

Hero MotoCorp net up 71% on higher sales

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Hero MotoCorp reported a year-on-year (YoY) increase of 71 per cent in net profit during the April-June quarter on higher sales of motorcycles and scooters as well as last year's low base. Volumes in the first quarter of FY22 were impacted due to the second wave of Covid.

Net profit of the Splendor and Glamor brands' maker increased to ₹625 crore from ₹365.44 crore in the same quarter a year ago. Profit, however, contracted marginally when compared with the

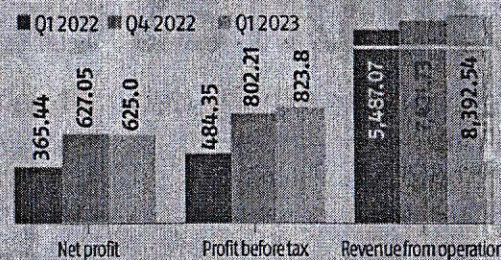
March quarter during which the figure was ₹627 crore.

Revenue from operations at the Pawan Munjal-led firm increased to ₹83,932.54 crore from ₹5,487.07 crore in the year-ago period.

Hero expects two-wheeler demand to be on a healthy trajectory, supported by micro factors like normal monsoon and opening up of the economy.

Niranjan Gupta, chief financial officer (CFO), Hero MotoCorp, said in a statement, "The margin pressure on the industry is also likely to ease in coming quarters, as commodities cool off and price recovery moves ahead of cost

EARNINGS

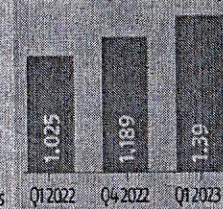


Source: Company filing

impact."

Two-wheeler sales in India, particu-

2-WHEELERS SOLD (units in mn)



larly at the entry-level segment where Hero dominates, have been under pres-

sure. This is owing to frequent price increases undertaken by manufacturers to offset higher costs.

The cost increase has come on the back of regulatory changes, steep hike in commodity prices and inflationary trend. The recent increase in lending rates by banks is set to hit the segment further. Sales for the June quarter for the two-wheeler industry increased to 3.72 million units from 2.4 million in the corresponding period last year.

But it is far from the volumes of 5.6 million units the industry sold in FY19, according to Society of Indian Automobile Manufacturers (SIAM).