Tighter cost control & higher exports drive Hyundai net up

Profit rises 14% to ₹1,572 cr in Q2, revenue grows 1%

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A TIGHTER CONTROL over costs and higher export volumes have allowed Hyundai Motor India (HMIL) to report a 14% year-on-year growth in net profit in the second quarter of FY26, though revenue growth was subdued at just 1%.

The maker of Creta and Venue models posted ₹1,572 crore in consolidated net profit, beating the Bloomberg estimate of ₹1,507 crore. Its consolidated revenue at ₹17,155 crore was below the estimate of ₹17,638 crore. Its Ebitda (earning before interest, tax, depreciation and amortisation) margin rose by 110 basis points to 13.9% against 12.8% in the year-ago period.

Its stock traded flat on the BSE at the time of announcement of results but ended the day with a gain of 2.4%, though the Sensex dipped by 0.7%.

Hariharan KS, head of investor relations, HMIL said, "The improved margins can be attributed to favourable product and export mix, coupled with cost reduction efforts. On a sequential basis the key margin drivers were better volumes and product mix among others."

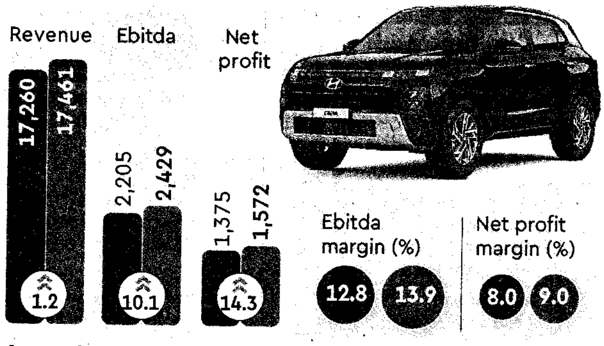
The rise of 22% in exports helped Hyundai offset the fall in volumes in the domestic market which contracted by 7% during the reporting quarter. Its total volumes dipped 0.5% to 190,921 units. Exports, which generate better margins than domestic sales, was 27% of the total volume.

With production commencing in its Pune plant this month, the incremental cost impact may weigh on HMIL's profitability in the near term. "However, we are confident that we will minimise the above impact and secure healthy margins through better operating efficiencies and cost control measures," Unsoo Kim, managing director, HMIL said.

IN THE FAST LANE

Hyundai Motor India consolidated financials

(₹ cr) ■ Q2FY25 ■ Q2FY26 % change y-o-y



Source: Company