

February 12, 2026

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**Subject: Transcript of earnings conference call for the quarter and nine months ended December 31, 2025**

Dear Sir / Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earnings conference call held on February 6, 2026, for the quarter and nine months ended on December 31, 2025.

This is for your information and further dissemination.

Thanking You,

**For Hero MotoCorp Limited**

**Prabhat Singh**  
**Company Secretary & Compliance Officer**

Encl.: As above

**Hero MotoCorp Ltd.**

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“Hero MotoCorp Limited  
Q3 FY'26 Post Results Conference Call”

February 06, 2026



**MANAGEMENT:** **MR. UMANG KHURANA – HEAD, INVESTOR RELATIONS & CHIEF RISK OFFICER**  
**MR. V.S. KASBEKAR - EXECUTIVE DIRECTOR AND CHIEF TECHNOLOGY OFFICER**  
**MR. HARSHAVARDHAN CHITALE – CHIEF EXECUTIVE OFFICER**  
**MR. VIVEK ANAND – CHIEF FINANCIAL OFFICER**  
**MR. ASHUTOSH VARMA – INDIA BUSINESS UNIT, CHIEF BUSINESS OFFICER**  
**MR. KAUSALYA NANDAKUMAR – EV BUSINESS, CHIEF BUSINESS OFFICER**

**MODERATOR:** **MR. MUMUKSH MANDLESHA – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q3 FY'26 Post Results Conference Call of Hero MotoCorp Limited hosted by Anand Rathi Share and Stock Brokers Limited. As a reminder all participants lines will be in the listen-only mode and there will be an opportunity for you to ask question after the presentation concludes.

Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded. I now hand over the call to Mr. Mumuksh Mandlesha from Anand Rathi Shares and Stock Brokers Limited. Thank you, and over to you, sir.

**Mumuksh Mandlesha:** Yes. Thank you, Pari. Good morning, everyone. On behalf of Anand Rathi Shares and Stock Brokers, I welcome you all to the Q3 FY'26 Post Results Conference Call of Hero MotoCorp. I also welcome the senior management of Hero MotoCorp to this call. Thank you for giving us the opportunity to host this conference call. Now I hand over to Mr. Umang Khurana, Head, Investor Relations & Risk, to take it forward. Over to you, Umang.

**Umang Khurana:** Thank you, Mumuksh. Thank you, Pari. Hello, everyone, and welcome to the call. With us on the call today, we have Mr. V.S. Kasbekar, Executive Director and Chief Technology Officer; Mr. Harshavardhan Chitale, Chief Executive Officer; Mr. Vivek Anand, the Chief Financial Officer; Ashutosh Varma, who is the India Business Unit, Chief Business Officer; and Kausalya Nandakumar, the EV Business Chief Business Officer.

We will begin the call, as usual, with opening comments from Mr. Kasbekar and then Vivek. Thereafter we'll open the floor and take questions. Pari, we could first begin with Mr. Kasbekar and take it from there.

**V.S. Kasbekar:** Namaste, and a very warm welcome to everyone joining us for Hero MotoCorp's earnings call for the third quarter and 9 months of fiscal '26. I would like to begin by wishing all of you a very happy and prosperous new year 2026. One good news begets another, with pride and humility, I'm happy to share that Hero MotoCorp is the world's largest motorcycle and scooter manufacturing for the 25th consecutive year with dispatches of 6.1 million in the calendar year 2025.

Through this medium, I would like to express our sincere gratitude to our customers, business partners, employees and all stakeholders for their continued trust and support through the years. Coming to the quarter, in the broader economic environment and the two-wheeler industry, the 2026 began with a heightened uncertainty shaped by persistent geopolitical tensions, volatility in commodity prices and shifting trade policies across major economies.

Against this background, the Indian economy stands out as a bright spot and fastest, largest growing economy for '26. The RBI projects the GDP growth at 7.3%, underpinned by the government initiatives to boost domestic consumption through GST rates coupled with lower inflation.

The economic survey 2025 - '26 also projects GDP close to 7% for '27, marking the fourth consecutive year of healthy growth. In line with the macroeconomic momentum, the 2-wheeler industry has witnessed volumes rising, following the GST rate reduction in September. Post festive demand continues to stay strong with January '26 retail growing at 21% year-on-year. We expect this positive demand trend to continue in the coming months.

Turning to Hero MotoCorp's performance. Our recent launches across the segments have received encouraging customer response supported by focused marketing initiatives, and Vivek will elaborate further on the contribution from these new products in his remarks. Before I conclude, I would like to thank our Executive Chairman, Dr. Munjal for the opportunity to serve in this role alongside the competent leadership at Hero.

In my role as Executive Director of the Board, I will focus on key initiatives of the management. With that, I would like to hand over to our CEO, Harshvardhan Chitale. As you would be knowing, Harsh brings with him 3 decades of leadership experience across reputed organization, including Signify, HCL Infosystems, Honeywell Automation and Tata Group, my earlier company. We look forward to this leadership journey at Hero MotoCorp. Welcome aboard Harsh, and over to you.

**Harshvardhan Chitale:**

Thank you, Vikram. Good morning, everyone. Thank you for joining us today, and I would also like to express my best wishes to all of you for a prosperous and fulfilling new year. I'll begin by expressing my sincere gratitude to our Executive Chairman, Dr. Munjal, for reposing trust in me to lead this institution with such a rich legacy, legacy of leading two-wheeler industry, not for 1 year, not for 10 years, but for 25 years.

I would also like to thank Vikram for his invaluable leadership and steering this ship during this transition and ensuring that we remain focused on our shared long-term vision. I joined exactly 1 month back. And in this 1 month, I have travelled extensively and now met with broad spectrum of stakeholders, dealers, suppliers, partners and of course, our Hero MotoCorp team. These interactions have given me very good insight into what makes us the leader.

It is the trust and unmatched relationships built across the entire value chain is what makes us the leader. And this is something that is very difficult to replicate for any company. In my over 3 decades of professional life across 3 continents, I have not seen this level of trust and relationships built across the value chain. And it is this trust and relationship that's going to stand us in good state as we charter our next growth journey.

Other thing that really stands out is our ability to make bold strategic moves when needed as this company demonstrated through investments in associate companies like Ather and Euler Motors. And it is this ability to make these bold steps will also help us stand in good stead as we charter the growth journey. While we take pride as a team in our volume leadership at Hero MotoCorp, we are all acutely aware of the opportunities that exist in some of the other categories, which are growing faster and where we are relatively underrepresented.

Hence, we see a big headroom for growth and market share expansion in categories like scooters, in premium motorcycles, in global markets, in EV, and also above all, parts and accessories

business because we are a company that has the biggest park size in the market. Number of vehicles that are out there, we have the largest share of those vehicles that are on Indian roads today. Hence, each of these 5 are going to be big opportunities of growth, and this is where, as a team, we are focused on accelerating and gaining share.

In my last 30 days, I've observed that as a team, we have detailed action plans on each of these 5 growth pillars. And what's heartening to see is that these action plans are not just on paper, but we are already seeing early results out of each of them, and Vivek will share with you, how on each of these growth areas, we are actually getting results and gaining share.

As I look forward to the next few years of our journey, we will focus on executing and accelerating our growth ambitions. We will also focus on ensuring that our supply chain is flexible, robust and resilient. We've all seen some of the disruption that as an industry, we had to face due to various component crisis and geopolitical issues.

And those issues are not over. There will be many more that will come along the way. As a company, we have navigated this very well, but we need to be always prepared and make sure we are agile and have a robust supply chain. So that will remain our focus as well. Third, we are going to remain razor-sharp focused on customer centricity, both in presales, post sales as well as the experience that our customer will have with our products.

And finally, none of this will happen without having an engaged and passionate team of real heroes, the true heroes, which are my team at Hero MotoCorp. So we are also going to stay focused on this. And with that, I'm very confident that we will be able to make most out of these growth pillars and I look forward to having a constructive conversation with all of you as I continue to learn and grow in this role. Vivek, why don't you now take us through the quarter?

**Vivek Anand:**

Yes. Thank you, Harsh. Good morning, and thank you all for joining the call and wish you all a very, very happy New Year 2026. I'm pleased to report strong financial performance for Hero MotoCorp for the third quarter and 9 months of financial year '26. The company recorded its highest ever quarterly revenue of INR12,328 crores, reflecting year-on-year growth of 21%.

EBITDA stood at INR1,810 crores, growth of 23% and reported PAT of INR1,349 crores, growth of 12% year-on-year. However, normalized PAT stood at INR1,489 crores, growth of 20% year-on-year. During the quarter, the company has taken cognizance of the new labour code and has made provision of INR119 crores, which is reported as an exceptional item.

Moving on to the 9 months financial year '26 results. The revenue amounted to INR34,034 crores, year-on-year growth of 10%, EBITDA at INR5,015 crores, growth of 13% and PAT of INR3,867 crores, year-on-year growth of 10%. ICE business EBITDA margin expanded by 100 bps year-on-year to 17%, driven by pricing, LEAP savings and operating leverage.

During the quarter, after taking into account the investments behind EV business, approximately INR208 crores, the overall EBITDA margins improved 20 basis points to 14.7%. The average selling price increased 4.2% year-on-year and 1.3% quarter-on-quarter, driven by higher ASP across product segments.

The company reported highest quarterly revenue from parts, accessories and merchandise business at INR1,673 crores, which is a growth of 8% year-on-year. Our continued focus on cash management resulted in delivering strong cash from operations, strengthening our financial performance. Operating cash generated in 9 months stands at INR7,045 crores.

Now moving to the key business highlights for the quarter. As Vikram Ji mentioned earlier, one of the key positives for us has been the strong customer acceptance of our new launches across priority segments, supported by high-impact marketing campaigns for the HF Deluxe Pro, Splendor, Glamour X, Destini 125, VIDA VX2, all of which have witnessed strong customer demand.

Starting with the entry segment. This marks the fourth consecutive quarter of market share expansion led by the HF Deluxe Pro, which accounted for 20% of HF retail volumes in January '26. In the Deluxe 100cc category, our focus continues to be on reinforcing our leadership position with Splendor. During the quarter, we achieved a market share of 91%, the highest level since financial year '18.

In the Deluxe 125cc segment, we are witnessing market share gain driven by both Glamour X and Xtreme 125R with the dual channel variant. The Glamour X campaign launched in January '26 helped in retail growth of 70% year-on-year and the Glamor portfolio market share is now at its highest level in the last 8 quarters. For Xtreme 125R, the dual channel variant accounted for more than 35% of retail volumes in January '26.

Moving to ICE scooter segment. Our market share has increased to close to 7%, supported by new launches in Destini and Xoom portfolio, which contribute now to greater than 50% of our scooter volumes. In the premium category, we continue to elevate customer experience through the scale-up of Premia stores. We now have 106 Premia stores by the end of December '25, covering more than 50% of premium industry footprint.

In the EV portfolio, market share for VIDA expanded by 6% year-on-year to 10.8% in quarter 3 financial year '26, led by the recently introduced VIDA VX2 portfolio. ASP and unit economics improved further during the quarter, resulting in investment of INR208 crores versus INR252 crores in the previous quarter. We now hold over 20% share in 28 towns, 10% in 79 towns, and we are among the top 2 players in 37 towns, a clear testament to the growing strength of our VIDA brand.

Our global business volumes grew by 41% year-on-year and market share of 7.5% was up 100 basis points year-on-year. We continue to gain market share across key markets with the premium portfolio contributing 40% of total global volumes. I'm also happy to share that Hero MotoCorp was recognized as an ESG leader amongst automobile companies by NSE Sustainability Rating and Analytics Limited.

Moving forward, our journey of investment behind growth will continue. We remain consistent in our commitment towards investing in premium, scooters, EV portfolio, global business and to improve customer service in store with Hero 2.0 and Premia. We remain confident about the

growth prospects of the 2-wheeler industry and expect the industry to grow by double digit during the current quarter.

The current demand trend is broad-based across our portfolio and with new product launches supported by investment behind brand building, we expect to grow ahead of the industry. Thank you. On this note, let me open the floor for Q&A. Over to you, Umang.

**Umang Khurana:** Pari, we can begin with the Q&A.

**Moderator:** The first question is from the line of Gunjan from Bank of America.

**Gunjan:** Best wishes to Mr. Harshavardhan for the new role. We hope to hear from you as you settle down. My first question is to Ashutosh. I think Ashutosh, just trying to understand, get more insights on what you've seen on ground in terms of the growth between urban, rural, maybe a little bit more color on entry segment, how we are seeing that?

And maybe just taking this a little bit further, we did see a lot of seesaw in volumes, right? I mean, October, November were great, December saw some tapering off. Just give us some sense how do we think about directionally growth -- this volatility from 1 month to another. some color on those points?

**Ashutosh Varma:** Hi Gunjan how are you? Hope you're doing well. Nice to hear from you. So overall, from a growth perspective, if you would see the rural versus urban, really the GST has given the market a big unlock, both the segments are growing -- both the regions, I mean areas are growing very strongly. Clearly, urban has more things going their way with income tax coming in and the benefits of income tax coming in and that started growing.

We've seen that moving a little faster than the rural, though in rural, we saw in the festives, them peaking the peak. I mean the kind of response that we saw from the rural markets coming in, it was far better than what was expected. We also expect that as we see the wedding season unfolding from February onwards, some early festives that set in from March, we expect quarter 4 also to be strong -- the later part of quarter 4 also to be very strong from a rural perspective.

I mean, you specifically mentioned about the volatility that we saw in quarter 4. I mean I would -- sorry, quarter 3, I would say, I mean, these times, the festives were a little early as compared to last year. So that has to be taken into account. But overall, from a quarter 3 perspective, the growth has been very robust. And we continue to see that kind of momentum moving into quarter 4 as well. I mean January also was a high double-digit growth for the industry as for us, and we expect this momentum to continue as we move into quarter 4 -- deeper into quarter 4.

**Gunjan:** Any thoughts on how we think about F27 now? I mean quarter 4, of course, you did guide, but anything on F27 growth outlook?

**Vivek Anand:** Gunjan, Vivek here. Yes, I think if I -- building on what Ashutosh said, I think quarter 3 and quarter 4, we are seeing a good momentum. I think the industry overall, as you know, has been growing double digit in the last -- since, I'd say, October. We expect the same trend to really continue as we get into the next year. And however, right, as we get into second half of next year

because of high base, we see some moderation in growth. So overall, the industry for the next financial year is likely to grow in high single digits.

**Gunjan:** Got it. And my second question Vivek, to you is on the commodity side, we have clearly seen inflation in some of these metals, right? Can you help us just understand what was the commodity hit that sort of reflected in quarter 3? Any color on how much more to go in quarter 4? And if you guys have taken any pricing action or mitigation to these commodity headwinds?

**Vivek Anand:** Yes, Gunjan. So you are right, we are seeing inflationary trends. We've seen the prices of aluminum, precious metals going up starting last quarter. We've also seen some forex impact again starting last quarter. So your first part of the question was how much is the impact coming from the commodity in the previous quarter was approximately 40 to 50 basis points. That's what I'll say. Are we seeing similar trends during the current quarter? Yes, the answer is yes, we are seeing the prices continue to rise during the current quarter as well.

In the start of the year, we've already taken 1 round of price increase to mitigate the impact, Gunjan, right? And I'll say we are monitoring the situation very closely and are taking proactive steps to ensure financial resilience, right? I also would like to add that the market conditions are strong, and we'll be taking adequate price increase if required during the quarter.

**Gunjan:** And how much was the price hike? And I'll just join back the queue after that.

**Vivek Anand:** Yes. The price hike we've taken in January was INR300 is what we've taken from 1st of January per vehicle, INR300 per vehicle.

**Moderator:** The next question is from the line of Chandramouli from Goldman Sachs.

**Chandramouli:** Welcome on board, Harshvardhan. Best wishes to you in your leadership journey at Hero. I have 3 questions. First one is just around the electric two-wheeler business. So it looks like we've been closing the gap in terms of registration growth versus the industry over the past few quarters, but electric two-wheelers, there's still some amount of under-indexing?

I just want to understand our peers have launched sub INR1 lakh electric two-wheeler products and when we can expect that from Hero? That's the first question. And then I have a follow-up on channel stock and the Destini product, which I can ask later?

**Kausalya Nandakumar:** Chandramouli, Kausalya here. Good morning, and wishing you a happy New Year from all of us. Thank you for your comments. We are also buoyant by the impact that the EV portfolio is having at VIDA. We do see a strong customer demand for the newly launched VX 2 series, which we launched in the middle of the second quarter.

We are quite happy with the response that we are getting. We have a range of variants offered in the product portfolio, some of which are at a competitive price point, which is in the mass segment below INR1 lakh. And we are catering to different customer needs across the spectrum in terms of feature stacking and value laddering.

So we do have a portfolio. We also launched an innovative product, which was the Battery-as-a-Service offering. This improved affordability of consumers who are looking to own an EV and help them to kind of bridge that barrier between affordability and actual desire to own a high-tech product.

So between the combination of having a set of variants in the sub INR1 lakh bracket as well as having Battery-as-a-Service as a new offering to consumers who are looking to own an EV, we have been able to give consumers a wide range of choice. So we do have a portfolio, and we look to keep taking in consumer inputs and insights in order to drive our portfolio expansion as well.

**Chandramouli:** Got it. That's helpful. Second question is just around channel stock. So I think with the volatility around wholesale a couple of months last calendar year, it looks like the channel stock at Hero is still a little lower. So I just wanted to get clarity on where we are right now on channel stock? And as you head into the marriage season over the next few months. I just want to understand where you'd look to take that?

**Ashutosh Varma:** Chandra, if I got your question right, you wanted to know as to where our channel stocks are and how it's been moving, right?

**Chandramouli:** Correct.

**Ashutosh Varma:** Yes. So I mean we've seen a very strong retail momentum this year, I mean, channel stocks, if you look at the movement, and that's for everyone to see the difference between wholesale numbers and what is appearing on VAHAN, you would see that we have significantly reduced our channel inventory this year. And we are very judicious in terms of planning. So we know that as we move forward into quarter 4 and next year quarter 1, which we expect to be extremely strong, we will adequately be planning the channel inventory.

**Chandramouli:** All right. That's helpful. And just lastly on the Destini, I think it's gotten off to a pretty decent start after the refresh. We've had episodes in the past 6, 7 years, where you had refreshers of the scooter portfolio, you had new launches on the Xoom portfolio. And after this initial wave of euphoria, sometimes those numbers start to moderate a little bit. So this time around with, I think, this renewed push on the Destini, is there anything different? And then what are you planning to do to make sure you sustain these numbers and then potentially grow off that base?

**Ashutosh Varma:** So I mean, it's a great product, and we've seen the consumer response across markets. I mean, our portfolio in Destini since we have launched the product continues to swell. I mean more recently, we have launched another variant, which is Destini 110 that augments the entire portfolio. From a feature perspective, it has 12-inch wheels, a very large floor board. It's excellent in terms of mileage. These are the things that are being appreciated by customers a lot more.

We have seen very strong response coming in from our West and South markets, where we have over-indexed. There are a lot of actions that we are doing in terms of our campaigns also being hugely appreciated. So we expect this momentum to continue. Of course, we are also aided by

the overall traction that the scooter industry is facing, but we're very confident that we'll continue to outpace the industry growth.

**Moderator:** The next question is from the line of Aryn Pirani from JP Morgan.

**Aryn Pirani:** Welcome to Mr. Chitale. Hope to hear more from you in the coming weeks and months. My first question is actually on a topic, it doesn't get discussed very often, is your exports. Now obviously, from a very low base, this number has been growing at a very sharp clip over the past several quarters and it is starting to become quite significant?

So any color you can give as to what geographies are emerging as important for you? Any broad mix? Any specific regions or countries that are doing well for you? And how should we think about this over the next, say, 1 to 2 years?

**Harshvardhan Chitale:** Thank you, Aryn. Thank you for your best wishes. This is Harshvardhan. So as you know, we are very big in Bangladesh. We are, in fact, the market leader. Despite all the geopolitical issues that the country has faced, we continue to do well and gain share, and we do see good momentum there. We have also done very well in Colombia, massive growth and big share expansion. And still, there is a big headroom for growth. Between us and #1 there, there is still 700 basis points available. So I think that's also a big headroom for growth that we are working on.

We have, last quarter, introduced products in Europe. We have also opened up new Latin American countries, and we have also opened up new dealerships and partnerships in both West Africa and in North Africa. So Africa, Latin America, new expansion in Europe, all continue to be opportunities for us. We have also started, on a low base, our presence now in Philippines. So as you rightly said, global markets is a big area of focus. And while we are expanding rapidly, there is still a big headroom for growth, and we are focused on that.

**Vivek Anand:** Yes. Thanks, Harsh. And Aryn, let me come in. I would like to add a supplement to what Harsh said. So I think you're right. I think YTD growth this year has been almost 50% for global business. And really what is really driving this growth, the couple of things I certainly want to call out. I think, first of all, it's the 80/20 strategy of focusing on top 10 markets, which is really doing well.

Some of them, Harsh talked about, I think in 3 of the top 10 markets, we now have share more than 10% and growing fast. Our new products, which we've launched across the markets are doing very well. Some of them Hunk 125, Hunk 160, 250, Xoom 110, they continue to do well and have got very good response from the market.

I'm also happy to say that the premium product contribution in the global market stands at 40% of global business volumes. Our products in the global markets have now been designed suiting the specific market conditions and customer requirements.

So that's really driving the offtakes in those respective markets. And last but not the least, we continue to invest in customer service in those markets. I think all these actions combined are seeing a strong growth not only this year but in years to come.

**Amyr Pirani:**

This is very helpful. And Vivek, since I have you right now, I just want to understand this interplay of commodity and pricing because there is a worry within the investor group for autos in general, that since GST has been a key driver of growth, if companies have to increase prices to now offset commodity, would that be a dampener?

So my question here really is, a, do you agree with that worry? And b, given that growth is strong, would it be fair to say that operating leverage itself can take care of a lot of these commodity challenges and the price hikes required may not be substantial? Just wanted to help -- get your help on understanding that.

**Vivek Anand:**

Yes. Amyr, I think good question. I'll say this GST rate reduction has actually have taken the prices back to what it was 3 years back, right? So this 10% price reduction is a significant price reduction we are seeing across product segments, right? So starting last quarter, yes, we've started to see some headwinds in the commodity space. Briefly talked about that it's not across. It's largely coming from aluminum, precious metals and currency, right?

So now the way we really look at it is that we've been -- we have taken a price increase in January, right? So price increase is just not only a lever to really manage any impact of commodity. We continue to look at our cost saving programs which we call it LEAP savings, we continue to improve our mix. And of course, the operating leverage, which is the big driver we have in terms of mitigating any currency and commodity impact.

So we continue to really work on all of that. But specifically coming to the pricing I think if I also look at today, based on the growth trends we are seeing, we are seeing market conditions are strong. And I don't see any big concern in terms of really taking judicious price increase, right? And if required, I think we've seen across the industry. I think everybody has been really doing that. And if required, I think that's something I don't see impacting our business going forward.

**Amyr Pirani:**

Okay. That's good. If I can slip in one more question. Just going back to the comment on the 125 cc traction, now specifically on Xtreme 125R, because we don't get to see the model wise retail, we can only comment on wholesale and there is a bit of lead and lag because of this GST change. It seems that the Xtreme 125R is having growth in spurts, but then coming down as well?

And when we speak to dealers, there's also a sense that the product is popular, but there is not enough being done in terms of supplies. So just want to get a sense as to how should we think about the Xtreme 125R? And where could the numbers go directionally over the next, say, few quarters?

**Ashutosh Varma:**

So Amyr, Ashutosh here, I'll take that question. So as far as the Xtreme 125R is concerned, the performance of that has really been consistent since the time we have launched it. More recently, we've introduced the -- sorry, the dual channel -- dual channel ABS that has come in, and it has received an amazing response. We have just started with it and maybe that's why you would hear some occasional feedback about some places where the inventory has probably not reached.

But as we scale it up moving into quarter 4, you would see I mean, that doing far, far better than what you would see from our current portfolio. Already the contribution, as Vivek said, has gone

up to almost one-third of our total Xtreme portfolio, and we expect that to move forward. This is a segment which -- the sporting sub-segment that largely developed post-COVID when we saw a lot of customers downgrading from 150 to 125cc.

And hence, a lot of features that 150 cc customers were largely looking at in this category and which is why we want to continue to add features in this category with ride modes, with ABS and want to keep it exciting. So we're confident. And as I said, the performance has been consistent, it'll only get better as we move forward with this new variant.

**Moderator:** The next question is from the line of Kumar Rakesh from BNP Paribas.

**Kumar Rakesh:** My first question was around your Colombia subsidiary. So last year, we had taken impairment loss for that subsidiary. How is that business progressing now? And any investment, if there is, needed for that?

**Vivek Anand:** Yes. So Kumar, Vivek here. I think the business is -- this year has been one of the best years, I'll say, for the Colombia business. The volumes have grown more than 200% in that business. We've improved our market share from 5% to 9%. And I am also happy to say the business has become now profitable, right? So the first 9 months, we've made a PAT of 5 million. So overall, if I really look at the health of the business, I think the volumes are growing by 200% market share, we've almost doubled and the business has become profitable.

**Kumar Rakesh:** That's very good to hear. My second question was around financing. So Hero FinCorp losses have been increasing over the last 3 quarters. Do you see that becoming a bottleneck for the availability of financing for Hero MotoCorp? I'm asking this because our share of financing of total two-wheeler sales has been trending down for the last 3 quarters?

**Vivek Anand:** So the simple answer is no, I don't see that as any concern. I think clearly, this quarter, again, the financing contribution coming from Hero Finance is almost 25%, which has actually improved quarter-on-quarter, right? So that's one. On the losses, yes, I'll say that HFCL has strong plans to increase the secured lending.

They've already moved it from 61% to 68% and the plan is to really take it to mid-70s next year. There are plans to bring down the credit cost, and there is a clear action plan to improve the collection of efficiency. So hopefully, we'll see them getting into green next year.

**Kumar Rakesh:** And once that entity gets listed, do you see any change in the relationship of how you currently have access to financing through that entity? Or the criteria that currently are being used to access the customers?

**Vivek Anand:** I don't see any change, right? So in any of the criteria. I only see it becoming more strengthening. So possibly their share of business with HMCL should only grow post listing.

**Kumar Rakesh:** Just one clarification. The data which you share in key highlights the LEAP saving, 120 basis points in this quarter you have spoken about. That's a very high number. But as an analyst, how should I be looking at that number? Because quarter-on-quarter, the margin has contracted. So there seems like 150 basis points sort of a headwind is there against all the LEAP savings, which

was there. So if you could share the entire margin bridge or how that data is getting calculated and what -- how to best use that or analyse that data?

**Umang Khurana:** We'll take it offline. We'll take it offline, Kumar.

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

**Kapil Singh:** Mr. Chitale, best wishes for the role. My question is to you in terms of strategy going forward, how would you like to operate? What I'm trying to ask is, are you looking to gain market share across segments? Or are there specific segments where you will be much more focused? From a margin perspective, what are your views? Do you feel that margins should rise further from current levels or the zone in which we are operating are fine? So just some thoughts on the strategy would be helpful?

**Harshavardhan Chitale:** Thanks, Kapil. Thank you for your best wishes. As I mentioned briefly in my opening remarks, we are very clear on -- as a company on where is the headroom for growth. And if I were to look at different categories between entry, premium, scooters, EV, parts and exports, if you look at these 6, other than premium, I think we have gained share and significant share actually in each of the other categories in Q3 itself.

Our challenge is that in some of the categories that are higher growth categories right now, like scooters, EV, exports, as some of you on the call highlighted, while we are doing well, we are still underrepresented. And that's also an opportunity for us. And that's exactly where we are going to focus on.

How do we outgrow the market in these categories where we are relatively underrepresented and are now seeing great momentum. So that's strategy #1. Second, we also spoke about how we are rapidly now expanding in global markets. Almost 50% growth Vivek spoke of. And I think still there is a big headroom there. So we are expanding building capacities and channels into various countries there. That's number two.

Third, which is I think we are uniquely positioned in terms of our vehicle park size in terms of vehicles on the road. We have the highest number of vehicles on the road, having been the leader for over 2 decades in the country. And that's a big parts business opportunity. While we -- it has grown 8% last quarter, I think still there is a big headroom for growth. And I think that's something that's extremely profit accretive, as you know. So it also creates us -- gives us the war chest needed to invest in other growth areas.

So I think these higher growth categories, exports, parts business is where we are going to remain focused. And an enabler for that is going to be getting our supply chain and capacities bolstered. In fact, as one of the earlier speaker or the question that we had, was around, is your Xtreme 125R facing supply challenges? I mean some of these are happy challenges to have because if you have a common platform between exports, which is growing at 51%.

And then domestically also Xtreme is doing well. You have those supply bottlenecks to resolve. So team is identifying each of these capacity enhancements needed by model, and we are also getting that quickly actioned. Did I answer your question, Kapil?

- Kapil Singh:** Just your thoughts on the margins also, if you can add?
- Harshavardhan Chitale:** On the margins, I think with the growth, we will get overhead dilution, and we will see expansion there. And as Vivek answered earlier, we continue to look at the equation between commodity cost -- commodity and FX impact versus pricing. And the net impact is actually a fraction of the benefit that the markets saw out of GST. So we don't see the price increases to mitigate some of the cost increases net of the savings that we get is material to impact any demand. So we will hold the margin.
- Kapil Singh:** And second question, just a little breakdown in the growth outlook that we have given. Between the different segments following the GST cut, where should we expect higher growth? Do you expect entry and executive segments to also grow when you're talking of high single-digit growth, how should we break it down between the different segments?
- And if you have any observations on why scooter growth has been much higher than the motorcycle growth? In fact, we have crossed a pre-COVID level over there, but not in case of motorcycles. Any thoughts on why the market is evolving this way? And will it continue to be like this?
- Harshavardhan Chitale:** So it's gazing into crystal ball, but when the industry looks into it, if you look at the macro trends in the country, urbanization, city is getting congested and more and more women also coming into workforce, gig economy growing. I mean you start adding all of that together and all of those macro trends are favoring scooter expansion.
- So if these macro trends continue, which, as an industry, everybody is expecting it to continue, I think scooters may have higher growth rate going forward versus motorcycles as well. And hence, our focus that we need to really grow much, much faster here and be a bigger player in this category.
- Vivek Anand:** Yes. And just to add, I think if I look at the trends in the last 4, 5 months, I think we are seeing a broad-based growth. We are seeing growth across all the segments. Yes, some segments are growing faster than the other, right? I think we expect the same trend to continue as we get into next year.
- Harshavardhan Chitale:** And even on motorcycles, what's heartening to see is across segments, we see growth. For example, after many years, we also saw very strong growth in entry and core. I think it was, I think, the impact of GST and that tailwind is continuing. And as the income levels go up, we also see the premium category continuing to grow. So actually, there is a tailwind for different reasons across different categories.
- Vivek Anand:** Yes. And also, I think we are seeing rural coming back, so that will have a direct impact on the pace of growth in the entry and deluxe segment. We are seeing some very strong growth in the EV segment, right? So as I said, it's broad based, right? So growth is across all segments. Some segments are likely to grow faster as Harsh said, scooters, both ICE, EV and premium we are -- we expect a faster growth than the rest of the categories. But overall, growth across all segments.
- Moderator:** The next question is from the line of Mukesh Saraf from Avendus Spark.

**Mukesh Saraf:** My first question is with regards to your supplier base. We're hearing from the ecosystem in general of late that Hero is looking at some kind of a rejig or some kind of restructuring of its vendor base, supplier base. Just want to understand, is there anything that you'd like to kind of highlight here? Or, is this just kind of a process that you envisage ongoing kind of a process? So some comments there would help?

**Harshavardhan Chitale:** So there is nothing specific. There could be 1 or 2 suppliers who might have commented. So if we don't know where the comment comes from. But in general, as I mentioned in my earlier comments, we have one of the best supplier relationships and in fact, as a process, we do want to increasingly work closer with them, co-development, early involvement in development and also in capacity planning.

As we are growing now seeing rapid growth in some of these high-growth categories, be it EV our export, portfolio, scooters, there's a need to also do a lot of capacity augmentation even at a supplier end and we are working very closely with them. So there is no specific rumbling or issue that we've come across.

**Mukesh Saraf:** Got it. Got it. Understood. And just an update on the ABS regulation. Anything that the Ministry has now kind of given you any revised possible time lines on this?

**Harshavardhan Chitale:** So as an industry and as a company, I think we are all very committed to road safety. In fact, for us, we take pride in saying that our motorcycles and scooters are the safest. So as an industry, Siam has been working very closely with the government on various options to make different vehicles safer. And we continue to engage. There are different options being discussed -- and we are awaiting further guidelines, if any, when they come. But we will be ready to fulfil those guidelines, whichever guidelines come.

**Mukesh Saraf:** Right, right. But there's no indication of a possible time line as yet?

**Harshavardhan Chitale:** No, there isn't.

**Mukesh Saraf:** Right. and just lastly, again, I think one of our EV models is approved under the PLI. Any further update there on further new models getting added to that list?

**Kausalya Nandakumar:** Yes. Mukesh, thanks for the question. Yes, we do have one model that was approved under PLI, and we continue to thank the government for their support on the production-linked incentive. There is a strong momentum within the VIDA team to build more models which meet the criteria and become eligible and you should see progress there as well. It is the commitment from our side to continue to focus on improving our domestic value addition across the portfolio.

**Moderator:** The next question is from the line of Arvind Sharma from Citigroup.

**Arvind Sharma:** The first question would be if you could throw some light on your model pipeline, EVs and ICE. If not, the actual models, at least what's your strategy in terms of new nameplates and refreshes going forward?

- Harshavardhan Chitale:** Arvind, could you again repeat the question, the model pipeline for EVs, is what your question is?
- Arvind Sharma:** Sir, both EVs and ICE. And if not the actual models, just your strategy on new nameplates as well as refreshes/variants.
- Kausalya Nandakumar:** So Arvind, I'll go first. On the EV portfolio, you would be aware that in this year of F '26, we launched our now flagship model VX2, in the month of July. And we also have been launching variants under this brand plate in F '26 in order to improve the portfolio availability across range and feature comparative. We will continue to get insights into customer needs and you will be able to see that customer requirements being plugged into the portfolio going forward.
- We now have a family of product offerings under the VIDA range from the V2 to the VX2 catering to the different customer needs. So there are multiple variants that you have seen this year along with the flagship launch of VX2.
- Ashutosh Varma:** Arvind, I will just supplement from the ICE perspective, I mean, if you look at our launches over the last couple of years, we've had launches in almost every category. We have largely covered the entire white space that was covered in the industry. While there will be refreshes and upgrades going forward, but our task is here clearly cut out in terms of growing what we have just launched and which we'll be investing and doing it.
- Arvind Sharma:** Second question is more a number question. If you could share your EV revenue and the losses, have you shared the implied ICE margin, but if you could enumerate the EV revenue and the losses in the EV business?
- Vivek Anand:** Yes, we can take it off-line, but I covered that in my opening, just give me a sec, right? So this quarter, our EBITDA investment was INR208 crores for the quarter.
- Umang Khurana:** Arvind, I'll come back to you. We'll take it offline.
- Vivek Anand:** Yes. The revenue also, I can tell you, quarter 3 revenue was INR450 crores, right? So yes. We can quickly share details off-line.
- Moderator:** The next question is from the line of Yash Agarwal from Nirmal Bang Securities.
- Yash Agarwal:** The export growth has been really strong from last 3 quarters, I just wanted to understand, was there any impact of increase in tariff rate in Mexico currently and going forward?
- Harshavardhan Chitale:** So Yash, there is no impact because we actually have a localization. So we have a benefit, in a way, being relatively late entrant on export, we are not so globally integrated that you just ship full vehicle from one place. And our approach has been actually more local-for-local localization partnerships. So we do have that in place in Mexico. So we did not see an impact.
- Yash Agarwal:** And the second question is like what has been the response to our Hero Corp models in the Europe like Hunk 440, Xpulse 200? And what is the midterm expectation for the Europe contribution to overall export sales?

**Harshavardhan Chitale:** It is just too soon. We just introduced last quarter. Secondary sales have started in all of those models in all those countries, but it's just too soon to give an indication.

**Moderator:** The next question is from the line of Raghunandhan from Nuvama Research.

**Raghunandhan:** Congratulations on strong results and wishing all the best to Mr. Harshavardhan. Firstly, for -- to Ashutosh Ji, on FY '27, in which customer segments do you expect better traction? Are you seeing more demand on the first-time buyer side? How do you see the trends on rural, urban? Any risks that you foresee for next year?

**Ashutosh Varma:** Raghu, I kind of touched on it on the previous answers, but let me just elaborate a little bit. Overall, from an FY '27 perspective, we would see all segments responding well. We have seen good unlock in terms of demand over the last quarter continues in this quarter, there is no reason why it should not happen over the next year, of course, the first half of the year, and it will be a little higher.

Scooters, of course, are doing well. But as we see I mean, quarter 1, which is very heavy in terms of marriages and then up to festives, we should see even motorcycles doing very well. We have seen -- I mean, overall, the rural segment doing well, good harvest that happened. In fact, the winter crop should start manifesting from quarter 1 onwards, and we expect this segment to do well as well.

**Raghunandhan:** And how are you seeing traction, sir, from the first-time buyers? Has there been an increase in this year?

**Ashutosh Varma:** Yes, I missed that. So from a first-time buyer perspective, we have seen I mean, for example, what we saw in January, we have seen these customers inching from an average that we see of close to around 75% to close to around 80-odd percent. Again, as we were mentioning with the GST unlock, we have seen a lot of first-time buyers coming into the category. This was one of the reasons why we saw such a phenomenal response in the festive across the industry, and we expect that, that will continue as we move forward into quarter 4 and quarter 1 as well.

**Raghunandhan:** And secondly, to Kausalya. Ma'am, can you indicate for VIDA sales when we do channel checks with dealers, dealers believe that they could sell more if they get enough supply, how do you see the potential? And can you talk about the plans of increasing capacity going ahead? And battery-as-a-service, what would be the contribution in sales as of now?

**Kausalya Nandakumar:** Hi Raghunandhan, thanks for the question. The VX2 success from consumer side has been quite resounding. And we are very grateful for the confidence that we have now gained in the market. As you see for the last 6-odd months, we have been consistently trending over the 10,000 mark, and we continue to improve our ability to serve consumers and dealers alike. In due course of time, they will be focused to kind of improve our ability to supply to the market.

And in terms of battery-as-a-service, this was a great opportunity for consumers, like I stated before, to come into the EV ownership life cycle with a higher affordability index. So we do see a lot of our inquiries and interest coming in from the battery-as-a-service even today, and that

continues to buoyant the overall EV adoption cycle. In VIDA, we also have another advantage that we have removable batteries.

This allows a large segment of consumers who don't have necessarily access to a fixed parking and charging to also come into the overall funnel of EV ownership. So we do have both the strong levers and we'll continue to focus to improve adoption and penetration of EV. So that's the focus that we have right now in the VIDA team.

**Raghunandhan:** And when do you see this new capacity or for capacity expansion coming up?

**Kausalya Nandakumar:** So we are looking at F '27 as the year in which we would be able to see a marked increase on this front.

**Umang Khurana:** That was the last question. To close off, strong growth on volumes, as you saw, substantial robust revenue growth of 21%. The PAT normalized grew at 20% as well. This was helped by our high ASP, both on ICE and EV. Of course, this comes in the 25th year of consecutive leadership. You've all seen the interim dividend getting announced. This was on the back of a strong festive season. VAHAN has been improving quarterly retails were the highest ever.

In core, a lot of you picked that up, rural market, fourth consecutive quarter of market share expansion, market share at 57%, which is up almost 4% in the core market as well, which has outpaced the industry. Deluxe market share, Splendor continues to be leading the charge, impetus behind marketing campaign, a whole lot of our marketing campaigns. There is Glamour, there's Destini, there's Splendor is what you've seen.

The Deluxe 125, Glamour has gone on to increase, the Xtreme 125R, there was one of those questions, the dual channel as that came in, helped come up. In the meantime, we slowed down on the Xtreme supplies as those came by as well, and that's the growth that you're seeing. So in 125, you'll see both, Xtreme 125R and Glamour X as well. Highest ever quarterly revenue of PAM that you saw.

In premium, the expansion to 106 stores already, which covers more than 50% of the market. Scooters are growing ahead of the industry, both in the 100cc and the 125cc. Destini is of keen interest as is as is Xoom. EV leadership, Kausalya, just finished her commentary. We launched with the VIDA new models coming up. ASP and unit economics is improving there as well. Strong global business performance, again outpacing the industry, a number of those.

Finally, on ESG, we've been recognized again as the best in the industry. Successfully, we have mapped initiatives against all 17 United Nations Sustainability Development Goals. Thank you so much for coming in. Happy to take your rest of the questions over the phone. Have a good day.

**Harshavardhan Chitale:** Thank you.

**Kausalya Nandakumar:** Thank you.



**Moderator:**

On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference.  
Thank you for joining us, and you may now disconnect your lines. Thank you.