CMP: ₹ 2,400 | Target: ₹ 2,800 (17%) | Target Period: 12 months | BUY

October 16, 2025

Focus on next phase –from Strength to Scale...

About the stock: Hyundai Motors India (HMIL), is a part of South Korea based the “Hyundai Motor Group”. HMIL has for long been the second largest auto OEM in the domestic passenger vehicle market in terms of sales volumes.

- Its portfolio includes 14 models across major passenger vehicle segments including Grand i10, Aura, Verna, Exter, Venue & Creta among others

Event Update: Hyundai Motors India, at its first ever Investor Day, articulated a confident roadmap for growth over FY25-FY30E. Key takeaways:

- **Unveils ₹45,000 Crore Investment Blueprint to Accelerate India Growth:** HMIL announced a landmark ₹45,000 crore investment plan over FY25-30E, laying out a comprehensive roadmap across product, technology, and manufacturing. It aims to position India as its 2nd largest region globally, reflecting Hyundai Motor Company’s strategic pivot toward India as a core market within its global vision. The roadmap features an aggressive 26-product launch pipeline, including 7 new nameplates that mark Hyundai’s entry into the multi-purpose vehicle (MPV) and off-road SUV segments. Reinforcing its commitment to electrification, HMIL will roll out India’s first locally manufactured, dedicated electric SUV by 2027, supported by a growing ecosystem of advanced manufacturing and localized supply chains. Additionally, Hyundai will introduce its luxury brand Genesis in India by 2027. With a strong focus on diversification, it will offer a comprehensive powertrain portfolio—ICE, CNG, hybrid, and EV—targeting over 50% of its product mix from eco-friendly options by FY2030E.
- **Aiming to expand topline by 1.5x with sustained double-digit margins:** The 2030 roadmap is designed to transform HMIL into a high-growth, high-margin enterprise underpinned by 1.5x revenue expansion and a milestone target of ₹1 lakh crore topline by FY2030E. Profitability discipline remains central, with management reaffirming sustained double-digit EBITDA margins in the range of 11% - 14%, supported by scale efficiencies, product mix improvement, and localized sourcing. HMIL is also advancing toward Software-Defined Factory (SDF) operations to enhance flexibility, automation, and real-time production intelligence. Exports remain a cornerstone of strategy, with the company targeting up to 30% contribution from overseas markets by 2030, consolidating India’s role as a key export hub within Hyundai’s global network. On the domestic front, Hyundai aims to capture 15%+ market share, led by an expanding UV lineup that will account for >80% of total volumes.

Rating and Target Price

- HMIL stands out for its strategic investments aimed at scaling revenue & product diversification. It’s roadmap to achieve 1.5x revenue growth, combined with disciplined margin management and expanding market share, supports compelling growth outlook. Given this structural strength and a well-articulated strategy, we upgrade our rating to **BUY** on the stock and now value HMIL at **₹ 2,800** i.e. **30x P/E on avg. of FY27-28E EPS.**

HYUNDAI

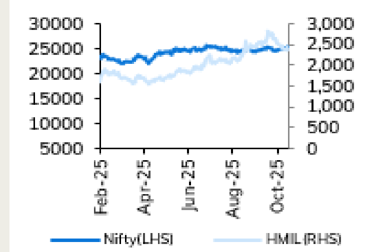
Particulars

Particulars	₹ crore
Market Capitalisation	1,95,010
Total Debt (FY25)	792
Cash & Inv. (FY25)	8,579
EV (₹ crore)	1,87,222
52 week H/L (₹)	2,890 / 1,543
Equity Capital (FY25)	813
Face Value (₹)	10

Shareholding pattern

	Oct-24	Dec-24	Mar-25	Jun-25
Promoter	82.5	82.5	82.5	82.5
FII	7.4	6.7	7.2	7.1
DII	5.8	7.1	7.0	7.8
Other	4.4	3.7	3.3	2.7

Price Chart



Recent event & key risks

- Hyundai Motor India hosts first ever Investor Day.
- Key Risk: (i) lower than built in volume growth in domestic business (ii) lower than anticipated improvement in EBITDA margin profile amid volatile commodity prices.

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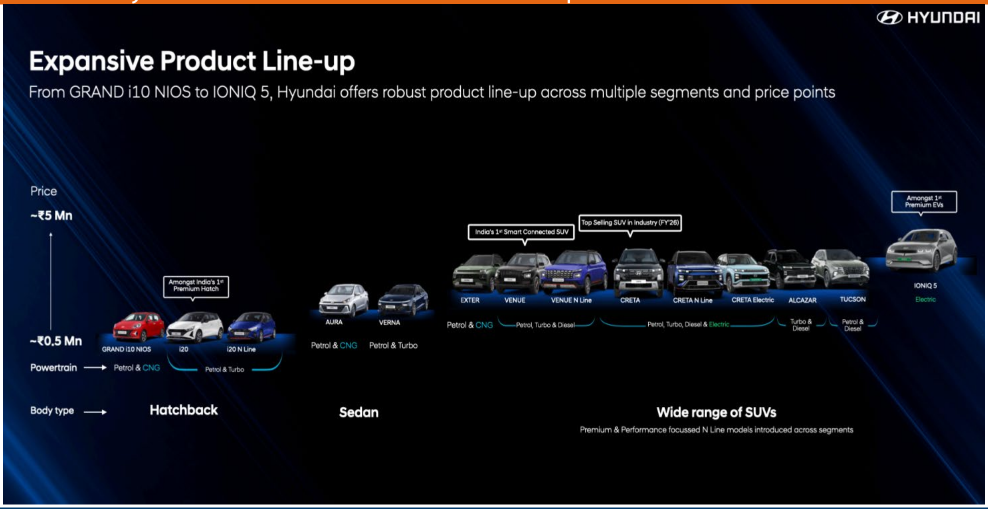
Key Financial Summary

Key Financials (₹ crore)	FY21	FY22	FY23	FY24	FY25	4 year CAGR (FY21-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	40,972	47,379	60,308	69,830	69,193	14.0%	74,384	82,067	91,261	9.7%
EBITDA	4,246	5,486	7,549	9,133	8,954	20.5%	10,168	11,284	12,777	12.6%
EBITDA Margins (%)	10.4	11.6	12.5	13.1	12.9		13.7	13.8	14.0	
Net Profit	1,881	2,902	4,709	6,061	5,640	31.6%	6,422	7,080	8,032	12.5%
Reported EPS (₹)	23.2	35.7	58.0	74.6	69.4		79.0	87.1	98.8	
RoNW (%)	12.3	17.2	23.5	56.8	34.6		30.9	27.6	25.7	
RoCE (%)	13.1	17.7	24.2	55.0	37.7		35.2	32.5	31.3	
P/E (x)	103.7	67.2	41.4	32.2	34.6		30.4	27.5	24.3	

Source: Company, ICICI Direct Research

Key Charts from PPT

Exhibit 1: Hyundai Motors – Current Product line-up



Source: Company, ICICI Direct Research

Hyundai Motors has cumulatively sold >9 million vehicles in India and is a #2 player in the domestic space. It offers a robust product line-up across multiple segments and price points while providing multiple powertrain options as well.

Since 2016, HMIL is the leader in Mid SUV segment supported by the brand CRETA. Currently, it has 14 nameplates in its portfolio and plans to further increase it to 18 by FY30.

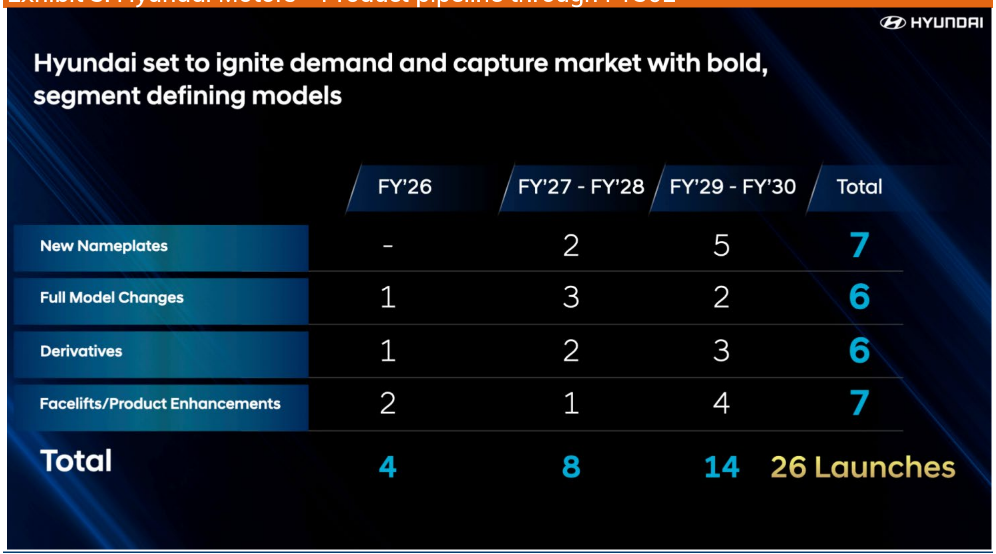
Exhibit 2: Hyundai Motors – Domestic Growth trajectory

Source: Company, ICICI Direct Research

Hyundai expects the domestic PV industry to grow at a ~5.2% CAGR in the mid-term (FY25 – FY30E) while it looks to outperform the industry and grow at a CAGR of ~7% supported by new launches.

HMIL targets a 15%+ domestic market share with over 80% of its portfolio contribution from utility vehicles

Exhibit 3: Hyundai Motors – Product pipeline through FY30E



	FY'26	FY'27 - FY'28	FY'29 - FY'30	Total
New Nameplates	-	2	5	7
Full Model Changes	1	3	2	6
Derivatives	1	2	3	6
Facelifts/Product Enhancements	2	1	4	7
Total	4	8	14	26 Launches

Source: Company, ICICI Direct Research

Hyundai has also announced its product launch timeline going forward. In FY26, it will be launching 4 products which includes facelifts and derivative products, with 2 new nameplates in FY27-28 and further 5 new nameplates in FY29-30.

Post Diwali 2025, HMIL has announced the launch of a new Venue, which will be equipped with Level 2 ADAS, 12.3-inch dual display infotainment system and over the air controller.

Exhibit 4: Hyundai Motors – Powertrain Line-up

Source: Company, ICICI Direct Research

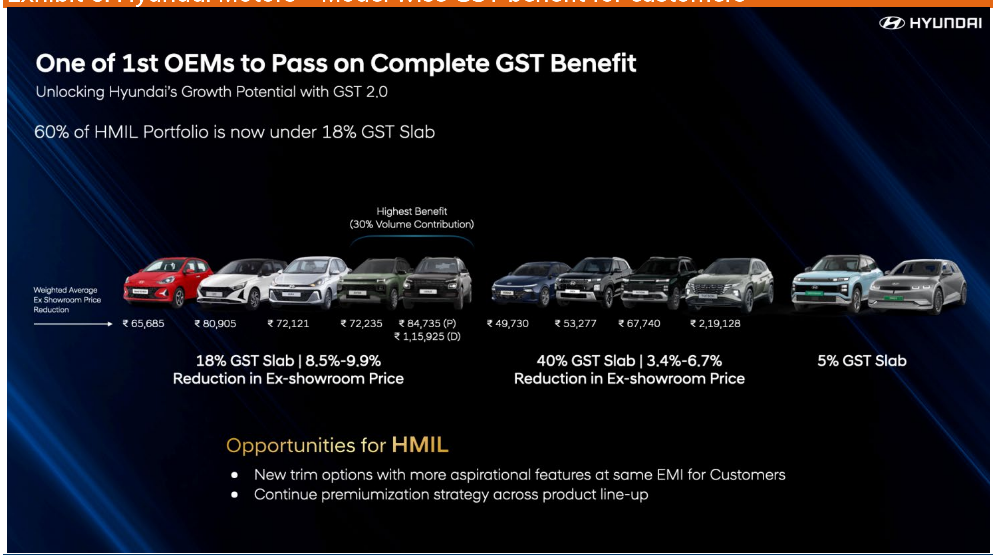
The company shared that it is focusing on diversifying its portfolio with an aim to have more than 50% contribution powered by eco-friendly technologies like CNG, EV, and hybrids.

Exhibit 5: Hyundai Motors – Stronghold in Asia's fastest growing market

Source: Company, ICICI Direct Research

India is the 3rd largest automotive market but still underpenetrated with only 34 cars per 1000 people, whereas China is at 223 cars per 1000 people and USA with 860 cars per 1000 people. Hyundai wants to capitalize on this under penetration by providing new products which appeal to the young population.

Exhibit 6: Hyundai Motors – Model wise GST benefit for customers

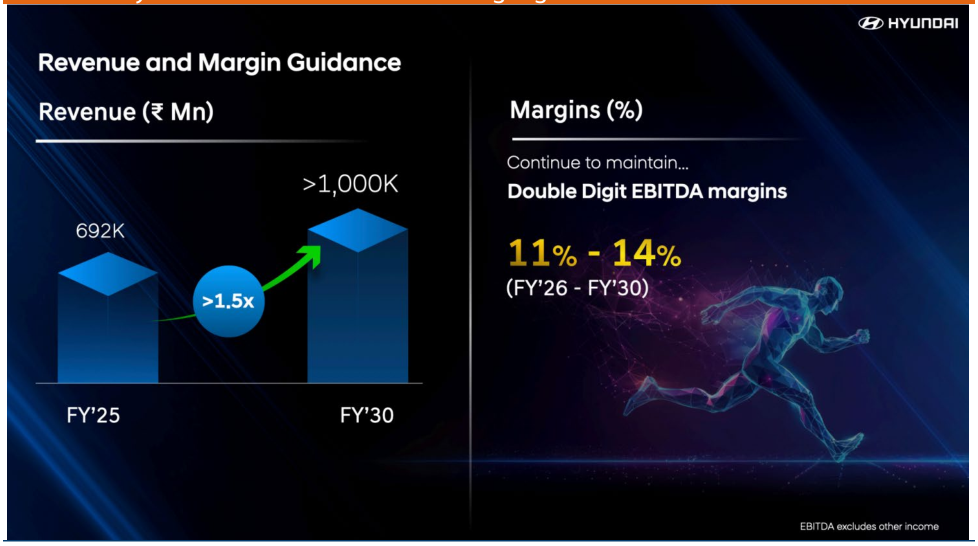


Source: Company, ICICI Direct Research

Recently GST 2.0 reforms were announced by the government of India wherein GST on across automobile segment was reduced from 28% to 18% for small cars and GST has been hiked to 40% for larger passenger cars, SUVs while reducing the overall tax incidence from 43-50% to 40%.

For Hyundai 60% of its portfolio comes under the 18% tax slab which has resulted in an 8.5% - 9.9% price reduction in ex-showroom price. Due to this reform, the highest beneficiary segment will be compact SUV segment. (Exter & Venue for HMIL, which contributes 30% volume for the company).

Exhibit 7: Hyundai Motors – Revenue & Margin guidance



Source: Company, ICICI Direct Research

HMIL aims for up to 30% export contribution, crossing ₹1 lakh crore in revenues with sustained double-digit EBITDA margins in the range of 11%-14% by 2030, while expanding its sales and service network to 85% of Indian districts and focusing on rural market penetration.

Exhibit 8: Hyundai Motors - Outlook Summary

Source: Company, ICICI Direct Research

Exhibit 9: Volume Assumptions

	Current							
	FY21	FY22	FY23	FY24	**FY25**	**FY26E**	**FY27E**	**FY28E**
Total Volumes (lakh units)	5.8	6.1	7.2	7.8	**7.6**	**8.1**	**8.8**	**9.5**
Average ASPs (₹ lakh/unit)	7.0	7.6	8.2	8.8	**8.9**	**9.0**	**9.2**	**9.5**
RMC/Unit (₹ lakh/unit)	5.4	5.9	6.2	6.6	**6.6**	**6.5**	**6.7**	**6.9**

Source: ICICI Direct Research

Exhibit 10: Change in headline estimates

	FY26E			FY27E			FY28E
(₹ Crore)	**Old**	**New**	**% Change**	**Old**	**New**	**% Change**	**Introduced**
Total Op. Income	72,340	74,384	2.8	79,556	82,067	3.2	91,261
EBITDA	9,587	10,168	6.1	10,880	11,284	3.7	12,777
EBITDA Margin (%)	13.3	13.7	42 bps	13.7	13.8	7 bps	14.0
PAT	6,020	6,422	6.7	6,934	7,080	2.1	8,032
EPS (₹)	74.0	79	6.7	85.0	87	2.1	99

Source: ICICI Direct Research

Financial Summary (Consolidated)

Exhibit 11: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Total operating Income	69,193	74,384	82,067	91,261
Growth (%)	(0.9)	7.5	10.3	11.2
Raw Material Expenses	49,929	52,862	58,473	65,023
Employee Expenses	2,311	2,597	2,872	3,194
Other Expenses	7,999	8,757	9,438	10,267
Total Op. Expenditure	60,239	64,216	70,783	78,484
EBITDA	8,954	10,168	11,284	12,777
Growth (%)	(2.0)	13.6	11.0	13.2
Depreciation	2,105	2,232	2,380	2,510
Interest	127	117	97	72
Other Income	870	810	697	586
PBT	7,591	8,629	9,504	10,781
Total Tax	1,951	2,207	2,423	2,749
Reported PAT	5,640	6,422	7,080	8,032
Growth (%)	(6.9)	13.9	10.3	13.4
Reported EPS (₹)	69.4	79.0	87.1	98.8

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit before Tax	7,591	8,629	9,504	2,338
Add: Depreciation & Interest	2,232	2,349	2,477	2,582
(Inc)/dec in Current Assets	(346)	(649)	(837)	(1,001)
Inc/(dec) in CL and Provisions	(1,850)	956	1,241	1,485
Others	(1,951)	(2,207)	(2,423)	5,694
CF from operating activities	5,676	9,078	9,961	11,097
(Inc)/dec in Investments	-	-	-	-
(Inc)/dec in Fixed Assets	(5,749)	(7,000)	(9,000)	(9,000)
Others	(253)	(40)	(40)	(40)
CF from investing activities	(6,002)	(7,040)	(9,040)	(9,040)
Proceeds from Issuance of Equity	-	-	-	-
Borrowings, leases & interest	1,593	(187)	(247)	(222)
Dividend paid & dividend tax	(1,706)	(1,950)	(2,153)	(2,438)
CF from financing activities	(114)	(2,137)	(2,400)	(2,660)
Net Cash flow	(439)	(99)	(1,479)	(603)
Opening Cash	9,018	8,579	8,480	7,001
Closing Cash	8,579	8,480	7,001	6,398

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	813	813	813	813
Reserve and Surplus	15,484	19,956	24,883	30,477
Total Shareholders funds	16,297	20,768	25,696	31,290
Total Debt	792	722	572	422
Deferred Tax Liability	-	-	-	-
Minority Interest / Others	1,951	1,971	1,991	2,011
Total Liabilities	19,040	23,461	28,259	33,723
Assets				
Gross Block	23,564	34,283	43,283	52,283
Less: Acc Depreciation	16,654	18,886	21,266	23,775
Net Block	6,910	15,397	22,017	28,507
Capital WIP	4,718	1,000	1,000	1,000
Total Fixed Assets	11,628	16,397	23,017	29,507
Goodwill & Investments	195	205	215	225
Inventory	3,404	3,668	4,047	4,501
Debtors	2,389	2,649	2,923	3,250
Other Current Assets	1,660	1,784	1,968	2,189
Cash	8,579	8,480	7,001	6,398
Total Current Assets	16,032	16,582	15,940	16,338
Creditors	7,086	7,744	8,544	9,501
Provisions	497	535	590	656
Other current liabilities	3,474	3,735	4,121	4,582
Total Current Liabilities	11,058	12,014	13,255	14,740
Net Current Assets	4,974	4,568	2,685	1,599
Others	2,242	2,292	2,342	2,392
Application of Funds	19,040	23,461	28,259	33,723

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS	69.4	79.0	87.1	98.8
Cash EPS	95.3	106.5	116.4	129.7
BV	200.6	255.6	316.2	385.1
Cash Per Share	105.6	104.4	86.2	78.7
Operating Ratios (%)				
EBITDA Margin	12.9	13.7	13.8	14.0
PBT / Net sales	9.9	10.7	10.9	11.3
PAT Margin	8.2	8.6	8.6	8.8
Inventory days	18.0	18.0	18.0	18.0
Debtor days	12.6	13.0	13.0	13.0
Creditor days	37.4	38.0	38.0	38.0
Return Ratios (%)				
RoE	34.6	30.9	27.6	25.7
RoCE	37.7	35.2	32.5	31.3
RoIC	140.7	60.6	46.0	40.4
Valuation Ratios (x)				
P/E	34.6	30.4	27.5	24.3
EV / EBITDA	20.9	18.4	16.7	14.8
EV / Net Sales	2.7	2.5	2.3	2.1
Market Cap / Sales	2.8	2.6	2.4	2.1
Price to Book Value	12.0	9.4	7.6	6.2
Solvency Ratios				
Debt/EBITDA	0.1	0.1	0.1	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.0	1.0	1.0	1.0
Quick Ratio	0.5	0.5	0.5	0.5

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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