Hyundai Q3 profit plummets on slowing sales, currency swings

October 25 2018

Kia has struggled to stay afloat in China in the face of cheaper alternatives from homegrown carmakers

Hyundai Motor reported a 67 percent plunge in third-quarter net profit from the previous year after overseas sales slowed and currency swings hurt its bottom line in emerging markets.

Net profit for July to September was 306 billion won ($268.8 million), while operating profit plummeted 76 percent year-on-year to 288.9 billion won, the firm said in a statement.

"The third quarter was a difficult time due to slowing demand in major markets including the US and concerns over a global trade dispute," said Hyundai, which together with its subsidiary Kia is the world's fifth-largest automaker.

Weakening of the Brazilian and Russian currencies and slowing sales in China also took a toll on Hyundai's bottom line, it said, noting that the Brazilian real lost more than 20 percent against the won in the last 12 months.

The company sold 1.12 million cars worldwide in the third quarter, down 0.5 percent from the same period last year.

It has struggled to stay afloat in China—the world's largest car market—as it is increasingly sandwiched between high-end cars from Japan and Germany and cheaper vehicles from homegrown carmakers.

Sales were further hurt by the company's late foray into the Chinese market for sports utility vehicles (SUVs), which have risen in popularity among Chinese consumers.

Hyundai's share price plunged six percent on Thursday to close at 110,000 won on the Seoul stock market.

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Citation: Hyundai Q3 profit plummets on slowing sales, currency swings (2018, October 25) retrieved 10 April 2024 from https://phys.org/news/2018-10-hyundai-q3-profit-plummets-sales.html

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