

# Capital Goods

## Solid growth of earth-moving machinery sales in Apr; Expect momentum to continue in May

China Construction Machinery Association (CCMA) released the earth-moving machinery sales data for Apr. Domestic sales of excavators / wheel loaders grew 16%/35% YoY, which we believe were driven by municipal and rural construction projects. Meanwhile, export growth of excavator sales accelerated to 19% YoY in Apr, the highest over the past two years, though we are unsure if the sales were boosted by any tariff-related factors. Based on our understanding, **Jiangsu Hengli (601100 CH, BUY)** has maintained full capacity utilisation in Mar & Apr, suggesting that the strong demand for excavators may extend into May (hydraulic components are normally 1-2 months ahead of machine demand). We maintain our view that 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)** and Jiangsu Hengli. We also like **Zoomlion (1157 HK / 000157 CH, BUY)** given its strategic focus on emerging markets.

- **Excavator sales +18% YoY in Apr.** Domestic sales grew 16% YoY to 12.5k units. Exports increased 19% YoY to 9.5k units, which is the highest growth rate over the past two years. In 4M25, total excavator sales grew 21% (domestic: +32%; exports: +9%).
- **Wheel loader sales +19% YoY in Apr.** Domestic sales grew 35% YoY to 7.2k units. Exports were flat YoY at 4.4k units. Electric wheel loader sales volume reached 2.9k units (+2.1x YoY), representing 25% of the total wheel loader sales, which is a record high. In 4M25, total wheel loader sales grew 16% YoY (domestic: +28%; exports: +4%).

### Major construction machinery sales in Apr 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	22,142	12,547	9,595	18%	16%	19%
Wheel loader	11,653	7,191	4,462	19%	35%	0%

Source: CCMA, CMBIGM

Note: The sales data for other construction machinery will be released by CCMA later this month

### 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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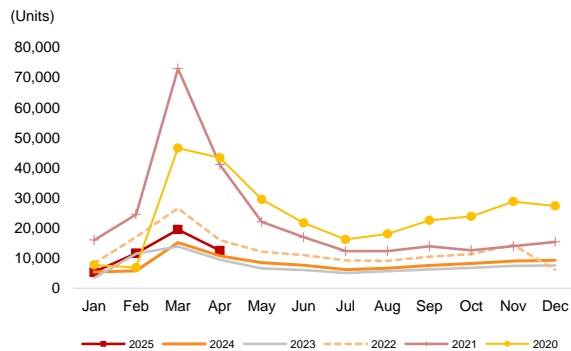
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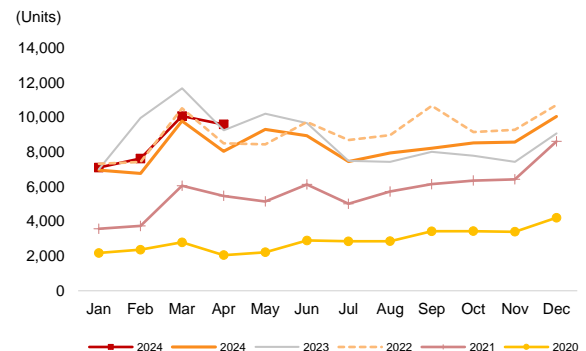
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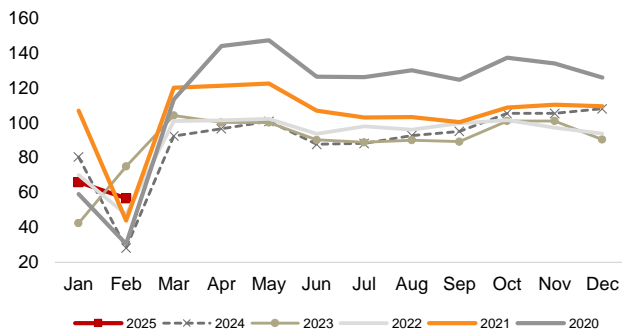
Zoomlion (1157 HK / 000157 CH, BUY) – 2024 results below expectation; Still positive on the structural overseas growth trend – 26 Mar 2025 ([link](#))

**Figure 1: Monthly excavator sales in China**

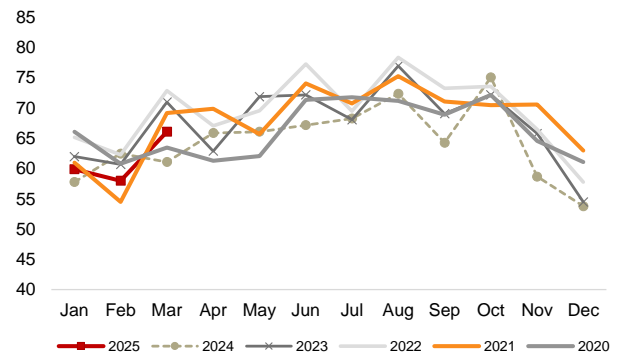
Source: CCMA, CMBIGM

**Figure 2: Monthly excavator export volume**

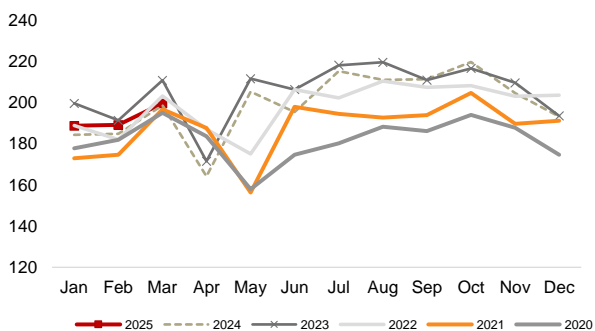
Source: CCMA, CMBIGM

**Figure 3: Komatsu excavator monthly utilisation hours in China**

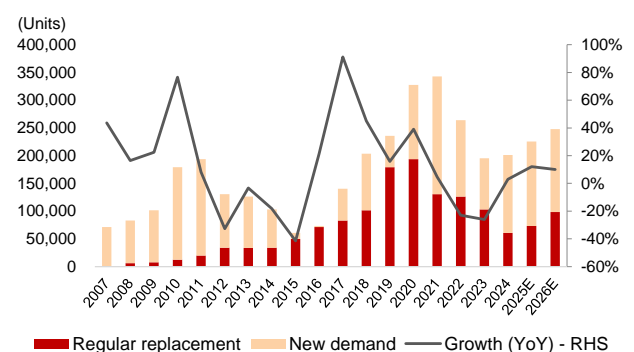
Source: Komatsu, CMBIGM

**Figure 4: Komatsu excavator monthly utilisation hours in North America**

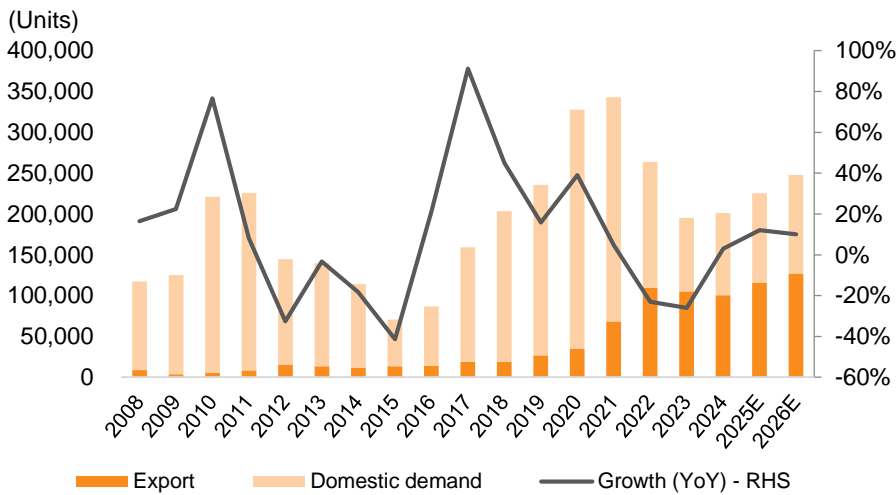
Source: Komatsu, CMBIGM

**Figure 5: Komatsu excavator monthly utilisation hours in Indonesia**

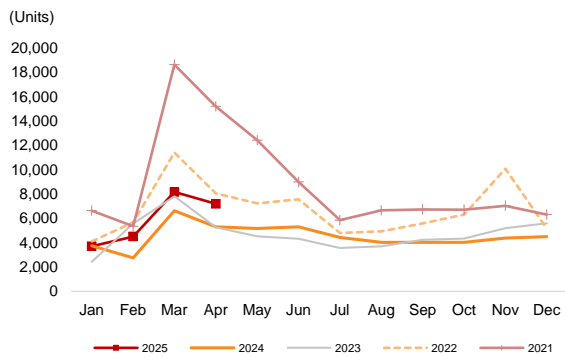
Source: Komatsu, CMBIGM

**Figure 6: CMBIGM excavator sales projection**

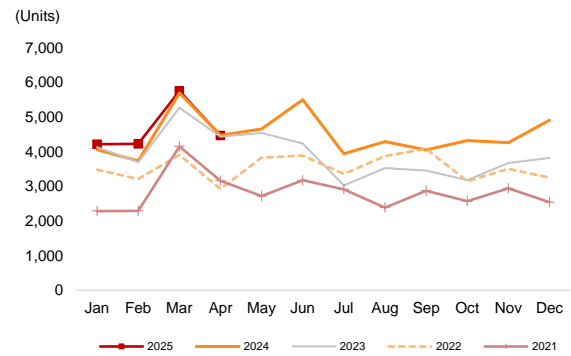
Source: CCMA, CMBIGM estimates

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

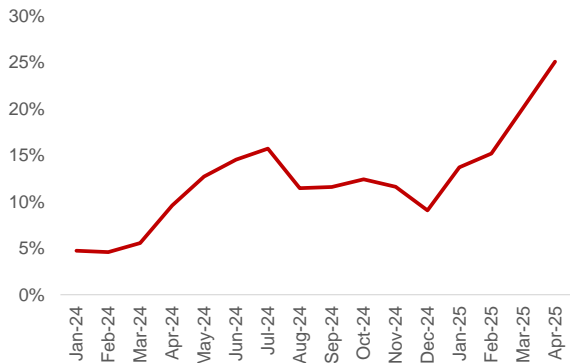
Source: CCMA, CMBIGM estimates

**Figure 8: Monthly wheel loader sales in China**

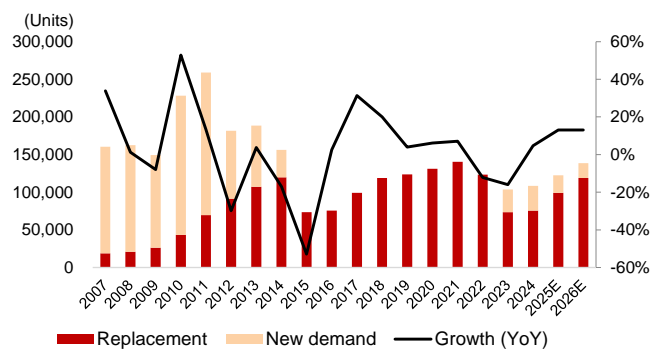
Source: CCMA, CMBIGM

**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	2024
Zhejiang Dingli	603338 CH	65%	64%	77%
SANY Heavy	600031 CH	47%	61%	64%
Zoomlion	1157 HK / 000157 CH	24%	38%	51%
XCMG	000425 CH	30%	40%	45%
Sinotruk	3808 HK	47%	36%	40%
SANY International	631 HK	27%	31%	37%
Jiangsu Hengli*	601100 CH	22%	22%	22%
Weichai Power**	2338 HK / 000338 CH	54%	53%	56%

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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