

May 09, 2023



**Hero**

**Current Price:**

**₹ 2576.90**

## STOCK DATA

BSE Code	500182
NSE Symbol	HEROMOTOCO
Reuters	HROM.BO
Bloomberg	HMCL IN

## VALUE PARAMETERS

52 W H/L(Rs)	2939.35/2246.75
Mkt. Cap.(Rs Cr)	51496.70
Latest Equity(Subscribed)	39.97
Latest Reserve (cons.)	16615.60
Latest EPS (cons.) -Unit Curr.	140.61
Latest P/E Ratio -cons	18.33
Latest Bookvalue (cons.) -Unit Curr.	833.45
Latest P/BV - cons	3.09
Dividend Yield -%	3.88
Face Value	2.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	27.37
Institutions	27.87
Non Promoter Corp. Hold.	0.85
Promoters	34.77
Public & Others	9.14

## Financials Results

In Cr.

Particulars	Qtr Ended Mar. 23	Qtr Ended Mar. 22	Var. (%)
Total Income	8434.28	7496.55	12.51
OPM (%)	12.92	11.15	177 bps
OP	1089.49	835.64	30
Other income	237.54	131.44	81
PBIDT	1327.03	967.08	37
Net Finance Charges	19.11	12.97	47
PBDT	1307.92	954.11	37
Depreciation	179.75	168.38	7
PBT	1128.17	785.73	44
Tax expense	317.37	165.17	92
PAT	810.80	620.56	31
Minority Interest	5.68	9.22	-38
Profit after Minority Interest and Share of profit of Associates	805.12	611.34	32
EPS (Rs)	40.29	30.60	

### PAT beats estimates, jumps 32% YoY to Rs 805 cr; revenue up 12%

The company's consolidated revenue from operations for the quarter stood at Rs. 8434.28 Crore, (vs Rs 7496.55 Crore) reflecting a growth of 12.51%. Operating profit margin for the quarter was at 12.92%, reflecting an improvement of 177 bps y/y basis, driven by lower commodity costs, higher savings, and judicious price increases.

In terms of sales, the company sold 12.70 lakh units of motorcycles and scooters sold in Q4 FY23 against 11.89 lakh units in the year-ago period. During FY23, it sold 53.29 lakh units of motorcycles and scooters.

PBDT up 37% to Rs 1307.92 crore. Provision for depreciation up 7% to Rs 179.75 crore. Profit before tax went up by 44% to Rs 1128.17 crore. Provision for tax was expense of Rs 317.37 crore, compared to Rs 165.17 crore. Net Profit for the quarter was at Rs. 805 Crore, reflecting a growth of 32% over Rs 611.34 Crore reported in previous year.

### Highlights Fy23:

- Volume – 53.29 lakh units of motorcycles and scooters sold in FY23 (vs 49.44 lakh units FY22)
- Revenue from operations – Rs 33,806 crore, a growth of 16% over FY22
- Earnings Before Interest, Tax, Depreciation, & Amortization (EBITDA) for FY23 stands at Rs 3,986 crore, a growth of 18%
- Profit Before Tax (PBT) at Rs 3,875 crore, a growth of 19%
- Net Profit After Tax (PAT) - Rs 2,911 crore, a growth of 18%

### Other Development

The company declared a final dividend of Rs 35/- per share taking the total dividend for the year

to Rs 100/- i.e 5000% on the face value of Rs 2 per share.

The company also informed that Jagmohan Singh Raju has been re-appointed as an Independent Director for a term of five years with effect from November 15, 2023, up to November 14, 2028. Further, the bikemaker said its 40th Annual General Meeting (AGM) would be held on August 9, 2023.

## Management Comments

**Niranjana Gupta, Chief Executive Officer (CEO), Hero MotoCorp, said,** "The company has been able to drive margin expansion and profitable growth this quarter through a judicious combination of pricing, savings, and mix. In line with our policy, we have declared overall dividend for the year at Rs 100/share, which continues to be in top quartile in terms of payout ratio.

In coming fiscal year, we have lined up slew of product launches in different segments with an aim to strengthen our premium portfolio as well as premiumization of existing models, which will help us deliver improvement in market share.

We are accelerating our EV rollout, with plan to be in 100 cities within this calendar year. Apart from exclusive Vida outlets in certain cities, we will be using our existing distribution system across cities to ensure wider reach. The recent price revision now makes Vida accessible to more customers, and we expect this will increase the EV transition in scooter category.

Economic activity in India continues to build momentum with key indicators moving in positive direction. We do expect 2 wheeler industry revenue growth to be double-digit in coming year."

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