

Mercedes Benz India Revenue Zips Past ₹10,000 cr in FY23

Sales of luxury carmaker's high-end models have doubled since FY19

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Mumbai: Mercedes Benz India, which has been a leader in the luxury car market for eight straight years, zipped past the ₹10,000-crore revenue mark and nearly doubled profits in the financial year ended on March 31, 2023, as buyers lapped up the company's high-end models — those priced above ₹1.5 crore (ex-showroom).

This was even as its volumes during the year were lower than FY19. During the period, the local arm of the German luxury carmaker sold 16,497 units against 18,211 units in FY19, according to the company's filing with the ministry of corporate affairs.

Average realisation during the

In the Driver's Seat

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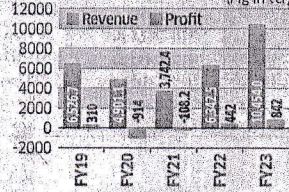
Top line jumped 64% YoY to ₹10,450 crore in FY23
Average realisation during the period increased 20% to ₹62 lakh per unit in the last fiscal while

UHNWIs with net worth over \$30m estimated to rise 58.4% in next 5 years to 19,119 in 2027: Knight Frank

period increased by 20% to ₹62 lakh per unit in the last fiscal year while the top line jumped 64% YoY to ₹10,450 crore in the FY23. This is a five-fold jump in revenue compared to five years ago. It was fueled primarily by an increase in the average realisation. Net profit expanded by 91% — nearly doubling to ₹884 crore.

“Global carmakers have always rued about the low average selling prices in India and its contribution in dragging down the overall ASP. That seems to be changing at

Financial Snapshot



a fast pace, with the buyers choosing higher-end models. The ASP in India is fast catching up with the global average. This is very positive for the Indian market and will prompt global carmakers to commit more investments here,” said Puneet Gupta, director, S&P Global Mobility.

Mercedes’ operating profit margin continued to remain in double digits for the second fiscal in a row. Mercedes Ebitda margin stood at 13.47% in FY23 which is about 354

percentage points higher than Maruti Suzuki in the same period.

The company’s record earnings come on the back of a strong demand for its top-end vehicles (TEVs) — share of which has been on a rise since the last 4 years. Share of TEVs in the company total sales has doubled to 26% from 13% in FY19. The TEVs include the GLS, S-Class, S-Class Maybach, GLS Maybach, AMG and EQS.

The robust sales witnessing luxury carmakers like Mercedes and its rivals, BMW India, Audi and others come amid an increasing number of the rich. After a blip in 2022, the number of ultra-high-net-worth individuals (UHNWI) with net worth over \$30 million is estimated to rise by 58.4% in the next five years from 12,069 in 2022 to 19,119 individuals in 2027,” Real estate consultant Knight Frank said in The Wealth Report 2023 in May.

The trend of buyers preferring the company’s high-end technology and feature packed models has only got further reinforced in the first nine months of the calendar year with one in every four models sold by the company being a TEV.