"Hyundai Motor India Limited

Q2 and H1 FY27 Earnings Conference Call"

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MODERATOR: MR. VIVEK KUMAR – ICICI SECURITIES

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Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call of Hyundai Motor India Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

I now hand the conference over to Mr. Vivek Kumar from ICICI Securities. Thank you, and over to you.

Vivek Kumar: Thank you. Good evening, everyone, and welcome to the Q2 and H1 FY27 Earnings Conference Call of Hyundai Motor India Limited. From the management team today, we have with us Mr. Tarun Garg - Managing Director and Chief Executive Officer; Mr. Wangdo Hur - Chief Financial Officer; Mr. D.H. Park - Chief Operating Officer; Mr. Mukundan M.S. - Chief Manufacturing Officer; Mr. Saravanan T - Function Head, Finance; and Mr. K.S. Hariharan - Head of Investor Relations, from Hyundai Motor India Limited.

I would like to inform you that the call is being recorded. I would now like to invite Mr. K.S. Hariharan from Hyundai Motor India Limited. Over to you, Sir.

K.S. Hariharan: Thank you, Vivek. Good evening, everyone. Welcome to the earnings call for the second quarter and half-year of FY 2026-27.

Before we begin, I want to remind you of the safe harbor. We may be making some forward-looking statements that have to be understood in conjunction with the uncertainties and the risks that the company faces.

The conference call will begin with our MD & CEO remarks on the performance and outlook, followed by a brief presentation by me on our Q2 numbers, after which we will be happy to receive your questions.

Now I am handing over to our MD & CEO, Mr. Tarun Garg. Over to you, Sir.

Tarun Garg: Thank you, Hari ! Good afternoon, everyone and thank you for joining us today.
FY 2027 represents an important chapter in HMIL's journey, marked by several notable milestones.

- 30 years of successful operations in India,
- 4 million cumulative exports,
- 100k vehicle production at Pune, ramp-up within a short time

As we enter the next phase of our growth, we are encouraged by the strong commitment by HMG towards India. As emphasized by our Executive Chair at the Pune plant inauguration, India will remain a key focus market for investments in advanced manufacturing, innovation, R&D and localization. This coupled with our 30 years of strong legacy, will make the next 30 years epic for Hyundai in India.

Now moving to quarterly business performance, I would like to highlight that following the production disruption last quarter, we restored operations back to normalcy within just 22 days, reflecting our operational agility and resilience.

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We registered our highest ever quarterly total sales in the quarter gone by, reflecting a strong momentum in sales even before our new model cycle kicked in with Bayon launch 2 days back.

Our domestic Q2 FY27 volumes grew by 19% both QoQ and YoY supported by robust consumer demand and our strategic on-ground actions.

The quarter also witnessed few notable highlights:

- Highest-ever rural contribution of 26.6%,
- Highest ever CNG sales, with contribution reaching 19.1%,
- Highest-ever VAHAN registrations for fleet sales.

Moving on to electrification. During the quarter, we witnessed encouraging traction for CRETA Electric, which helped double our EV contribution on sequential basis. Building on this momentum, we are fully geared up for the launch of our dedicated mass-market EV in Q4 FY27. Parallelly, we will continue to strengthen the overall EV ecosystem supported by localization, charging infrastructure and other customer-centric initiatives. Our aim is to bring our EV penetration closer to industry levels by next fiscal year.

We strongly believe BAYON and the upcoming EV will further strengthen our leadership in SUVs and contribute meaningfully to our growth.

Backed by festive demand, incremental capacity from third shift at Pune and 2 new products, we are firmly on track to achieve full year growth guidance of 8-10% in domestic sales, while also being confident about outpacing the industry in H2 FY27.

On CAFE-III, we welcome the government's progressive framework. We have already committed to increasing the share of eco-friendly powertrains in our portfolio to 50% plus over the next 4 to 5 years. We remain well positioned to comply with CAFE-III norms, while continuing to offer customers a wide range of mobility solutions.

Coming to exports, despite ongoing geopolitical challenges, we witnessed a growth of 4% on YoY basis and strong sequential growth of 38%. The growth was witnessed across markets reflecting healthy underlying demand.

On QoQ, Middle East grew by 57%, Africa by 35%, Mexico by 56% & LATAM by 10%.

Looking ahead, the worsening geopolitical situation has impacted our original plans to some extent. However, we are making every effort to minimize the impact.

We aim to deliver high double-digit growth in H2 on YoY basis, supported by our strong products and operational flexibility.

Coming to financial performance, we delivered our highest-ever quarterly revenue crossing ₹20K crore milestone. Revenue recorded growth of 19% & 27% on YoY & QoQ basis respectively.

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However, significant commodity headwinds weighed on the quarter's margins. While EBITDA margin declined on YoY basis, margin improved sequentially, supported by operating leverage, healthy mix & our cost saving efforts.

Looking ahead, cost headwinds continue to pose challenges to profitability. However, improved business outlook, coupled with prudent pricing and cost control measures, provide us confidence for healthy margin trajectory in H2.

Our endeavor is to take appropriate measures to achieve our EBITDA margin guidance for the full year.

Lastly, I extend my festive greetings and best wishes to everyone. Thank you for your continued trust and support.

I now hand over back to Hari.

K.S. Hariharan: Thank You, Sir!

As the key business highlights have already been mentioned by MD, let me directly get into the sales numbers for the quarter.

We achieved total sales of 219,072 units in Q2 FY27, compared to 190,921 units in the corresponding quarter, growth of 14.7% year-on-year. On QoQ, volumes grew by 23%, supported by growth in both domestic & export markets.

In domestic, we sold 165,772 units compared to 139,521 units in the same quarter last year. This helped us with healthy growth of 18.8% year-on-year.

Despite a challenging geopolitical environment, Exports grew 3.7% on YoY. Moreover, exports grew 38% on sequential basis, supported by strong demand across markets. Export volume contribution stood at 24% in Q2 FY27.

Domestic volumes witnessed growth across segments both on YoY & QoQ basis. SUV mix remained healthy in both urban and rural markets.

We continue to witness increased traction in our CNG sales. During the quarter, our CNG sales volumes grew by 48% on YoY basis. Our CNG contribution has grown consistently every quarter, improving from 15.3% in Q2 FY26 to 19.1% in Q2 FY27.

Now coming to financial highlights. Q2FY27 witnessed our highest-ever top-line performance for any quarter since our inception.

Revenue from operations in Q2FY27 stood at ₹206,961 Million, as against ₹174,608 Million in the corresponding quarter. This resulted in a revenue growth of 18.5% on YoY basis. However, raw material cost inflation exerted pressure on profitability.

EBITDA stood at ₹19,745 Million, as compared to ₹24,289 Million in Q2 FY26. EBITDA margin was at 9.5% as compared to 13.9% in Q2 FY26.

EBIT stood at ₹14,191 Million for the quarter, as against ₹19,114 Million in Q2 FY26. EBIT margin was at 6.9% in Q2 FY27.

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PAT for the quarter was ₹11,962 Million as against ₹15,723 Million in the corresponding quarter. PAT margin was 5.7% in Q2 FY27 as against 8.9% in Q2 FY26.

Turning to profitability drivers for the quarter.

On YoY basis, we had positive levers like higher volumes, favorable currency & price hikes. However, raw material cost inflation was quite steep which impacted the margins.

On a QoQ basis, we were able to deliver profit growth with the support of higher volumes, favorable product & export mix and cost saving initiatives which helped to mitigate the raw material cost headwinds.

Our EBITDA grew by 31% whereas PBT & PAT both grew by 35% on a QoQ basis.

Lastly, I want to conclude the presentation by highlighting that despite a challenging business environment, we remain firmly anchored to our core fundamentals.

Amidst the competitive market landscape and absence of new models, we were able to maintain disciplined pricing and also deliver improved ASP, reflecting our continued focus on quality of sales. Our domestic discounts have come down from 3.2% in Q2 FY26 to 2.9% in Q2 FY27. Our overall ASP improved by 2% on year-on-year basis.

Our continued focus towards strengthening our local supply chain ecosystem has yielded positive results with our localization levels further inching up to 84% at tier-1 level in Q2 FY27.

Looking ahead, we remain committed to disciplined execution and sustainable, quality-led growth.

This concludes my presentation. Thank You all for your time and attention!! Now we open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Chandramouli Muthiah from Goldman Sachs.

Chandramouli Muthiah: My first question is just around the Bayon. I understand that this is a model which you will possibly start manufacturing in the Chennai plant, where there is some vacant capacity. So, I just want to understand, what is the sort of capacity that you think you will need to allocate to Bayon?

And just related to that on new models, I just also wanted to understand the dedicated India EV, if there's any approximate timeline that you think the launch is going to be? Possibly, is it late CY26 or do you think it's an event for next calendar year?

Tarun Garg: Thank you for your question, Tarun this side. So yes, Bayon and the local EV, both will be produced in the Chennai plant, which will help us take the Chennai plant capacity utilization to more than 90%. On numbers, if you see, we are doing about 170-odd thousand of Creta. We believe Creta plus Bayon put together, we should be looking at 250,000 annual volumes. So, this is how we are looking at the volumes.

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Regarding the launch of the EV, it will be early of next calendar year. So, January or February '27. Have I answered your questions?

Chandramouli Muthiah: Got it. That's helpful. My second question is just around the export equation. I think we started the year with a target of doing between 8% to 9% export volume growth, but the geopolitical situation has changed. I think more recently in Saudi Arabia also, both in the Red Sea and I think there have been some drone incidents at some of the critical airports in the country.

So now it looks like you're talking more about growing the business this year than doing an 8% to 9% volume growth. So, I just want to understand what are the milestones that you need to achieve to get to that sort of number? And a lot of your peers have been talking about lack of availability of ships and vessels. So, is there anything that you are able to do to potentially safeguard against that?

K.S. Hariharan: Hi Chandru, Hari here. No doubt, geopolitical issues continue to create disruptions to our operations. But still, we are pretty confident of our H2 trajectory. H1 was quite challenging for us. But H2, we believe that we should be able to deliver high double-digit growth. So, there are certain levers for us.

Number 1, if you see the demand itself. Despite this tough geopolitical condition, demand continues to stay intact across markets.

Number 2 is products. We have been seeing very strong traction for all our products across markets. Just to give you some examples, if you see the new Venue, we are expecting at least to double the volumes in this calendar year, as compared to last year. Similarly, Exter we are looking at least 50% growth as compared to last year. Also, we are planning to start exports of Bayon in Q4 and going forward, we are looking at exporting to 50-plus countries. I think there are lot of opportunities on the product front.

Number 3 is markets. So, H1 if you see, we saw very good demand in markets like Latin America and Mexico. On one side, Middle East has been facing issues on the logistical front but the other markets where we are able to push additional volumes, I think we are getting positive results there. Even in H2 as well, we are looking at a lot of opportunities in those markets. For example, in Mexico, we are looking at a lot of export opportunities for the new Venue.

And finally, on Middle East, the logistical issues, yes, these things continue. But we are trying to find a lot of options here. We are looking at alternate routes. We are looking at different ports. So, we have been trying to do many things in coordination with our logistics partner. So ultimately, if you see, there are many things we are trying to do to achieve double-digit growth that we are guiding for H2, as far as export is concerned.

Chandramouli Muthiah: Got it. That's helpful. So just the last follow-up, 170,000 going to 250,000 on mid-sized SUV portfolio, that's a domestic business aspiration?

Tarun Garg: Yes. That's domestic. Export will be over and above that.

Moderator: Next question is from the line of Binay Singh from Morgan Stanley.

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Binay Singh: Two questions from my side. First is, in media interviews, we talked about the Bayon getting 2,000 orders per day, I believe. Any update on what is your order backlog over there? Linked to that, any timeline for third-generation Creta?

Secondly, on the cost pressures, we noticed that your discounts are slightly up quarter-over-quarter. Any views on how discounts are trending in Q3? And if you could also share what is the incremental commodity pressure in Q3 versus Q2?

Tarun Garg: So many questions. Look, discounts are year-on-year 2.9% as against 3.2% of last year the same quarter. Of course, you know very well, Binay, seasonality is an important factor. So, discounts quarter-on-quarter, it's a very, very marginal increase in any case.

Going forward, as you know, Bayon has come in, even the new EV will be introduced in the early next quarter. So, we believe that, as you know, the models don't have any discount. So, the average discounts, despite festive, we are not projecting a higher discount than this in H2. So, I think these 2 new models should help us to keep the discounts in control.

On the raw material, of course, Hari will explain. The traction for the Bayon is very strong. It's too early to get into booking numbers or whatever backlog, etc. But the traction is very strong. And I think 250,000 annual numbers looks like a conservative target. In fact, I'm already telling my teams to look at opportunities if we can further increase it. So, that is where we stand. At the right time, we will be informing the numbers as well for Bayon. Thank you.

Binay Singh: Right.

K.S. Hariharan: Binay, on the raw material front, as we have shown in the presentation as well, Q2 margins were mainly impacted by this cost headwind. So, year-on-year, we have seen roughly around 400 basis points of commodity impact. Sequentially, the impact was around 250 basis points. We could mitigate the impact to some extent through some cost-saving activities like localization, value engineering and also, through some price hikes as well, whatever we have done so far this calendar year. We will continue to closely monitor the commodity trends. See, for us, both volumes and margins are important. I would like to reiterate this point. So, going forward also, we will try to take all the necessary measures to protect both volumes and margins. Thank you.

Binay Singh: And any number on what is the Q3 commodity headwind tracking? Are you seeing incremental commodity headwind? Any comment on that?

K.S. Hariharan: See, it is difficult to give a clear outlook here because there are 2 things. One is raw material has been highly volatile. And second, we have been seeing divergent trends as well. For example, precious metals and all, we have been seeing a downward trend. On the other hand, like copper, plastic, I think these are all continuously rising.

So, I think very difficult to comment at this point. But as I mentioned, we will closely monitor the trends, and we will take appropriate measures to protect the margins. Thank you, Binay.

Binay Singh: And the Generation 3 Creta, any timeline on that?

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Tarun Garg: So, Binay, have patience. I think we already announced 2 new models right now. And of course, it will happen, obviously. But we have still not announced the timeline. So please bear with us.

Moderator: The next question is from the line of Kapil Singh from Nomura.

Kapil Singh: Firstly, on the demand for festive season, can you share some color how has it been going? And you mentioned that you're looking at a double-digit growth for the full year. For H2, for HMI and the industry, what is the outlook? Which are the segments which are doing well? There have been some concerns on rural side as well. So just some color on demand outlook?

Tarun Garg: Kapil, thank you for your question. So, demand looks very strong. And H2, we believe we are on track to achieve 8% to 10% growth year-on-year in H2 over last year. On the industry front, very difficult to really forecast what others are going to do. But probably 5%, as I have mentioned earlier that CAGR is 5%. Now the base effect is neutralized. So, there are headwinds, there are tailwinds. Possibly, we should be back to about 5% - 5.5% of industry growth, but we are confident of 8% to 10% growth.

On the festive, as you know, the moment you see the festive and try to see only Navratri is not a fair comparison because last year, 15th August till 21st September, there was hardly any sales. But Shradh plus Navratri, HMI was up 31%. Even Onam also was 75%. So, traction is very strong. Dealers are asking for cars. Binay asked about Bayon waiting period, we are trying to reduce. Of course, the initial waiting period is depending on variants going from 2 months to 6 months.

So, it looks strong. The good thing is that Diwali is on 8th of November. So, I think we will have a good traction, and December anyway is good. So possibly, the headwinds should be overtaken by the tailwinds.

Also, on the raw material, I just want to say that the industry view is that probably after the mid-term elections, the raw material should come down, which should eliminate the need for a very substantial price increase.

Because the way things are, I mean, if the raw material does not go down, then possibly industry will have to take a very high price increase, which can affect the demand. But if the raw material comes down post the U.S. mid-term election, I think that need will be eliminated. So, that also should be a demand driver. Any other question I missed? Have I answered everything, Kapil?

Kapil Singh: Yes, sir. Also, regional colors, rural, urban, anything?

Tarun Garg: Rural. So rural remains strong, Kapil. I mean, frankly speaking, while El Nino, when the more you read the newspaper, you become tense. But when you talk to your dealers or when you talk to the sales consultant, then it appears there is no problem. So, I think structurally, India has become much stronger. The road network, road infrastructure. I have already been mentioning about 60% of our new network is in the rural areas. We shared that the rural penetration was the highest in HMI's history last quarter, 26.6%. So, things are looking very good, and I still believe that rural will continue to outpace urban even going ahead. So, as of now, we don't see that there

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is a much bigger impact of El Nino on the rural demand for cars. I cannot comment on anything else.

Yes. And also, one more thing, Kapil. As you know that we have been mentioning about the SUV traction even in the rural areas. So rural SUV traction is also around 68% - 69% like urban. I think that is another reason which gives me a lot of confidence that now with Bayon coming in, possibly, the rural traction can continue because of that love of SUVs even in the rural areas. So, I think that is another tailwind for us.

Kapil Singh: Sure, sir. That's great to hear.

Moderator: Next question is from the line of Raghunandhan NL from Nuvama Research.

Raghunandhan NL: Congratulations on Bayon launch. My first question for Creta, last 12 months, domestic volume was around 193,000. Do you expect volume to reduce to 170,000 due to cannibalization from Bayon or model changeover of Creta to the next generation or do you think there can be upside risk to your estimate on Creta?

Tarun Garg: Look, last 12 months will also include the October, November sales of last year. So, I don't think that's a very good way. We have already calculated probably this year, we would be somewhere around 170,000. So, we believe that Creta is somewhere around 170,000 and Creta plus Bayon should be 250,000.

But we understand underlying thing is this is a forecast only. This is a forecast how much exactly will be Creta, how much exactly will be Bayon because this is more from a capacity planning purpose.

Like I mentioned to Binay, I think 250,000 looks conservative. Probably there's an opportunity to grow even more. But I would not like to comment as of now. Let's see how things progress, how the geopolitical situation progresses going forward. We are also going to launch Bayon CNG in January.

So, I think that will be another tailwind for Bayon. So, we will see. And then maybe by next quarter, we should be in a much better position to really tell you about how much more probably we can do than 250,000.

Raghunandhan NL: Wishing that numbers exceed your expectations. On Bayon, how do you see the contribution of Bayon in export market? What kind of potential do you see there?

Tarun Garg: If you see, we have already mentioned that 50 countries have already shown interest. About 34 of them are in the Latin America and about 14 - 15 in the Middle East, some in the Asia Pacific. So, it's very early to say what would be the contribution. But I think Bayon should get a very, very strong traction, is our feel.

And since yesterday, I've been receiving a lot of positive things from the distributors, that, when are you going to start the launch. And some of them joined the launch also. So, let's see. Like I

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said, another couple of months, we should be able to give you a good picture. But as of now, 50 countries are very clear that they are going to take Bayon from India.

K.S. Hariharan: Bayon will also support us to improve our SUV mix in exports. SUV mix has been already showing some improvement for us. I think Bayon will further support that.

Moderator: Next question is from Gunjan Prithyani from Bank of America.

Gunjan Prithyani: My first question is on this dedicated EV launch that you spoke about for quarter 4. Can you give us a little bit more color on like what is going to be the addressable market here? And you made this point that this should get our EV penetration closer to where the industry mix is.

So, is it fair to say that we're looking at overall mix for us also getting to somewhere around 7%, 8%, which is where the industry is right now versus currently 2% right? So, a little bit color on how should we think about this model market sizing and how do we look at our volumes there?

Tarun Garg: Yes. Spot on, you are spot on. So, industry contribution is this year about 6% - 6.5%. Maybe it will be 7% - 7.5% going forward. We believe with this new EV, we should be touching somewhere around 7% - 7.5% in the next fiscal. So that is one.

Number 2, like we mentioned, it is in the less than 4-meter compact SUV segment, the Venue segment. However, it is not going to be like a Venue-derived EV. It is going to be a dedicated EV, a base-up EV, which has been designed keeping India in mind. So, I think we are very, very confident about this car.

Like I mentioned, we have already done a good level of localization in battery packs already, even the power electronics, ICCU, even before the launch, we would have localized, So, I think we will have a good positioning of the car. And it looks like a very, very good opportunity. Have I missed -- yes, please go ahead.

Gunjan Prithyani: Sorry, just quickly on this, will it be PLI ready in terms of localization and thresholds, which are typically needed when you said localization has been done. So, is that what we are aspiring right from the beginning?

Tarun Garg: Right. So, like I mentioned, Creta, we have already got a provisional PLI compliance certificate. We are just waiting for the final certificate. On the new EV, of course, we will be able to announce it only when the car is ready. So, the aim is to make it PLI compliant. But we will be announcing it as and when we get it.

Moderator: Next question is from the line of Yash Agarwal from Nirmal Bang.

Yash Agarwal: My first question is on the export volume. As I'm seeing the trend in last 2 - 3 years, the SUV contribution to total export volumes is around 20%. So, our SUV volumes on the contrary in domestic, is close to 70%. In export, it's less than 20% has not gone up over the years?

Tarun Garg: Yes. So that's a great opportunity for us. You have spotted it right. And like Hari mentioned earlier to Binay's question, I think. So, 3 things have happened. One is Exter LHD, which has

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just been introduced, and is receiving some great traction. Then the new Venue being exclusively produced at the Pune plant, again, an opportunity. Then, of course, the Bayon, which is coming in.

So, we believe that SUV contribution will continuously go up. At the same time, contribution is numerator divided by denominator. So, I don't mind at all if both my hatches and sedans as well as SUVs grow. So, I think the whole idea is to continuously keep on growing the exports. Every country is looking at exports from India. If you remember, about 4 years back, exports used to be 20% of our production.

Last fiscal, we were at 24.5%. We've already announced our intent to reach closer to 30%. So, I think more opportunity or more headroom is there in the SUV segment. And also, since so many new launches are happening, I think that increases our opportunity. So yes, you will see continuously this percentage going up as we go along.

Yash Agarwal: And the second question is with CNG contribution increasing and EV also being launched in the next 1 or 2 years, how do you see the breakup among the different powertrains in the next 5 years? How much would be the contribution from EV and hybrid and CNG versus petrol and diesel portfolio?

Tarun Garg: Very difficult question, but we already announced that probably around in the next 4 to 5 years, 50% of our portfolio will be green, including CNG, EV and hybrids. I would say equal, equal, equal, plus/minus 2% here and there, is what my expectation is. So, this is where I believe, things are.

In fact, yesterday, I was in a conference where government representatives were also there. They also said that probably by 2030, EVs in passenger vehicles should be around 15% to 17%. In fact, some reports said 10%, but he said maybe it could be 15% to 16%. So, we'd like to be higher than that and that is how we are working on the entire ecosystem. You would have seen so many announcements from us on the charging ecosystem, then localization, I already talked about and of course, the products also.

So, I think all these 3 factors combined should help us to have our EV penetration higher than the industry in 2030. And of course, hybrids will come also. And CNG, of course, we are increasing the portfolio. So, equal division between the 3 is what we expect in probably, say2030 to 2032.

Moderator: We will take our next question from the line of Pramod Kumar from UBS Securities.

Pramod Kumar: My question is to Tarun. On the margin front, Tarun, your margin guidance effectively means that your second half margins will be north of 13% versus, say, 9.3% at the EBITDA, this is what we have had.

So, if you can just help us understand what are the things which you're seeing in terms of tailwinds, which will help you get that margin level despite all the headwinds what you're seeing on the macro side? If you can just help us understand that, would be really great, Sir. That's the first question?

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Tarun Garg: Yes. So, we just calculated. In fact, I think we need not 13%, slightly above 12% to reach the 11% EBITDA. So, that is the point number 1, and that is what we are working for. And a lot of positive tailwinds are there. First is, of course, as you know, the Tamil Nadu incentive starts from September last week. So, quarter 3 and quarter 4, both will have clearly more than 1% is the Tamil Nadu incentive, which clearly helps us in margin, number 1.

Number 2, we mentioned about the double-digit growth in exports. As you know, export margins are much, much higher than the domestic margins, and that really helps us to improve our margins.

Number 3, like I said, the general consensus is that post the mid-term elections, worst situation, maybe another 3 months, raw material, we should see some kind of a softening happening. So, that should help.

Number 4, in September, we had a price increase. So, that will reflect on the entire H2.

Number 5, in January, we always have a price increase. So, that will again give a traction.

Number 6, Chennai plant utilization, as I mentioned, has gone down to less than 80%. With the 2 new models coming in, the EV as well as the Bayon, that will help Chennai plant.

Number 7, the new third shift has started in, which means we will be much closer to the 170,000, which means there's an opportunity to leverage the fixed cost and increase the margins. I think I've given you enough reasons.

Maybe Hari can add if there's anything I have left. Hari, if that's okay.

K.S. Hariharan: Yes. I think Mr. Tarun has already covered most of the things. Of course, I already mentioned about the cost-saving activities. Localization continues to increase for us. We have shown in the presentation as well, 82% last year, now we are already at 84%. I think these efforts also will continue to support us on the margin front. Thank you, Pramod.

Pramod Kumar: Yes. So, the second question is on the Bayon -- in 50-plus countries. So probably it's only the 2 production hubs for Bayon globally. So, I just want to understand, normally, when we have such a wide list or a very long list of countries, is it fair to estimate that at least you should be clearing triple-digit units per month per country to at least justify the cost and the investment?

I'm just trying to understand the volume potential of Bayon here. And I think given the success of Venue and the kind of numbers you're talking about Venue ramp-up as well. So, is it fair to assume that Bayon will be a big volume product even for the international market and not only for domestic? Is that understanding right, Sir?

Tarun Garg: Look, I mean, I think it's not so simple and the triple digit per country, per month, I think then we'll need to maybe make 2 more plants, if Bayon is doing so well in export market alone. So, it's not so simple. At the same time, please understand, we have just launched the car 2 days back.

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Based on last 2 years when the car was being developed, 50 countries have shown a great interest. Last 2 days, I've been receiving some very good messages from the distributors that, yes, they are very excited with the Bayon.

So, please have some patience. I think by the time we finish this quarter, we will have much more clarity on the Bayon. But it seems that, yes, the potential could be high and really help us to increase our SUV penetration further. But that number is a little bit premature at this stage.

Moderator: We have a follow-up question from Gunjan Prithyani from Bank of America.

Gunjan Prithyani: Just 2 quick questions. First, on the price hikes, can you share what was the price hike effective taken in September and so far this fiscal year? And secondly, if you can also refresh us with the export market mix for the first half, given that a lot of new markets are being added, and we're seeing faster growth in LatAm. So, where does the market mix stand on the exports now?

K.S. Hariharan: So, price hike in September was 0.4%, Gunjan. That's the average.

Gunjan Prithyani: And so far taken, Hari, in this fiscal year?

K.S. Hariharan: So far, we have taken about 1.4% in this calendar year since January.

Gunjan Prithyani: Okay. Got it.

K.S. Hariharan: And second question, I think you were asking about market mix, right, in exports?

Gunjan Prithyani: Yes.

K.S. Hariharan: So, quarter 2, if you see the mix was, Middle East and Africa put together, 52%, followed by Latin America, 26% and Mexico was 20%.

Gunjan Prithyani: Is it possible to break up Middle East and Africa? I think where the concern typically comes is that Middle East is pretty big, right? I'm guessing that Africa has been also growing. Is it possible to get that split?

K.S. Hariharan: So, out of this 52%, Middle East is 34%, Africa is 18%.

Moderator: We have a question from Basudeb Banerjee from CLSA.

Basudeb Banerjee: A couple of things. I missed out in case you said from Q3 perspective over Q2, what is the raw mat basket inflation you are seeing now?

Tarun Garg: What we said was that probably it should not go up. Some precious metals are going down. Copper is going up. So, net-net, frankly speaking, it should be either flat or maybe slightly on the negative side only, on a sequential basis.

Basudeb Banerjee: And similar to what other PV makers are also saying, what's your view on the safeguard duty that steel price is moving up? Is the automotive body doing anything, asking government to take care of that, which is a big part of your raw mat inflation?

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Tarun Garg: Look, yes, of course, all these issues are being discussed at the SIAM level and SIAM is discussing with the government. I think we respect that. And hardly, the impact so far on the safeguard duty is not much because we have localized big time in the last 3 to 4 years on steel especially. So, not such a big impact.

And SIAM is discussing with the government on the future course of action and discussions and all. That is a very regular process. Before the budget, government is always taking feedback from SIAM. In fact, I attended a meeting last week of SIAM and normal consultation process is on. Thank you.

Basudeb Banerjee: Sure. And last thing, what's the update on the 3-wheeler project with TVS?

Tarun Garg: Yes. So, it's on track. We had the Pune plant inauguration, and we gave an update on that. So, everything is on track. And at the right time, we will announce the timelines exactly for the launch, etc.

In the meanwhile, of course, we have done a kind of a concept testing and with some very, very good results. So, at the right time, we'll announce more about the 3-wheeler project, but it is on track. It is as per plan.

Basudeb Banerjee: But would it be right to assume it will be launched sometime in fiscal '28?

Tarun Garg: Please wait for that. I mean, we will make the announcement. So just wait for that because I don't want to have a premature announcement. It's because so many parties are involved. There's TVS, which is involved, there's HMC, which is involved. So, not fair for me to jump the gun, okay?

Moderator: Thank you. We'll take that as the last question for today. I now hand the conference over to Mr. Vivek Kumar from ICICI Securities for closing comments. Over to you.

Vivek Kumar: Thank you, Yashashree. We thank all the participants for joining this evening. Thank you for your time and have a good day.

Moderator: Thank you. On behalf of the management of Hyundai Motor India Limited, I thank you all for joining the call. You may now disconnect your lines. Thank you.

Note: Edited for brevity and inadvertent errors

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