

Hyundai Sales in India on Track to Scale New Highs

FY22 STRONG RESULTS SUV sales expected to drive sales for autoco; supply woes seen easing, too

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New Delhi: Driven by strong demand for its range of SUVs Avante and Creta, South Korean auto major Hyundai Motor India is set to post record sales in the ongoing year, which is coming on the heels of the company reporting highest-ever revenues and net profit for the financial year ended March 2022.

Hyundai Motor India reported a 55% increase in net profit at ₹2,862 crore in the last financial year, as operations normalised post the two waves of the pandemic. This is the first time after two years that Hyundai Motor India reported an increase in net profit, with demand surging for the maker of Creta amid a strong recovery in demand in the local market. Net profit of Hyundai Motor India had declined by a fifth to ₹1,847.2 crore in FY21 and previously by about 9% to ₹2,355 crore in FY20.

Revenues for the company went up 16% to ₹47,624 crore in FY22 despite sales getting impacted due to the global shortage of semi-conductors for most part of the year, according to the company's filings with the ministry of corporate affairs (MCA) shared by business intelligence platform Tofler. Hyundai Motor India sold 481,500 vehicles in the local market in FY22. Total expenses in the period stood at ₹43,901 crore in the same period.

On back of improved supplies and sustained demand in the marketplace, the Korean chaebol is expected to breach its previous peak of 2018 in 2022 with sales more than 5.50 lakh in the domestic market, which is a growth of 9-10% over the last calendar year.

Smooth Drive

Key triggers:
Improved supplies & sustained demand

Estimated sales growth in 2022: A rise of 9-10% over last calendar year



HEADWINDS

But market share is 15% at end of Sep 2022

Competition high from Tata Motors

TAILWIND

Bestseller Creta bookings up 36% in September

Tarun Garg, director, sales and marketing at Hyundai Motor India recently told ET the semi-conductor supply situation is easing and that is clearly seen in the company's numbers.

"The supply situation is easing, we are already producing at 90% of our capacity, we are hoping for the supply chain situation to move towards normalcy by 2023. You have seen our monthly sales moving up and with improved semiconductor supplies, we hope to sustain it. We are fairly confident that we will post our highest ever domestic sales from Hyundai Motor India in CY22," Garg had said in an interaction.

To be sure, Hyundai Motor India has lost some share due to disruptions in production. The company's market share stood at about 15% at the end of Sep 2022.