

Toyota hikes annual profit forecast after Q3 beats expectations

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Online Desk: Toyota Motor raised its full-year operating profit forecast by nearly 9 per cent on Tuesday, after higher sales volumes and a weaker yen boosted its third-quarter results.

The world's top-selling automaker raised its profit forecast for the current year to 4.9 trillion yen (\$32.99 billion), versus 4.5 trillion expected previously, reports Reuters.

The higher target contrasts with downbeat outlook provided by many of its rivals who have warned of slowing sales growth and announced production cuts this year due to high interest rates and slowing demand for electric vehicles.

Toyota's operating profit for the three months to Dec. 31 totalled 1.68 trillion yen, up 75.7 per cent from 956.7 billion yen a year earlier and beating the average 1.3 trillion yen profit estimate in a poll of nine analysts by LSEG.

Toyota, a laggard in battery-powered EVs, is seen outperforming competitors this year, helped by robust demand for hybrid vehicles, which it pioneered more than a quarter century ago with the Prius model.

Hybrids accounted for around one third of the total sales of more than 10 million vehicles of its Toyota and luxury Lexus brands last year.

It retained its crown as the world's top-selling automaker for the fourth consecutive year after posting record annual sales of 11.2 million vehicles for 2023.

But the firm is grappling with a series of scandals at its group companies over product certification test procedures that threaten to hurt its reputation for quality and safety.

Toyota's chairman apologised last week for the inconvenience and concern caused by misconduct at two subsidiaries and an affiliate.