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Quarterly Result Update

HERO MOTOCORP LIMITED

November 15, 2021

Current Price: ₹ 2683.05

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	3628.55/2636.00
Mkt. Cap.(Rs Cr)	53608.74
Latest Equity(Subscribed)	39.96
Latest Reserve (cons.)	15376.46
Latest EPS (cons.) -Unit Curr.	155.89
Latest P/E Ratio -cons	17.21
Latest Bookvalue (cons.) -Unit Curr.	771.57
Latest P/BV - cons	3.48
Dividend Yield -%	3.91
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2021
Foreign	32.63
Institutions	21.96
Non Promoter Corp. Hold.	0.92
Promoters	34.76
Public & Others	9.72

Financials Results

In Cr.

Particulars	Qtr Ended Sept. 21	Qtr Ended Sept. 20	Var. (%)
Total Income	8538.85	9473.32	-10
OPM (%)	11.98	13.81	
OP	1023.07	1308.26	-22
Other income	157.95	146.90	8
PBIDT	1181.02	1455.16	-19
Net Finance Charges	13.97	10.71	30
PBDT	1167.05	1444.45	-19
Depreciation	173.90	183.46	-5
PBT before EO	993.15	1260.99	-21
EO	0.00	0.00	
PBT after EO	993.15	1260.99	-21
Tax expense	245.36	297.17	-17
PAT	747.79	963.82	-22
Minority Interest	2.07	5.33	-61
Profit after Minority Interest and Share of profit of Associates	745.72	958.49	-22
EPS (Rs)	37.32	47.98	

Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters, reported its financial performance for the second quarter (July-September 2021) of the FY'2022. It has reported a 22 per cent decline in consolidated net profit to Rs 745.72 crore in the second quarter ended on September 30, 2021, impacted by lower sales. The company, which posted a consolidated net profit of Rs 958.49 crore in the same period last fiscal, said its electric vehicle project is in advanced stages and is gearing up to launch the first product by March 2022. Consolidated revenue from operations was at Rs 8,538.85 crore as against Rs 9,473.32 crore in the year-ago quarter.

Riding on a volume of 14.38 lakh units sold during the quarter, the company's Revenue from Operations for the quarter stood at Rs.8,453 Crore. EBIDTA margin for the second quarter was at 12.6% and Net profit for the quarter was Rs.794 Crore. Consolidated Revenue for Q2 FY 22 stood at Rs. 8,539 Crore and Net Profit at Rs.748 Crore.

In keeping with its Vision - "Be the Future of Mobility" - Hero MotoCorp is committed to bringing sustainable mobility solutions to its customers and is accelerating its focus on producing electric vehicles (EVs) as an integral part of its product portfolio.

The company's Electric Vehicle (EV) project is in the advanced stages and the product will be manufactured at its plant in Chittoor, in the southern Indian state of Andhra Pradesh. The plant - aptly called Garden Factory for its eco-friendly and sustainable manufacturing practices - will provide an integrated ecosystem for Battery Pack Manufacturing and Testing, Vehicle Assembly and Vehicle End of Line Testing (EOL).

Management Comments

Mr. Niranjan Gupta, Chief Financial Officer (CFO), Hero MotoCorp, said "Hero MotoCorp expects a build-up in demand over the coming quarters as the economy continues to

show recovery and improvement. Positive economic signs, encouraging farm activities and increased need for personal mobility is likely to restart the momentum in the two-wheeler industry and we expect positive sentiments both in the rural and semi-urban markets.

Commodity prices, which have been impacting the industry margins so far, are showing some signs of softening as we move from here. Through accelerated Leap-II savings program, overheads management, and judicious price increases, we have been able to improve our margins sequentially and expect further recovery moving forward.

In keeping with its strategic vision - Be The Future of Mobility', Hero MotoCorp is steadily progressing on the path to carbon neutrality and sustainability and is investing in this transformation. The company is taking a comprehensive approach, ranging from research and development to production of green vehicles, which also includes forging strategic collaborations and partnerships", he added.

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