

Hero MotoCorp

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	HMCL IN
Equity Shares (m)	200
M.Cap.(INRb)/(USDb)	922.4 / 11
52-Week Range (INR)	4953 / 2551
1, 6, 12 Rel. Per (%)	2/33/57
12M Avg Val (INR M)	2678

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	374.6	419.4	482.7
EBITDA	52.6	60.5	69.9
EBITDA margin %	14.0	14.4	14.5
Adj. PAT	40.9	47.7	56
Adj. EPS (INR)	204.6	238.3	279.8
EPS Gr. (%)	40.5	16.5	17.4
BV/Sh. (INR)	900	1,002	1,131

Ratios

RoE (%)	23.6	25.1	26.2
RoCE (%)	23.1	24.6	25.8
Payout (%)	73.3	56.7	53.6

Valuations

P/E (x)	22.6	19.4	16.5
P/BV (x)	5.1	4.6	4.1
Div. Yield (%)	3.2	2.9	3.2
FCF Yield (%)	4.7	4.0	5.6

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	34.8	34.8	34.8
DII	27.8	28.1	27.9
FII	28.9	28.3	27.0
Others	8.6	8.8	10.4

FII Includes depository receipts

CMP: INR4,624 TP: INR5,320 (+15%) Buy

In-line performance; demand outlook positive

Guides to double-digit revenue growth for industry in FY25

- Hero MotoCorp (HMCL) posted an in-line operating performance in 4QFY24. Led by a favorable mix and cost savings, gross margins came in better at 33.6% (-20bp QoQ, our est. 32.7%). However, higher other operating expenses, partially due to ~130bp negative impact of EV spending, led to in-line EBITDA margin of 14.3%, up 130bp YoY.
- We expect a CAGR of ~13.5%/15%/17% in revenue/EBITDA/PAT over FY24-26E. The stock currently trades at ~19.4x/16.5x FY25E/FY26E EPS. Reiterate our BUY rating on the stock with a TP of INR5,320 (18x FY26E EPS + INR137/INR132 for Hero FinCorp/Ather after 20% holding company discount).

EV spending dents EBITDA margin by 130bp in 4Q

- 4QFY24 revenue/EBITDA/Adj. PAT grew ~15%/26%/18% YoY to INR95.2b/INR13.6b/INR10.2b. FY24 revenue/EBITDA/adj. PAT grew ~11%/32%/41% YoY.
- Net realizations grew 5% YoY to INR68.4k (est. INR66.7k). Volumes grew 10% YoY. Parts and Accessories business (PAM) grew to INR13.8b in 4QFY24 (vs. INR12.7b in 4QFY23).
- Gross margins expanded 150bp YoY (down 20bp QoQ) to 33.6% (est. 32.7%), owing to lower commodity costs, cost savings and favorable mix.
- Led by better gross margins and operating leverage, EBITDA margins expanded 120bp YoY (-80bp QoQ) to 14.3% (est. 14%). EBITDA grew 25.5% YoY to INR13.6b (est. INR13b). The impact of EV spending on the overall margin was 130bp.
- Further, lower-than-estimated other income restricted adj. PAT growth at 18% YoY to INR10.2b (in line).
- FY24 CFO/FCF grew ~1.9x/2.2x YoY to INR49.1b/INR43.6b.
- The board declared a final dividend of INR50/share. The total dividend for FY24 stood at INR150/share vs. INR100/share in FY23.

Highlights from the management commentary

- **Outlook-** Expect double-digit revenue growth for the industry in FY25. Consumer sentiments were positive in Mar-Apr'24. Despite fewer wedding dates in May-Jun'24, overall sentiment remains positive across rural and urban areas.
- **Premium-** Aims to increase the capacity to 10k units per month for 440CC platform and Karizma put together in the next couple of months. HD has a 10% market share in the regions where it is present. Supply constraints are resolved now.
- **Xtreme 125CC-** It has been received well. Expects capacity to reach 25k units per month over the next 2-3 months from 10k units currently.
- **Scooters-** Model launches such as Xoom 125CC and 160CC are scheduled for 1HFY25. The management believes that most of the white spaces would be filled after these launches.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- We expect HMCL to deliver a volume CAGR of 9% over FY24-26E, driven by 1) new launches in 125cc, scooters and premium segments, 2) a ramp-up in exports. HMCL will also benefit from a gradual rural recovery, given strong brand equity in the economy and executive segments.
- We expect a CAGR of ~13.5%/15%/17% in revenue/EBITDA/PAT over FY24-26E. The stock currently trades at ~19.4x/16.5x FY25E/FY26E EPS. Reiterate our BUY rating on the stock with a TP of INR5,320 (18x FY26E EPS + INR137/INR132 for Hero FinCorp/Ather after 20% holding company discount).

Quarterly Performance (S/A)**(INR b)**

Y/E March	FY23				FY24				FY23	FY24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
Total Volumes ('000 nos)	1,390	1,428	1,240	1,270	1,353	1,417	1,460	1,392	5,329	5,621	1,392
Growth YoY (%)	35.7	-0.7	-4.1	6.9	-2.7	-0.8	12.3	9.6	7.8	5.5	9.6
Net Realization	60,370	63,545	64,782	65,382	64,819	66,680	66,604	68,373	63,443	66,632	66,733
Growth YoY (%)	12.7	8.1	6.2	4.7	7.4	4.9	5.5	4.6	7.3	5.0	2.1
Net Op Revenues	83.9	90.8	80.3	83.1	87.7	94.5	97.2	95.2	338.1	374.6	92.9
Growth YoY (%)	53.0	7.4	1.9	11.9	4.5	4.1	18.5	14.6	15.6	10.8	11.9
RM Cost (% sales)	72.8	72.0	69.4	68.0	69.4	68.6	66.2	66.4	70.6	67.6	67.3
Staff Cost (% sales)	6.4	6.0	6.8	6.7	6.6	6.1	6.2	6.8	6.5	6.4	6.5
Other Exp (% sales)	9.6	10.6	12.3	12.3	10.3	11.2	12.5	12.5	11.2	11.7	12.2
EBITDA	9.4	10.4	9.2	10.8	12.1	13.3	14.7	13.6	39.9	53.6	13.0
Growth YoY (%)	82.7	-2.6	-3.7	30.9	28.2	27.9	58.9	25.5	0.0	0.0	20.4
EBITDA Margins (%)	11.2	11.4	11.5	13.0	13.8	14.1	15.1	14.3	11.8	14.3	14.0
Other Income	0.5	0.9	1.8	2.4	2.2	2.5	2.4	1.8	5.7	8.9	2
Interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0
Depreciation	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.9	6.6	7.1	2
PBT before EO Exp/(Inc)	8.2	9.6	9.4	11.5	12.5	14.0	15.2	13.5	38.7	55.3	13.6
Effective Tax Rate (%)	24.2	25.7	24.4	25.1	24.7	24.6	22.6	24.7	24.9	24.1	25.2
Adj. PAT	6.2	7.2	7.1	8.6	9.5	10.5	11.8	10.2	29.1	42.0	10.2
Growth (%)	70.9	-9.9	3.6	37.0	51.5	47.2	42.9	18.3	17.7	44.2	18.8

Key Performance Indicators

Y/E March	FY23				FY24				FY23	FY24	4Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes ('000 units)	1,390	1,428	1,240	1,270	1,353	1,417	1,460	1,392	5,329	5,621	1,392
Growth (%)	35.7	-0.7	-4.1	6.9	-2.7	-0.8	12.3	9.6	1.2	1.2	9.6
Dom. 2W Mkt Sh (%)	35.7	29.7	31.3	34.3	31.8	29.7	29.9	29.4	32.5	30.2	
Net Realization	60,370	63,545	64,782	65,382	64,819	66,680	66,604	68,373	63,443	66,632	66,733
Growth YoY (%)	12.7	8.1	6.2	4.7	7.4	4.9	5.5	4.6	7.3	5.0	2.1
Cost Break-up											
RM Cost (% of sales)	72.8	72.0	69.4	68.0	69.4	68.6	66.2	66.4	70.6	67.6	67.3
Staff Cost (% of sales)	6.4	6.0	6.8	6.7	6.6	6.1	6.2	6.8	6.5	6.4	6.5
Other Cost (% of sales)	9.6	10.6	12.3	12.3	10.3	11.2	12.5	12.5	11.2	11.7	12.2
Gross Margins (%)	27.2	28.0	30.6	32.0	30.6	31.4	33.8	33.6	29.4	32.4	32.7
EBITDA Margins (%)	11.2	11.4	11.5	13.0	13.8	14.1	15.1	14.3	11.8	14.3	14.0
EBIT Margins (%)	9.3	9.6	9.5	11.0	11.8	12.2	13.2	12.3	9.8	12.4	12.1

E:MOFSL Estimates

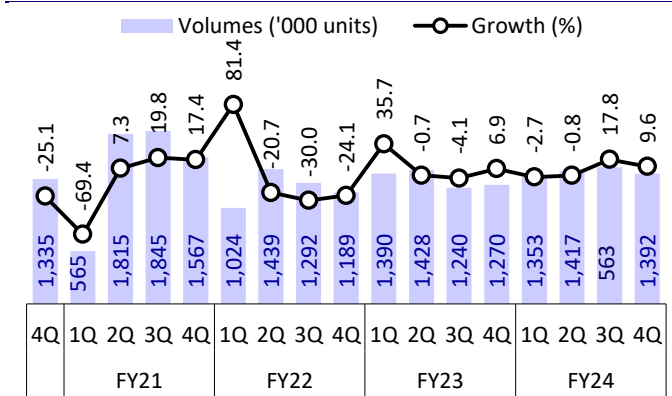
**Key takeaways from the management commentary**

- **Outlook-** Expects double-digit revenue growth in FY25. Consumer sentiments were positive in Mar-Apr'24. Despite having fewer wedding dates in May-Jun'24, overall sentiments remains positive across rural and urban areas.
- **Potential of market share gains in the following segments-**
 - **Premium-** Aims to increase the capacity to 10k units per month for 440CC platform and Karizma put together, in next couple of months. Harley Davidson (HD) is moving up with expansion in new store, while Maverick's sales have just

started. HD has 10% market share in the regions where it is present. Supply constraints are resolved now. The company is investing in different aspects of business including expansion of distribution channel.

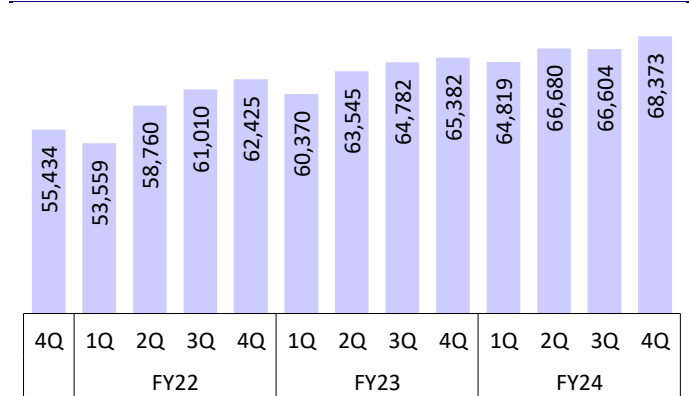
- 125CC- Xtreme 125CC has been received well. Glamour is doing well in Southern regions of AP, Telangana and also in the East. Expects capacity to reach 25k units per month for Xtreme over next 2-3 months from 10k units currently.
- Scooters- Model launches such as Xoom 125CC and 160CC are planned in 1HFY25.
- Post this, the company believes it is largely covering all the white spaces.
- EVs- Expanding the portfolio in 1HFY25 and continuing to build infrastructure, which is currently 180 dealers across 120 cities.
- Through Ather, the company is present in 200 cities with 25 charging points.
- While HMCL is eligible for PLI, the current Vida models are not PLI certified. HMCL plans to launch new EV models in 2Q, which will be PLI certified.
- Distribution- HMCL has 1,000 primary stores and overall 6,000 touch points including the secondary network.
- Hero 2.0 dealerships have already reached ~400 count and target is to cover 60-70% of the primary dealerships by end of this year. HD is available in ~205 of these showrooms.
- It opened 9 premium stores by end of Mar'24 and it is expected to reach ~100-150 by the end of the year.
- **Financials-**
- Price increase for FY24 was INR1300-1400 per vehicle.
- PAM business continues to grow in double digits. Revenue for the parts business stood at INR13.97b for 4QFY24 (vs. INR12.71b in 4QFY23) and INR50.87b for FY24 (vs. INR48.35b in FY23).
- Capex guidance stands at INR10b-15b for FY25.
- **Global business-** The company has now achieved market share of ~7.2% market share in 4QFY24, +230bp YoY.
- It is making entry in the new markets. It has approved a subsidiary in Brazil and earlier in Philippines. 80% of the resources will go toward top-10 big markets and it is ready to develop any specific product required for those market.
- Finance penetration for HMCL stood at 60% (vs ~59% in FY23) and share of Hero FinCorp is 30%.

Exhibit 1: Trend in volumes



Source: SIAM

Exhibit 2: Trend in blended realizations



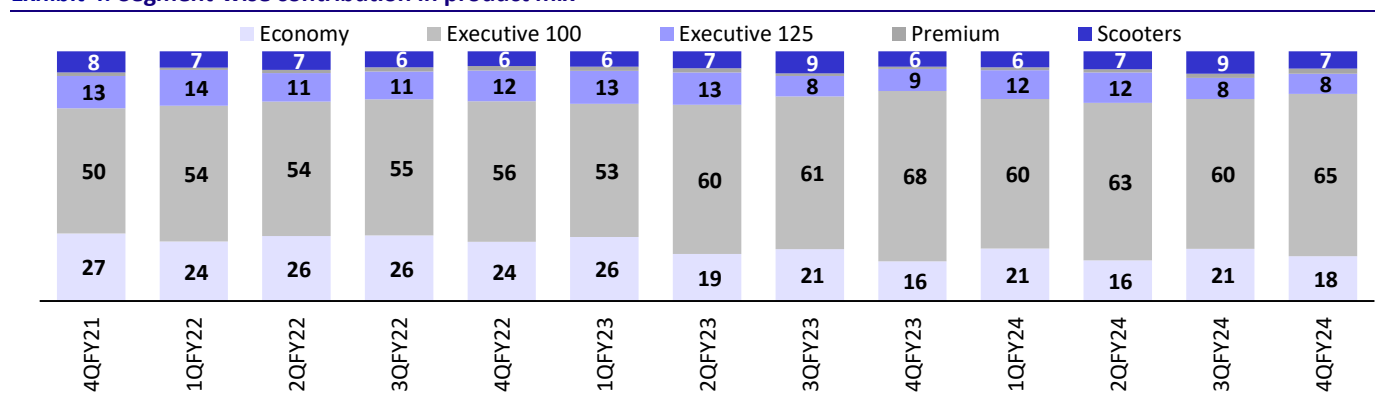
Source: Company, MOFSL

Exhibit 3: Trend in segmental mix ('000 units)

	4QFY24	4QFY23	YoY %	3QFY24	QoQ %	FY24	FY23	YoY %
Total Motorcycles	1,296	1,191	8.7	1,325	-2.2	5,191	4,959	4.7
% of total	93.1	93.8		90.8		92.3	93.0	
Scooters	97	79	22.3	135	-28.2	431	372	15.6
% of total	6.9	6.2		9.2		7.7	7.0	
Total 2Ws	1,392	1,270	9.6	1,460	-4.6	5,621	5,331	5.4
Of which exports	67	36	86.0	46	45.5	190	173	10.0
% of total	4.8	2.8		3.2		3.4	3.2	

Source: Company, MOFSL

Exhibit 4: Segment-wise contribution in product mix



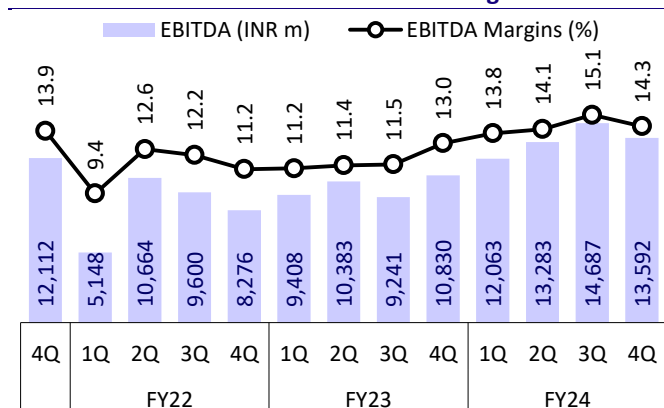
Source: SIAM

Exhibit 5: Trend in market share

Segment	4QFY24	4QFY23	Chg YoY (BP)	3QFY24	Chg QoQ (BP)
Economy	49.1	52.5	-340	44.6	450
Executive - 100	97.3	99.4	-210	85.6	1,160
Executive - 125	13.3	21.6	-830	12.8	50
Premium	3.8	3.0	70	3.0	80
Dom. Motorcycles	42.4	50.6	-810	41.6	80
Dom. Scooters	5.4	4.6	80	6.2	-80
Total 2W (Domestic M.S.)	29.4	29.7	-30	29.9	-50

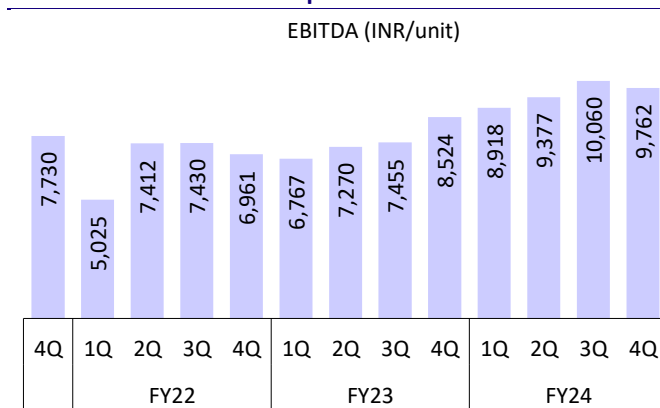
Source: Company, MOFSL

Exhibit 6: Trend in EBITDA and EBITDA margin



Source: Company, MOFSL

Exhibit 7: Trend in EBITDA per unit



Source: Company, MOFSL

Valuation and view

- **We expect HMCL to deliver a volume CAGR of 9% over FY24-26E**, driven by 1) new launches in 125cc, scooters and premium segments, 2) a ramp-up in exports. It is ramping up capacity for both Xtreme 125R and for its premium products, which would help drive growth in these segments. It targets to launch two new scooters in 125cc and 150cc segments in the coming quarters. The company will also benefit from a gradual rural recovery, given strong brand equity in the economy and executive segments.
- **Gradual rural revival bodes well for HMCL:** The management has indicated that it is seeing a gradual recovery in rural markets currently. Apr'24 saw healthy demand momentum for 2Ws, aided by marriage season demand. Given that HMCL has a dominant 100-110cc portfolio, any recovery in rural region bodes well for the company. Given the widely held expectation of a normal monsoon in FY25, we expect HMCL's 100cc segment to post much better growth in FY25E.
- **Exports offer huge headroom for growth:** Exports to emerging markets present a huge opportunity (~2x that of the Indian market) for growth for HMCL given that it has a relatively smaller presence in exports so far. HMCL has doubled its target export markets to 40 countries over the past few years. Over the years, HMCL has been working on launching new products customized to key markets, revamping its distribution network, and investing in brand building in key markets. We expect exports to continue to be a steady growth driver for HMCL in the coming years.

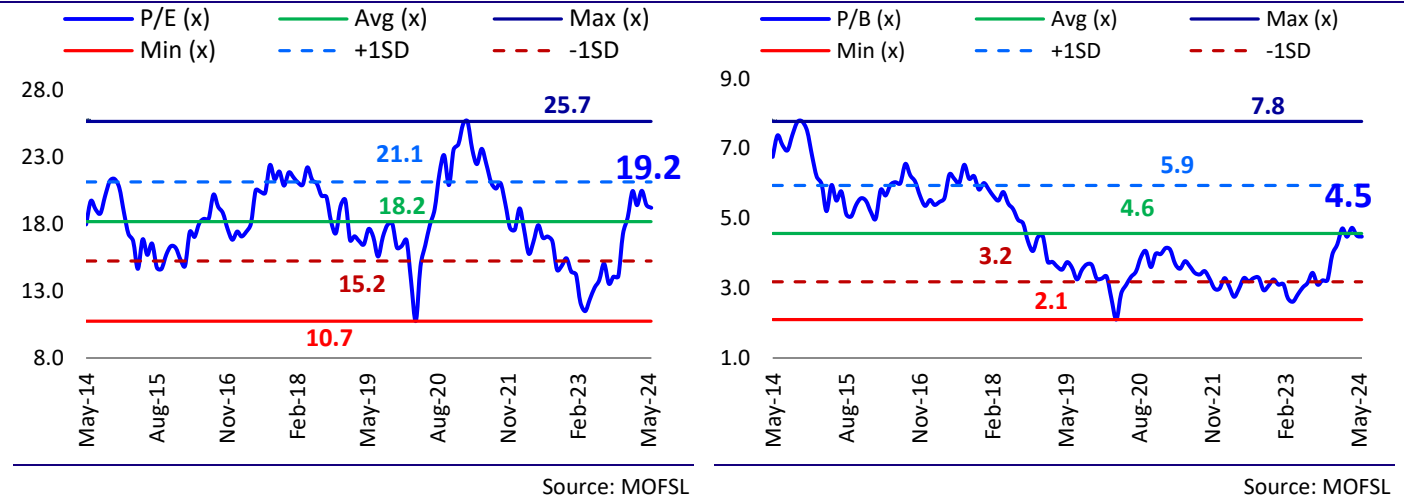
Reiterate Buy: HMCL is a good proxy on rural market recovery, with its stronghold in the 100cc motorcycle segment. It has low vulnerability to EVs, as it garners 7% volumes from scooters and its core 100cc motorcycle is less prone to EVs. We expect a CAGR of ~13.5%/15%/17% in revenue/EBITDA/PAT over FY24-26E. The stock currently trades at ~19.4x/16.5x FY25E/FY26E EPS. Reiterate our BUY rating on the stock with a TP of INR5,320 (18x FY26E EPS + INR137/INR132 for Hero FinCorp/Ather after 20% holding company discount).

Exhibit 8: Revisions to our estimates

(INR B)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes ('000 units)	6,109	6,164	-0.9	6,700	6,789	-1.3
Net Sales	419.4	426	-1.5	482.7	486	-0.7
EBITDA	60.5	59.8	1.1	69.9	70.0	-0.3
EBITDA Margins (%)	14.4	14.1	40	14.5	14.4	10
Net Profit	47.7	46	3.4	56.0	54.7	2.4
EPS (Rs)	238.3	230.5	3.4	279.8	273.7	2.2

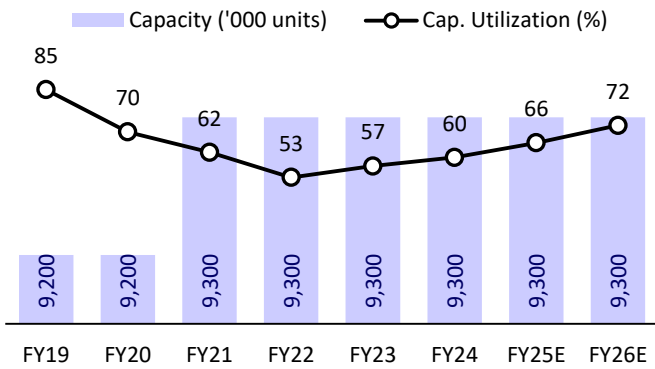
Source: MOFSL

Exhibit 9: P/E and P/B band



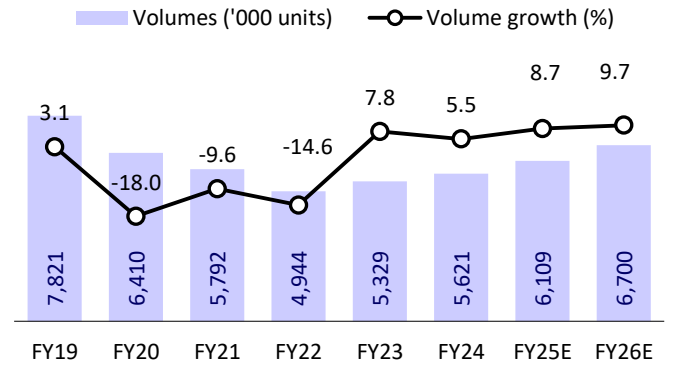
Story in charts

Exhibit 10: Adding capacity ahead of growth



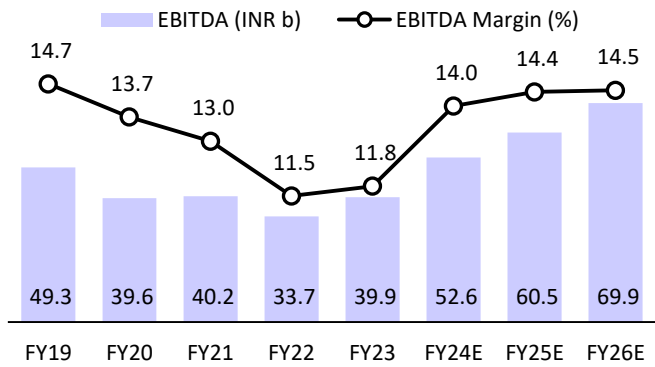
Source: Company, MOFSL

Exhibit 11: Volume sustainability led by rural recovery



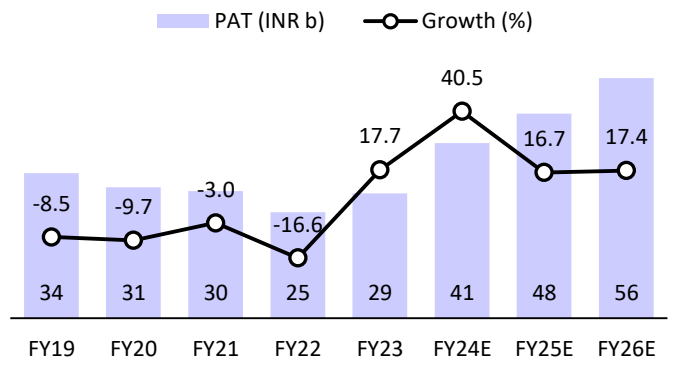
Source: Company, MOFSL

Exhibit 12: EBITDA margin trajectory



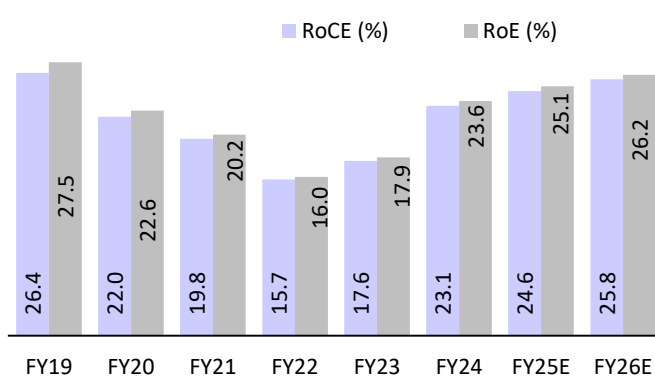
Source: Company, MOFSL

Exhibit 13: PAT growth to be steady



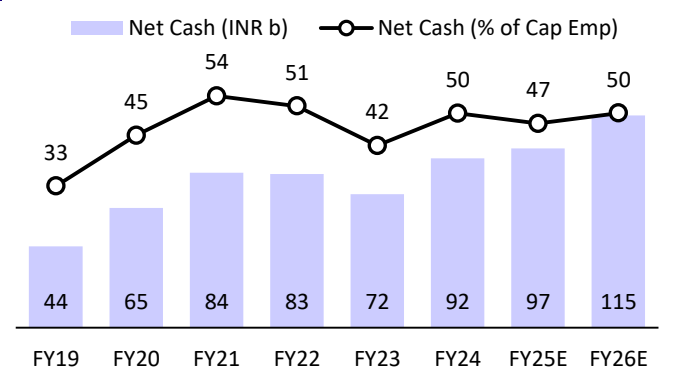
Source: Company, MOFSL

Exhibit 14: Trend in return ratios



Source: Company, MOFSL

Exhibit 15: Trend in cash levels



Source: Company, MOFSL

Exhibit 16: Snapshot of the revenue model

000 units	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total M/Cycles	7,081	5,990	5,333	4,628	4,959	5,191	5,643	6,198
<i>Growth (%)</i>	6.0	-15.4	-11.0	-13.2	7.2	4.7	8.7	9.8
<i>% of total volumes</i>	90.5	93.5	92.1	93.6	93.1	92.3	92.4	92.5
Total Scooters	740	419	458	316	369	431	465	502
<i>Growth (%)</i>	-18.7	-43.3	9.2	-30.9	16.8	16.6	8.0	8.0
<i>% of total volumes</i>	9.5	6.5	7.9	6.4	6.9	7.7	7.6	7.5
Total volumes	7,821	6,410	5,792	4,944	5,329	5,621	6,109	6,700
<i>Growth (%)</i>	3.1	-18.0	-9.6	-14.6	7.8	5.5	8.7	9.7
- of which Exports	187	162	172	290	162	171	222	288
<i>% of total volumes</i>	2.6	2.8	3.3	6.5	3.3	3.3	4.0	4.7
Net Realizations (INR/unit)	43,027	44,988	53,182	59,152	63,443	66,632	68,651	72,039
<i>Growth (%)</i>	0.6	4.3	18.8	10.7	8.4	2.9	5.1	4.9
Net Revenues (INR b)	337	288	308	292	338	375	419	483
<i>Growth (%)</i>	4.4	-14.3	6.8	-5.0	15.6	10.8	12.0	15.1

SIAM, Company, MOFSL

Financials and valuations

Income Statement							(INR Million)	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Volumes ('000)	7,821	6,410	5,792	4,944	5,329	5,621	6,109	6,700
Volume Growth (%)	3.1	-18.0	-9.6	-14.6	7.8	5.5	8.7	9.7
Net Revenues	3,36,505	2,88,360	3,08,006	2,92,455	3,38,057	3,74,557	4,19,356	4,82,677
Change (%)	4.4	-14.3	6.8	-5.0	15.6	10.8	12.0	15.1
EBITDA	49,301	39,579	40,192	33,688	39,862	52,557	60,497	69,858
EBITDA Margin (%)	14.7	13.7	13.0	11.5	11.8	14.0	14.4	14.5
Depreciation	6,020	8,180	6,769	6,498	6,570	7,114	7,312	7,522
EBIT	43,281	31,400	33,424	27,190	33,293	45,443	53,184	62,336
Interest cost	86	220	218	258	199	185	180	180
Other Income	6,913	7,283	5,799	5,569	5,652	8,926	10,000	11,800
Non-recurring Expense	0	-7,274	0	0	0	1,600	0	0
PBT	50,107	45,736	39,004	32,501	38,746	52,584	63,004	73,956
Tax	16,259	9,404	9,362	7,771	9,640	12,904	15,301	17,949
Effective Tax Rate (%)	32.4	20.6	24.0	23.9	24.9	24.5	24.3	24.3
Adj. PAT	33,849	30,554	29,642	24,730	29,106	40,887	47,703	56,007
Change (%)	-8.5	-9.7	-3.0	-16.6	17.7	40.5	16.7	17.4

Balance Sheet							(INR Million)	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Sources of Funds								
Share Capital	400	400	400	400	400	400	400	400
Reserves	1,28,172	1,40,965	1,51,585	1,57,430	1,66,651	1,79,462	2,00,138	2,26,116
Net Worth	1,28,571	1,41,364	1,51,984	1,57,829	1,67,051	1,79,862	2,00,539	2,26,516
Deferred Tax	5,365	3,928	4,041	3,833	4,054	4,348	4,348	4,348
Loans	0	0	0	0	0	0	0	0
Capital Employed	1,33,936	1,45,292	1,56,025	1,61,662	1,71,105	1,84,210	2,04,887	2,30,864
Application of Funds								
Gross Fixed Assets	1,16,282	1,38,161	1,42,362	1,46,657	1,51,942	1,59,782	1,72,587	1,85,587
Less: Depreciation	70,097	76,991	82,478	88,592	94,328	1,01,442	1,08,754	1,16,276
Net Fixed Assets	46,186	61,171	59,884	58,065	57,614	58,340	63,833	69,312
Capital WIP	5,419	3,413	4,366	4,582	4,638	4,805	5,000	5,000
Investments	59,686	82,227	1,04,997	1,06,523	1,10,104	1,30,861	1,30,861	1,30,861
Curr.Assets, L & Adv.	65,121	40,683	52,364	47,970	60,276	61,709	81,949	1,13,876
Inventory	10,724	10,920	14,696	11,227	14,341	14,438	19,014	21,886
Sundry Debtors	28,216	16,031	24,268	23,043	27,982	27,034	31,318	36,047
Cash & Bank Balances	1,365	2,419	2,572	1,751	3,455	6,089	15,464	37,352
Loans & Advances	850	896	892	402	436	457	522	601
Others	23,968	10,417	9,938	11,547	14,062	13,691	15,631	17,991
Current Liab. & Prov.	42,476	42,201	65,585	55,478	61,527	71,506	76,756	88,185
Sundry Creditors	33,553	30,305	52,046	42,603	47,045	55,282	61,517	70,806
Other Liabilities	7,161	9,207	10,211	9,490	10,744	11,516	11,185	12,874
Provisions	1,762	2,689	3,328	3,385	3,738	4,708	4,054	4,505
Net Current Assets	22,646	-1,518	-13,222	-7,508	-1,251	-9,796	5,193	25,691
Application of Funds	1,33,936	1,45,292	1,56,025	1,61,662	1,71,105	1,84,210	2,04,887	2,30,864

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Basic (INR)								
EPS	169.5	153.0	148.4	123.8	145.6	204.6	238.3	279.8
EPS Growth (%)	-8.5	-9.7	-3.0	-16.6	17.7	40.5	16.5	17.4
Cash EPS	199.6	222.8	182.2	156.3	178.5	234.1	274.8	317.3
Book Value per Share	643.7	707.7	760.7	789.9	835.9	900.0	1,001.7	1,131.4
DPS	87.0	90.0	105.0	95.0	100.0	150.0	135.0	150.0
Payout (Incl. Div. Tax) %	62.9	71.8	70.8	76.8	68.7	73.3	56.7	53.6
Valuation (x)								
P/E	27.3	30.2	31.2	37.4	31.8	22.6	19.4	16.5
EV/EBITDA	17.5	21.2	20.3	24.2	20.3	15.0	12.9	10.8
EV/Sales	2.6	2.9	2.7	2.8	2.4	2.1	1.9	1.6
Price to Book Value	7.2	6.5	6.1	5.9	5.5	5.1	4.6	4.1
Dividend Yield (%)	1.9	1.9	2.3	2.1	2.2	3.2	2.9	3.2
Profitability Ratios (%)								
RoE	27.5	22.6	20.2	16.0	17.9	23.6	25.1	26.2
RoCE	26.4	22.0	19.8	15.7	17.6	23.1	24.6	25.8
RoIC	53.0	40.0	50.1	44.5	49.2	71.9	83.9	84.9
Turnover Ratios								
Debtors (Days)	32	21	30	30	32	28	29	29
Inventory (Days)	12	15	18	15	16	15	17	17
Creditors (Days)	36	38	62	53	51	54	54	54
Working Capital (Days)	25	-2	-16	-9	-1	-10	5	19
Asset Turnover (x)	2.5	2.0	2.0	1.8	2.0	2.0	2.0	2.1
Fixed Asset Turnover	3.0	2.3	2.2	2.0	2.3	2.4	2.5	2.7

Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
(INR m)								
Profit before Tax	50,107	45,736	39,004	32,501	38,746	52,584	63,004	73,956
Depreciation & Amort.	6,020	8,180	6,769	6,498	6,570	7,114	7,312	7,522
Direct Taxes Paid	-20,515	-5,443	-9,759	-7,688	-8,496	-13,142	-15,301	-17,949
(Inc)/Dec in Working Capital	-19,189	12,027	10,700	-6,825	-5,832	10,747	-5,615	1,389
Other Items	-6,634	-6,399	-4,987	-4,283	-5,197	-6,637	180	180
CF from Oper. Activity	9,791	54,101	41,727	20,203	25,791	50,665	49,581	65,098
Extra-ordinary Items	0	0	0	0	0	-1,600	0	0
CF after EO Items	9,791	54,101	41,727	20,203	25,791	49,065	49,581	65,098
(Inc)/Dec in FA+CWIP	-9,179	-13,586	-5,101	-5,240	-5,675	-7,102	-13,000	-13,000
Free Cash Flow	611	40,515	36,626	14,963	20,115	43,563	36,581	52,098
(Pur)/Sale of Invest.	22,392	-15,245	-16,998	3,721	987	-10,917	0	0
CF from Inv. Activity	13,212	-28,831	-22,099	-1,519	-4,688	-18,019	-13,000	-13,000
Interest Paid	-86	-874	-515	-458	-455	-449	-180	-180
Dividends Paid	-22,854	-23,323	-18,900	-18,931	-19,951	-26,883	-27,027	-30,030
CF from Fin. Activity	-22,940	-24,198	-19,415	-19,389	-20,406	-27,331	-27,207	-30,210
Inc/(Dec) in Cash	63	1,072	213	-705	697	3,715	9,374	21,888
Add: Beginning Balance	344	407	1,479	1,692	987	1,684	5,399	14,773
Closing Balance	407	1,479	1,692	987	1,684	5,399	14,773	36,661

E: MOSL Estimates

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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