

Capital Goods

Strong domestic sales and export of excavators in Jul

China Construction Machinery Association (CCMA) released an encouraging set of data for earth-moving machinery sales in Jul. Export / domestic sales of excavators grew 32% / 17% YoY, which accelerated from Jun. The strong data reaffirm our positive stance on the replacement-driven up-cycle, as well as a good potential export market (mainly emerging regions). Going forward, we expect the Yarlung Zangbo River mega hydro power project to offer an addition of 2-3% annual demand for construction machinery over the coming years. We reiterate our positive stance on our **BUY-rated SANY Heavy (600031 CH)**, **Jiangsu Hengli (601100 CH)** and **Zoomlion (1157 HK / 000157 CH)**.

- **Excavator sales rose 25% YoY in Jul.** Domestic sales grew 17% YoY to 7.3k units. Exports surged 32% YoY to 9.8k units, which marks the highest growth rate this year. In 7M25, total excavator sales grew 18% YoY (domestic: +22%; exports: +13%).
- **Wheel loader sales grew 7% YoY in Jul.** Domestic sales slightly increased 2% YoY to 4.5k units. Exports grew 13% YoY to 4.5k units. Electric wheel loader sales volume reached 2.4k units (+82% YoY), representing 26.6% of the total wheel loader sales, which marks a record high. In 7M25, total wheel loader sales grew 13% YoY (domestic: +20%; exports: +5%).

Major construction machinery sales in Jul 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	17,138	7,306	9,832	25%	17%	32%
Wheel loader	9,000	4,549	4,451	7%	2%	13%

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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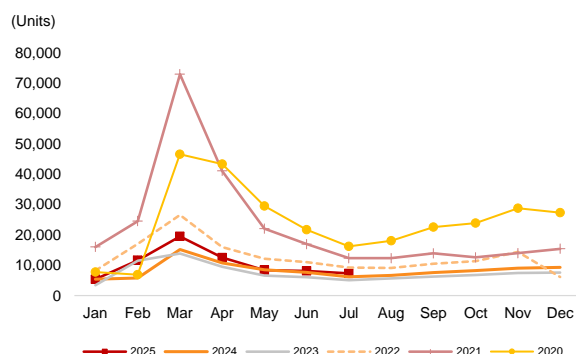
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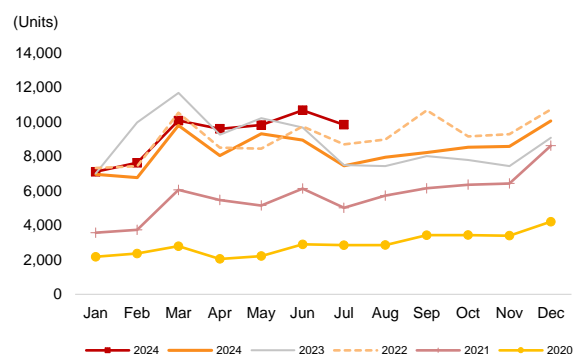
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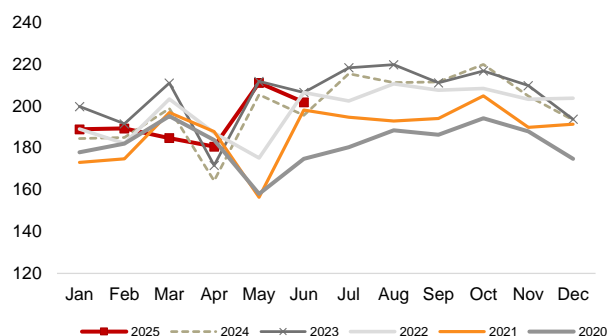
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Figure 1: Monthly excavator sales in China

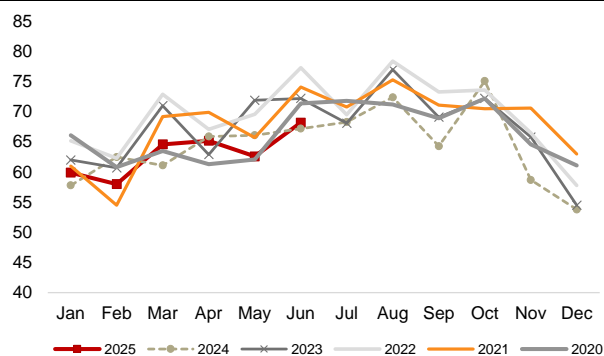
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

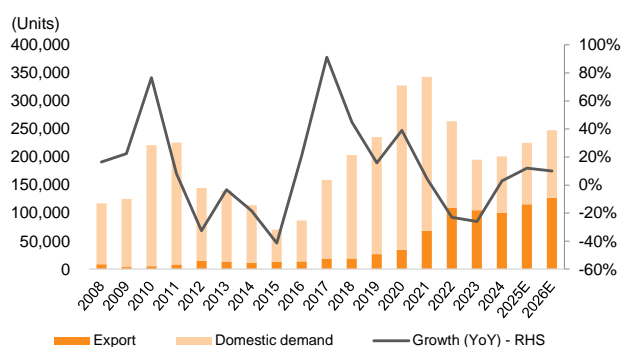
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in Indonesia

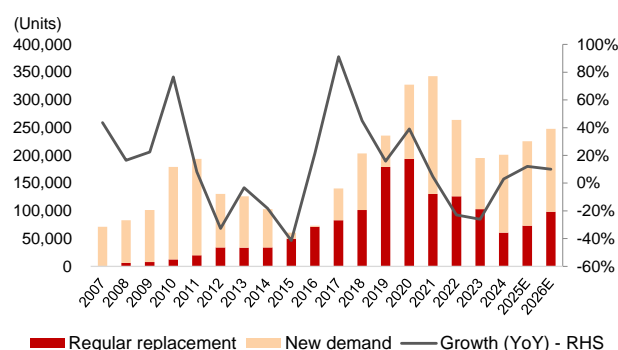
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

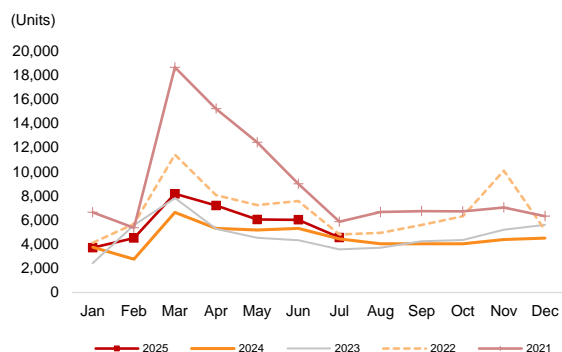
Source: Komatsu, CMBIGM

Figure 5: CMBI's excavator sales projection (breakdown by region)

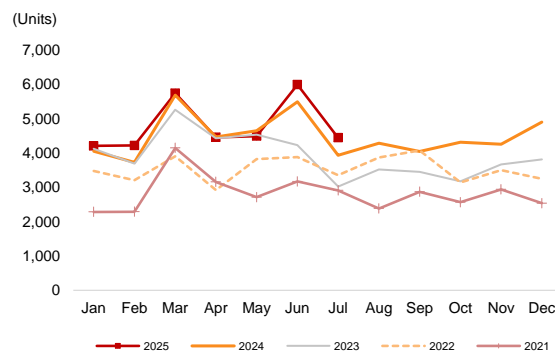
Source: CCMA, CMBIGM estimates

Figure 6: CMBIGM's excavator sales projection

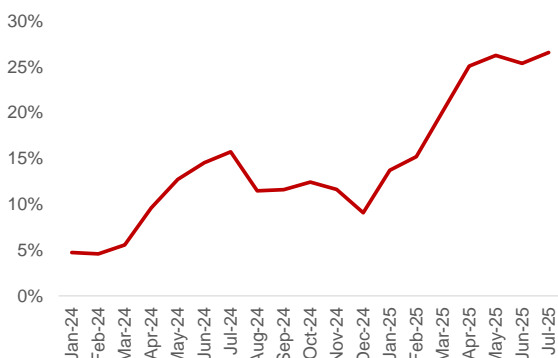
Source: CCMA, CMBIGM estimates

Figure 7: Monthly wheel loader sales in China

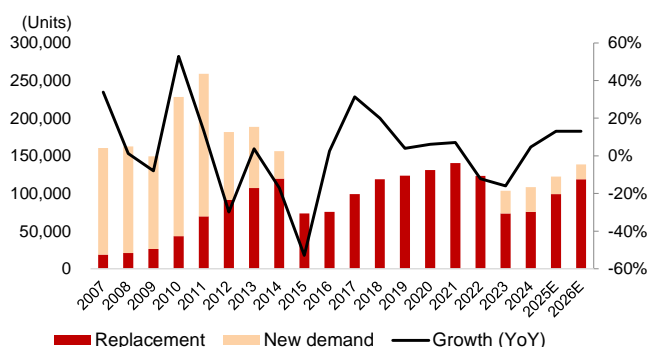
Source: CCMA, CMBIGM

Figure 8: Monthly wheel loader export volume

Source: CCMA, CMBIGM

Figure 9: Electric wheel loader sales as percentage of total wheel loader sales

Source: CCMA, CMBIGM

Figure 10: CMBIGM's wheel loader sales projection

Source: CCMA, CMBIGM estimates

Figure 11: 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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