

Hero expects EV biz to break even with 30K monthly sales

DEEPAK PATEL

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Hero MotoCorp is expecting its electric vehicle (EV) business to break even once it reaches monthly sales volumes of 25,000 to 30,000 units, which is a couple of years away, Chief Financial Officer (CFO) Vivek Anand said on Tuesday.

"This year, in 2024-25 (FY25), if I really look at my EV performance, our volumes have grown by 200 per cent," Anand told analysts during the company's post-results conference call.

Hero's EV sales increased by 175 per cent year-on-year (Y-o-Y) to 48,674 units, according to Federation of Automobile Dealers Associations (Fada).

Anand said: "Our Ebitda (earnings before interest, taxes, depreciation and

amortisation) for the EV business stands at minus 95 per cent in 2024-25, which... has improved from minus 155 per cent in 2023-24."

He said the company's near-term focus in the EV segment is on scaling up the business, growing market share, and reducing costs through localisation. Realisation of benefits under the government's production-linked incentive (PLI) scheme will also play a role in achieving profitability, he added.

"I want to add that when I am at 25,000-30,000 units volume sales per month, I hope that the EV business will break even, which... is a couple of years away," Anand said.

The two-wheeler (2W) industry's overall volume sales growth in FY26 was expected to be in the range of 6-7 per cent,

Charged up

Hero Motocorp's EV sales

Year	Units
FY23	941
FY24	17,720
FY25	48,674

Source: Fada

and Hero is planning to outpace the industry. According to Society of Indian Automobile Manufacturers (Siam), in FY25, the domestic sales of the two-wheeler industry increased by 9.12 per cent Y-o-Y to 1.961 million units.

Ram Kuppuswamy, chief operations



officer (COO-manufacturing), Hero MotoCorp, stated that the passenger vehicle (PV) industry has a lot of tailwinds this year. "We have a good monsoon prediction. We have a good marriage season after a long time, and the initial signs are already visible. The income tax relief (announced during the last Budget) is putting more money in the hands of consumers. There is a lot of government spending happening. Inflation is on the lower side. We expect the two-wheeler industry to be better that way," he explained.

"Of course, there are some headwinds too in terms of OBD-2 norms (new emission norms) and the price increase

in products. Overall, we expect the industry to be in the region of around 6-7 per cent... Some of our products were launched in the fourth quarter of the last financial year that are yet to fully manifest in terms of sales volume. We are very confident that we will outpace the industry growth," said Kuppuswamy, who is also chief procurement officer of the firm.

As part of its planned operational strategy, Hero implemented a temporary production halt from April 17-19 at its four facilities in India to facilitate "supply chain realignment, conduct scheduled maintenance, and infrastructure enhancement". "Production is expected to normalise during this month. It is important to clarify here that we continue to grow our retail sales during the current quarter," Anand noted.