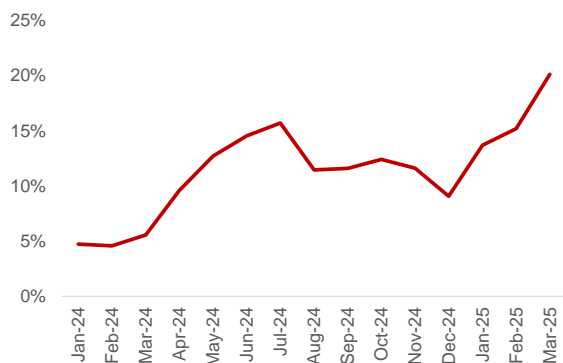
Source: CCMA, CMBIGM estimates

Figure 8: Monthly wheel loader sales in China

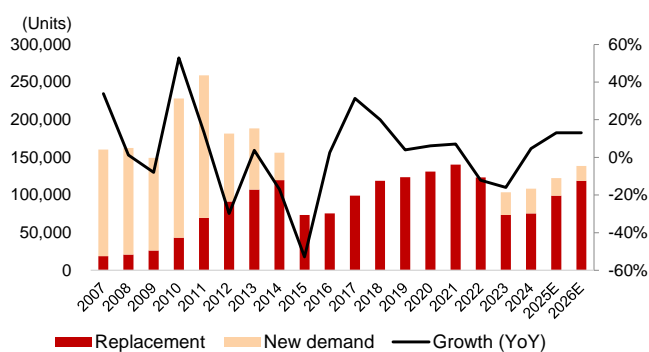
Source: CCMA, CMBIGM

Figure 9: Monthly wheel loader export volume

Source: CCMA, CMBIGM

Figure 10: Electric wheel loader sales as percentage of total wheel loader sales

Source: CCMA, CMBIGM

Figure 11: CMBIGM wheel loader sales projection

Source: CCMA, CMBIGM estimates

Figure 12: Overseas revenue contribution for major Chinese manufacturers

Company	Ticker	% of overseas revenue		
		2022	2023	1H24
Zhejiang Dingli	603338 CH	65%	64%	77%
SANY Heavy	600031 CH	47%	61%	62%
Zoomlion	1157 HK / 000157 CH	24%	38%	49%
Sinotruk	3808 HK	47%	36%	45%
XCMG	000425 CH	30%	40%	44%
SANY International	631 HK	27%	31%	36%
Jiangsu Hengli*	601100 CH	22%	22%	-
Weichai Power**	2338 HK / 000338 CH	54%	53%	52%

Source: Company data, CMBIGM

Note: * Certain domestic sales will become final products for export.

** Weichai owns 46.5% interest in KION (KGX GR), the major source of overseas revenue. Adjusted for KION's revenue, together with Weichai's direct and indirect exports, we estimate Weichai's attributable overseas revenue accounted for 30-40% of total revenue.

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