In first quarterly result after IPO, Hyundai India posts 16% drop in Q2 net

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Hyundai Motor India Ltd (HMIL), in its first quarterly financial report since going public last month, revealed the challenges it faced in a weakening domestic market and rising global geopolitical tensions.

The South Korean automaker reported a 15.5 per cent drop in profit after tax (PAT) in the second quarter and a 3 per cent decline for the first half of FY25, reflecting the pressures of softer domestic demand and global uncertainties.

For the quarter ended September 30, HMIL's PAT stood at ₹1,375.5 crore, down from ₹1,628.5 crore in the same period last year.

IN THE SLOW LANE

- HMIL's profit after tax declined 15.5% in Q2 and 3.1% in first half of FY25
- Domestic sales fell 5.8%
- Exports dropped 17.1% due to disruptions in West Asia
- H1 revenue dropped 1.9% compared to H1 FY24

Domestic sales fell 5.8 per cent to 1,49,639 units while exports dropped 17.1 per cent to 42,300 units due to the disruptions in West Asia.

For H1, PAT was ₹2,865.1 crore (₹2,957.7 crore in H1 FY24) with revenue slipping 1.9 per cent to ₹34,604.6 crore. However, H1 EBITDA increased to ₹4,545.6 crore, raising the margin to 13.14 per cent.

Managing Director Unsoo Kim stated that despite the challenging conditions, the company maintained profitability through stringent cost controls. He pointed to the upcoming Creta EV, expected to be launched in Q4, as a game-changer for the electric vehicle market. The new Chennai plant, slated to begin production in Q3 FY26, will bolster localisation and enhance EV competitiveness. HMIL's SUV sales continued their upward trend, accounting for 68 per cent of total volumes in H1, up from 61 per cent last year.

The share of hatchbacks and sedans in overall sales declined to 20 per cent (down from 24 per cent) and 12 per cent (down from 16 per cent) respectively.

BUMPY ROAD AHEAD

Looking ahead, the management expects low single-digit growth to continue in the near term, impacted by geopolitical issues, high interest rates and fluctuating demand.

However, HMIL remains optimistic, citing a 30 per cent year-on-year increase in October sales, signalling resilience within the industry.

The company anticipates this moderate growth trend will carry through the second half of the year.

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