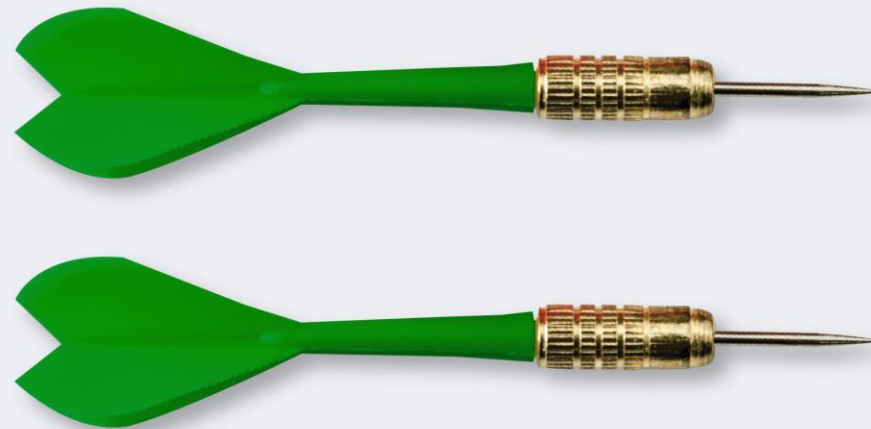


**A E Q U I T A  S**



For:  
Investors

Presented by:

Aequitas Investments

**HYUNDAI IPO: DIWALI FIREWORKS IN SEOUL**

# Hyundai IPO: A Diwali Celebration in Seoul

- The Biggest Diwali Celebration this year is to happen in Seoul, South Korea
- Hyundai Korea is offloading INR **25k Crores** worth of shares through **OFS** in the Indian Markets
- From Hyundai's perspective it's a no-brainer as their stock in S.Korea trades at a measly **5x** P/E

	<i>M-Cap (USD Bn)</i>	<i>P/E Ratio</i>	<i>Revenues (USD Bn)</i>	<i>PAT (USD Bn)</i>	<i>Total Vehicles Sold (Mn)</i>	<i>Revenue CAGR %</i>
HYUNDAI INDIA	19*	27**	8***	0.7***	0.8	21%
HYUNDAI GLOBAL	45	5	124	9.2	4.2	18%

\* Expected value on listing

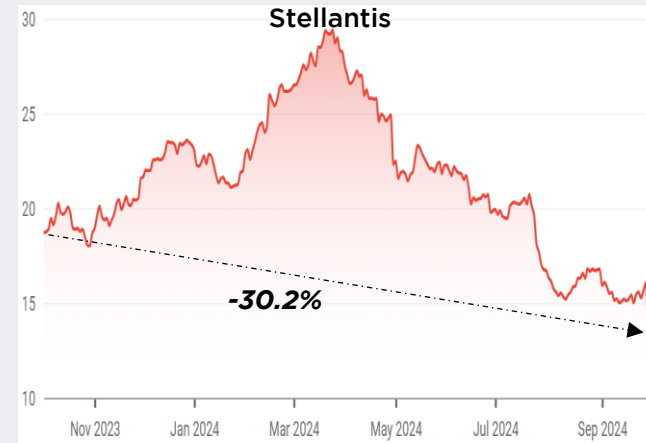
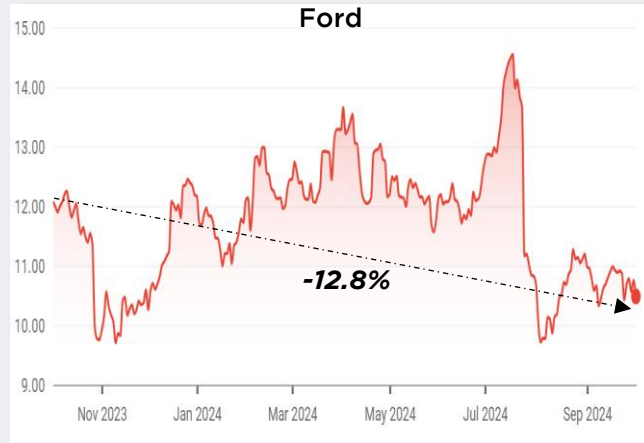
\*\* Derived P/E based on latest numbers available

\*\*\* Based on estimated FY24 numbers

- Despite contributing only **6.5%** of the global revenues and **8%** of the profitability, Hyundai's India unit will be valued at **~42%** of the Parent Co.'s MCap on listing
- Hyundai Global owns a **~34%** controlling stake in Kia Motors (Hyundai India does not have a stake in Kia India) and wholly owns Genesis Motors, a luxury vehicle brand in South Korea
- Hyundai Kia is the third largest group selling **7.3 mn** vehicles in 2023

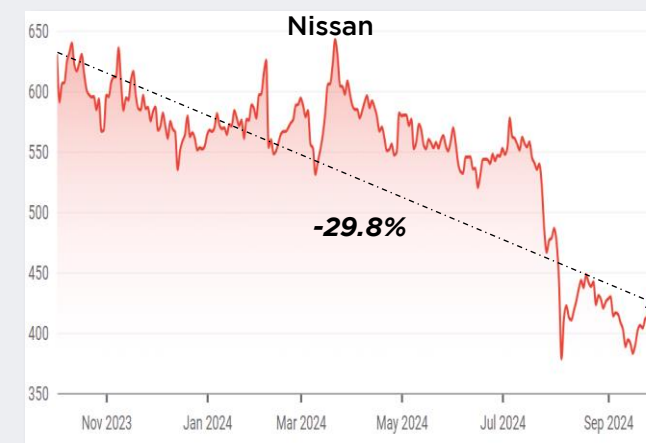
# Global Auto Industry is Facing Massive Headwinds

“Ford plans to cut up to **1,600** jobs”  
- Reuters, 12<sup>th</sup> Jun 2024



Stellantis stock hits 2 year low as the company slashes annual forecast  
- Reuters, 30<sup>th</sup> Sep 2024

“Volkswagen’s plan to close **two** German assembly plants”  
- AMS, 20<sup>th</sup> Sep 2024  
“VW slashes outlook for second time as EV and China strategy questioned”  
-The Driven, 2<sup>nd</sup> Oct 2024

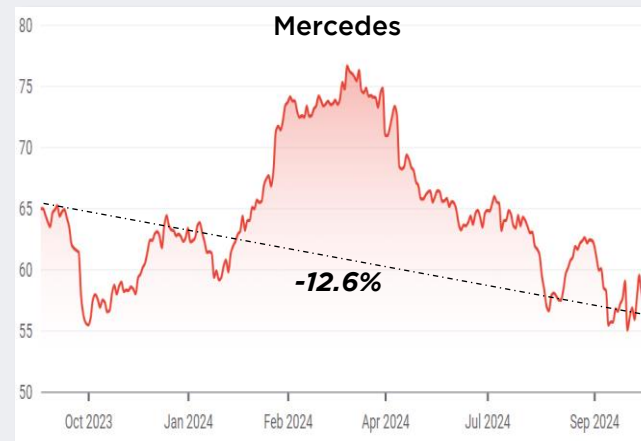
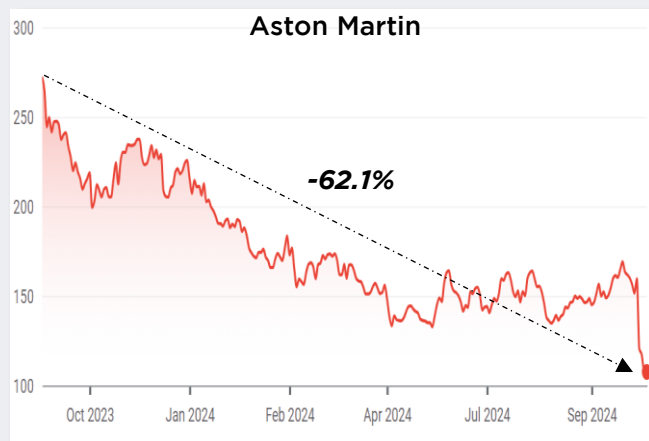


“Nissan has announced production cutbacks in the US and China”  
- Automotive World, 30<sup>th</sup> Sep 2024

Charts Credit : Google Finance

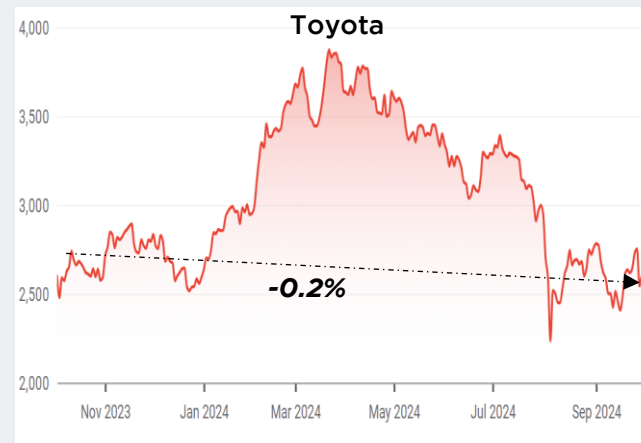
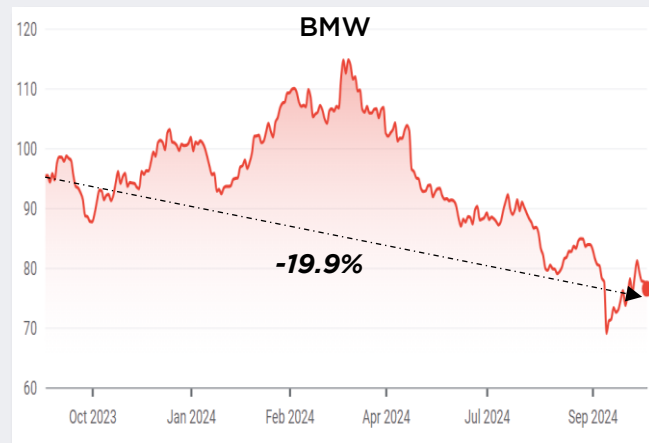
# Global Auto Industry is Facing Massive Headwinds

“Aston Martin drops 28% after profit warning on supply chain, China woes”  
- **Reuters, 30<sup>th</sup> Sep 2024**



Mercedes slashes its guidance this year as sluggish demand in China and trade disputes weigh on the sector  
- **CNBC, 20<sup>th</sup> Sep 2024**

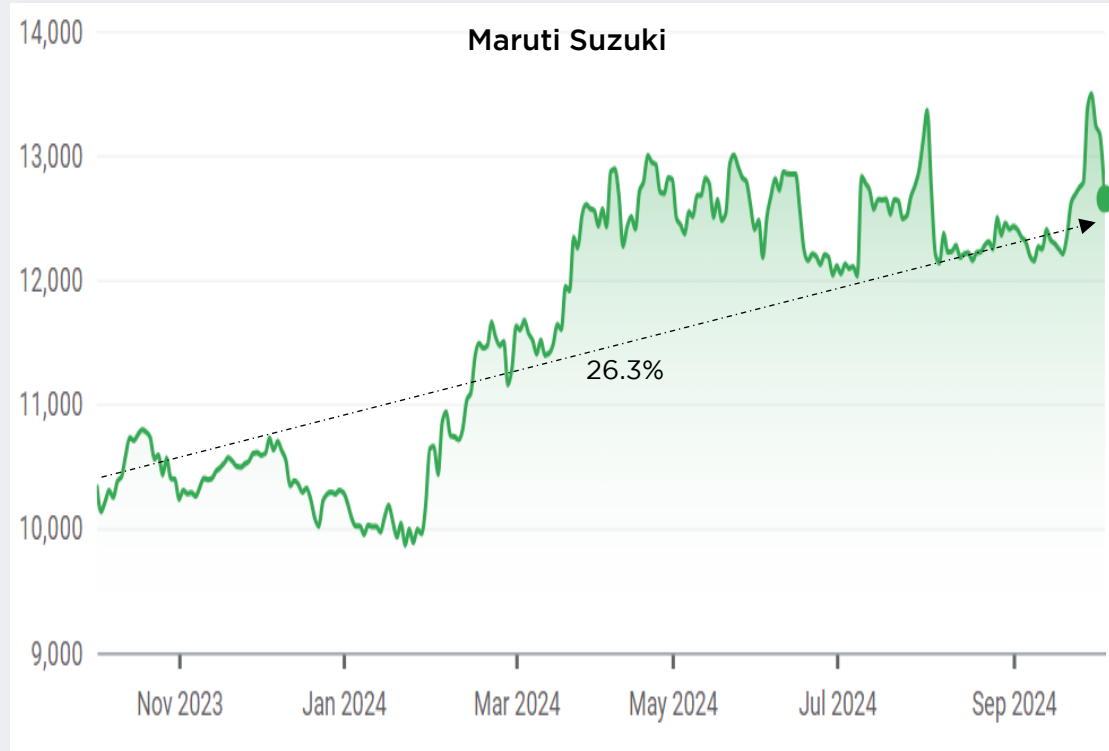
“BMW downgrades 2024 outlook over brake issues and weak demand in China”  
- **CNN, 10<sup>th</sup> Sep 2024**



Toyota Motor's global production fell 11% in August, declining for a seventh straight month,  
**Reuters, 27<sup>th</sup> Sep 2024**

Charts Credit : Google Finance

# Is Indian Market Premium Justified?



Maruti Suzuki is “adjusting” its production to ease dealer inventories, following “slower than expected” demand

- **BBC, 20<sup>st</sup> Aug 2024**

“India Car Sales declined for 3rd straight month in September, despite automakers offering hefty discounts”

-**Economic Times, 2<sup>nd</sup> Oct 2024**

Hyundai Motor India reports 10% sales decline in September

- **CNBCTV18, 1<sup>st</sup> Oct 2024**

“Maruti Suzuki stock drops 2% as domestic sales decline in September”

-**Economic Times, 2<sup>nd</sup> Oct 2024**

Charts Credit : Google Finance

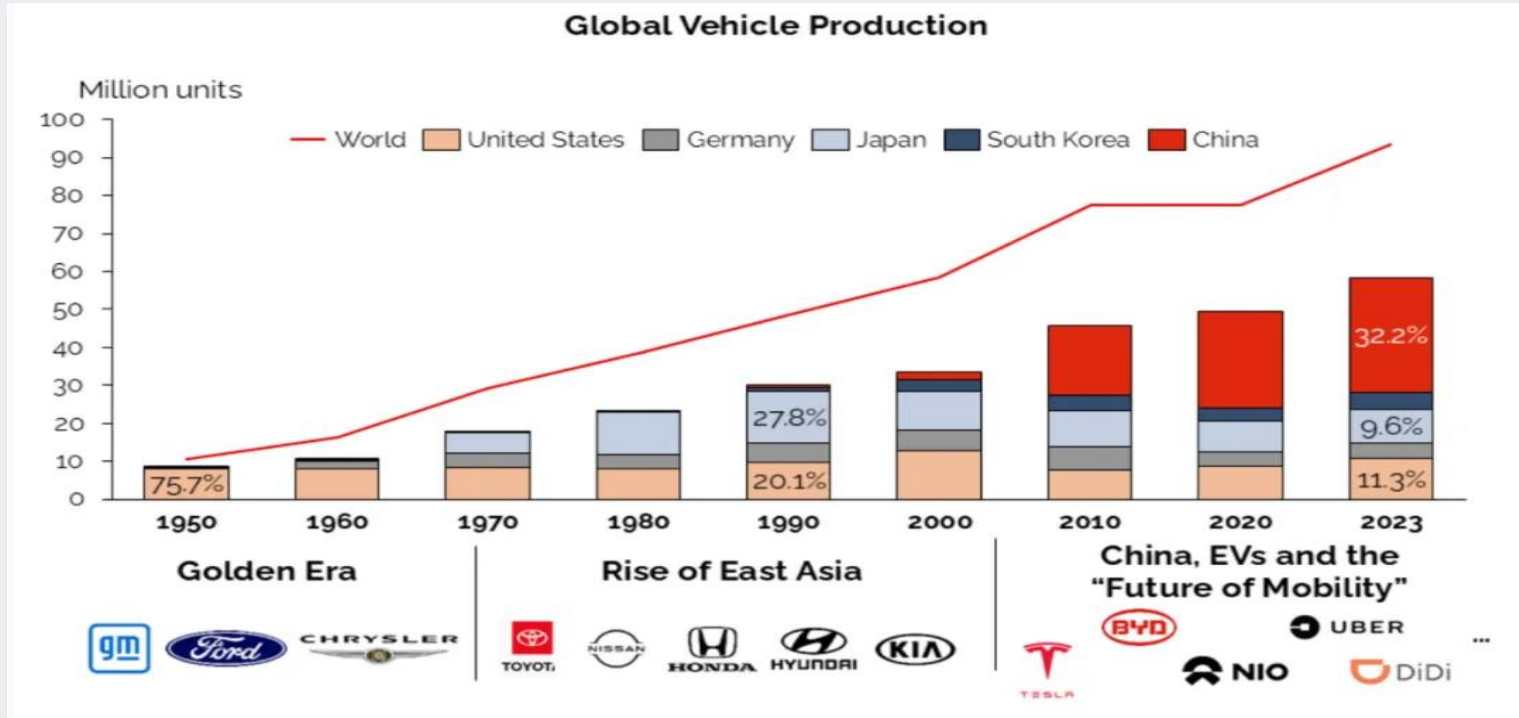
# Global Automotive Industry

<i>Company</i>	<i>MCap (USD Bn)*</i>	<i>P/E</i>	<i>Revenue (USD Bn)**</i>	<i>PAT (USD Bn)</i>	<i>Revenue Growth</i>	<i>PAT Growth</i>	<i>No. of vehicles sold</i>
Volkswagen Group	52.11	3.	348.56	18.96	15.50%	10.96%	930,4991
Toyota Group	279.54	7	312.32	34.25	21.40%	103.90%	882,1872
Stellantis	39.54	3	205.00	21.16	5.54%	10.37%	6,168,000
Mercedes Benz	62.06	5	165.71	15.71	2.13%	2.26%	249,1841
Ford Motors	41.54	11	176.19	4.35	11.47%	6.76%	4,413,000
Honda Motors	56.77	7	131.49	7.65	20.83%	69.97%	2,856,000
General Motors	50.55	5	171.84	10.51	9.64%	2.44%	6,188,000
BMW Group	53.39	5	168.18	11.29	9.04%	-37.10%	2,554,200
Aston Martin	1.14	-	2.03	-0.22	18.19%	64.27%	6,620
Tata Motors	46.82	8	52.92	3.88	26.58%	2423.75%	1,430,450
Hyundai	37.71	5	124.56	10.17	14.43%	65.02%	4,217,000
Maruti Suzuki	47.95	27	16.32	1.31	9.82%	63.22%	2,135,323

\* Mcap as of 4th Oct 2024 - Source: Bloomberg

\*\* Financials as of June 2024 TTM

# The EV Bandwagon



Global Vehicle Production by Country Since 1950 Credit: OICA, Automobility analysis

**Americans** introduced the **assembly line**,  
**Germans** brought us **great engineering**,  
**Japanese** focused on **reliability**  
 and now  
**China** is transforming the Auto industry  
 through **EVs!!!**

Chinese EV Makers report record month for Sales in Sept'24, with BYD recording a 45.9% Y-O-Y increase in Sales

- **Caixin Global, 2<sup>nd</sup> Oct 2024**

"Chinese EV brands Li Auto and Zeekr report record deliveries for September"

- **CNBC, 1<sup>st</sup> Oct 2024**

Tesla's China Rivals Set Delivery Records; Archrival BYD Tops 1 Million EV Milestone

- **Investors.com, 1<sup>st</sup> Oct 2024**

## Conclusion

Given the headwinds that the Global Automobile Industry is facing coupled with signs of slowdown in India, the upcoming IPO might **not be a great deal for Indian Investors**