

## Steady show, pace of volume recovery is key...

**About the stock:** Hero MotoCorp (HMCL) is the world's largest 2-W manufacturer by volume, with domestic market share at 34.5% as of FY22. Its suite of popular models includes Splendor, Passion, Glamour, etc.

- Rural geographies form ~50% sales; 48.3% FY22 motorcycle market share
- Debt-free b/s with strong return ratios; healthy >50% dividend payout ratio
- Recently launched its captive EV offerings i.e. Vida V1 Pro & Vida V1 Plus at ₹ 1.45-1.59 lakh/unit. HMCL is also approaching electrification through collaborative investments in Ather Energy, Gogoro & Zero Motorcycles

**Q2FY23 Results:** The company reported a healthy performance in Q2FY23.

- Total sales came in at ₹ 9,075 crore up 8.1% QoQ, volumes up 2.7% QoQ
- EBITDA came in at ₹1,038 crore with margins at 11.4% up 20 bps QoQ. Gross margin expansion for the quarter was at ~80 bps QoQ
- Consequent standalone PAT was at ₹ 716 crore, up 14.7% QoQ

**What should investors do?** HMCL's share price has lagged Nifty Auto Index in the past five years, de-growing at ~6.3% CAGR from ~₹ 3,605 levels in November 2017.

- We maintain **HOLD** amid slow pace of volume recovery in the 2-W space, premium offerings by HMCL in EV space amid more lucrative offerings by its peers (both existing as well as new age) limiting the volume ramp up

**Target Price and Valuation:** We value HMCL at revised target price of ₹ 2,910 (14x P/E on FY24E EPS & 2x P/B to its long term strategic investments in FY24E)

### Key triggers for future price performance:

- We expect volume, topline to grow at a CAGR of 9.2%, 14.6%, respectively, over FY22-24, driven by need for personal mobility, revival in rural demand
- With positive operating leverage, softening in commodity prices & higher spares revenues, margins are seen reaching 13.2% by FY24E
- Exports, Zero Mobility and Harley tie-up to aid diversification & product mix
- Approaching EV space via organic & inorganic routes with plans to expand captive EV network from present three cities to ~20 cities by March 2023

**Alternate Stock Idea:** Besides HMCL, in our auto OEM coverage, we like M&M.

- Focused on prudent capital allocation, UV differentiation & EV proactiveness
- BUY with target price of ₹ 1,590



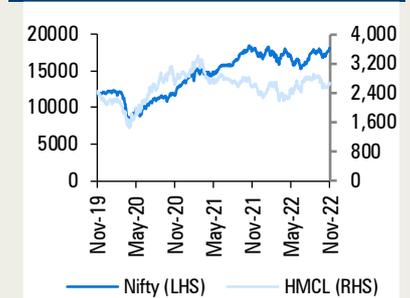
### Particulars

Particular	Amount
Market Capitalization	₹ 51722.3 Crore
Total Debt (FY22)	₹ 0 Crore
Cash & Inv. (FY22)	₹ 8449 Crore
EV	₹ 43273 Crore
52 week H/L (₹)	2939 / 2147
Equity capital (₹ crore)	40.0
Face value	₹ 2

### Shareholding pattern

	Dec-21	Mar-22	Jun-22	Sep-22
Promoter	34.8	34.8	34.8	34.8
FII	29.6	29.2	28.8	27.8
DII	23.7	24.2	25.6	26.9
Other	12.0	11.8	10.8	10.6

### Price Chart



### Recent event & key risks

- Posted healthy Q2FY23 results
- **Key Risk:** (i) Higher than expected acceptance of its EV offerings (ii) Slower than expected uptick in sales volume

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### Key Financial Summary

Key Financials	FY19	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	2 year CAGR (FY22-24E)
Net Sales	33,650.5	28,836.1	30,800.7	29,245.5	0.5%	34,753.9	38,429.8	14.6%
EBITDA	4,929.8	3,958.0	4,019.2	3,368.7	-6.2%	4,034.5	5,077.2	22.8%
EBITDA Margins (%)	14.6	13.7	13.0	11.5		11.6	13.2	
Net Profit	3,384.6	3,633.3	2,964.1	2,472.9	-6.0%	2,755.3	3,558.1	20.0%
Normalised Net Profit	3,384.6	3,202.6	2,964.1	2,472.9	-6.0%	2,755.3	3,558.1	20.0%
EPS (₹)	169.5	181.9	148.4	123.8		138.0	178.2	
P/E	15.3	14.2	17.4	20.9		18.8	14.5	
RoNW (%)	26.3	22.7	19.5	15.7		16.8	20.6	
RoCE (%)	32.0	21.3	20.8	16.3		19.4	23.9	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter & conference call highlights

### Q2FY23 Results:

- Blended ASP for the quarter was at ~ ₹ 63,545/unit (up 5.3% QoQ) and was the key positive surprise from the quarter
- EBITDA in Q2FY23 was at ₹ 1,038 crore with corresponding EBITDA margins at 11.4% (up 20 bps QoQ). The company witnessed 80 bps gross margins expansion on a QoQ basis. The benefits, however, were negated by higher other expenses, which were up 95 bps QoQ at 10.6% of sales
- Gross margin expansion was due to RM costs decline (~30-40 bps) as well as volume mix improvement
- PAT for the quarter came in at ₹ 716 crore, up 14.7% QoQ

### Q2FY23 Earnings Conference Call highlights

- The company continued to remain optimistic about demand in domestic demand. Further, a recovery was witnessed in sales in the rural market amid ~20% YoY growth in retail sales during 32-day festive period
- XTEC versions (i.e. premium offerings under same mother brand) constitutes ~20% of festive retails, key reason for QoQ rise in ASPs
- During the quarter, the company has book ~₹ 44 crore as MTM loss for impairment of investment in Gogoro
- Spares revenue was at ~₹ 1,244 crore in Q2FY23 i.e. ~13.7% of topline vs. ₹ 1061 crore i.e. ~12.6% of topline in Q1FY23. Spares revenue was largely in line with management expectations of ~13-14% annual run rate. Further the company aims to grow accessory business in coming quarter to support this run-rate. Its endeavour is to take it to ~15% of topline
- During festive period company launched its campaign "India fir se, Dil se", which helped HMCL to connect with customers and also witnessed pent up demand, which helped to boost sales of premium products
- The company is witnessing good traction in premium products like Pleasure XTEC, Splendor XTEC wherein demand is outpacing supply
- Rural demand is expected to be healthy amid healthy monsoon, normal winter crop season, high water reservoir levels
- Rise in ASP was largely tracking price hike taken during July to extent of 2% further aided by higher share of premium products (that are usually 5-7% higher than normal variants)
- The management said some benefits of commodity cost flowed to HMCL during Q2FY23 (30-40 bps). It expects further RM costs decline benefits to flow in following quarters with currency (rupee depreciation) as the only headwind liming the benefits (most commodities are price at import parity)

HMCL is seeing good traction in 125 cc segment and will launch more products in this space

The company's stake in Ather Energy on diluted basis was at ~37% post completion of recent funding round wherein Ather was valued at ~₹ 6000 crore

Retail demand has risen ~20% YoY but still marginally (~5-6%) remained below pre-Covid levels i.e. festive retails were at ~95% of pre-Covid levels

Financing penetration was at ~60% with HMFCL contributing ~30-35% of above

Inventory at HMCL usually remains at four to six weeks but post festive the company is operating at ~four weeks of inventory (lowest post festive)

HMCL also plans to launch premium range of motorcycles in due course of time as part of its joint product development with Harley Davidson

Higher receivables as of H1FY23 is a temporary phenomenon due to advancement of festive season this year. There is no change in credit policy and it should normalise, going forward

OBD-Phase 1 & 2 will not have any significant cost impact for the company

## Peer comparison

Exhibit 1: Peer Comparison (2-W)

Company	CMP	TP	Rating	Mcap	2-W Lakh volumes			EBITDA margin (%)			RoCE (%)			P/E		
	₹	₹			₹ crore	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E
Bajaj Auto (BAAUTO)	3,775	3,910	Hold	1,09,237	38.4	38.5	43.1	15.9	17.2	18.0	18.4	24.7	28.0	21.8	18.9	16.3
<b>Hero Moto (HERHON)</b>	<b>2,590</b>	<b>2,910</b>	<b>Hold</b>	<b>51,722</b>	<b>49.4</b>	<b>55.1</b>	<b>59.0</b>	<b>11.5</b>	<b>11.6</b>	<b>13.2</b>	<b>16.3</b>	<b>19.4</b>	<b>23.9</b>	<b>20.9</b>	<b>18.8</b>	<b>14.5</b>
Eicher Motors (EICMOT)	3,674	4,170	Buy	1,00,421	6.0	8.2	9.4	21.1	24.8	26.1	13.3	20.4	20.9	56.9	34.2	28.6

Source: Company, ICICI Direct Research; Note – Bajaj Auto sales volumes above are for its 2-W division only

In the 2-W auto OEM space, we ascribe BUY rating to Eicher Motors amid launch of affordable offering in the premium motorcycle segment with improved monthly volume reading over last few months. We assign HOLD rating to other incumbent 2-W auto OEMs and await firm volume growth (monthly numbers) as well as more meaningful action from them on EV front before turning decisively positive.

Exhibit 2: Variance Analysis

	Q2FY23	Q2FY23E	Q2FY22	YoY (%)	Q1FY23	QoQ (%)	Comments
Total Operating Income	9,075	8,837	8,453	7.4	8,393	8.1	Topline came in ahead of estimates tracking beat on ASPs which were up 5.3% QoQ
Raw Material Expenses	6,530	6,431	6,110	6.9	6,107	6.9	Substantial savings were realised in RM costs, which for the quarter came in at 72% of sales, down 80 bps QoQ primarily driven by improved product mix and decline in key commodity prices (metals)
Employee Expenses	549	548	505	8.6	538	2.0	
Other expenses	958	840	771	24.2	806	18.8	Other expenses were higher due to increase in A&P spends due to the festive season
Operating Profit (EBITDA)	1,038	1,019	1,066	-2.6	941	10.4	
EBITDA Margins (%)	11.4	11.5	12.6	-120 bps	11.2	20 bps	EBITDA margins came in broadly in line with our estimates at 11.4% of sales
Other Income	92	87	157	-41.3	53	73.7	Other income included MTM loss of ~₹ 44 crore
Interest	3.3	6.9	6.5	-49.4	7.0	-52.6	
Depreciation	163.4	175.0	163.9	-0.3	163.0	0.2	
PBT after Exceptional Items	963.7	923.9	1,052.9	-8.5	823.8	17.0	PBT was broadly in line with our estimates
Total Tax	247.6	232.8	258.5	-4.2	199.3	24.2	
PAT	716.1	691.0	794.4	-9.9	624.5	14.7	PAT was broadly in line with our estimates
EPS (Adjusted)	35.9	34.6	39.8	-9.9	31.3	14.7	
<b>Key Metrics</b>							
Total 2-W Sales (lakh units)	14.3	14.3	14.4	-0.7	13.9	2.7	Sales volumes for Q2FY23 were at 14.3 lakh units
Net Blended ASP (₹/unit)	63,545	61,879	58,760	8.1	60,370	5.3	ASPs witnessed 5.3% QoQ increase to ₹ 63,545/unit and was the key positive surprise from the results

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	33,721	34,754	3.1	36,769	38,430	4.5	Upgraded our sales estimates tracking robust festive retails and low channel inventory. We expect sales at the company to grow at a CAGR of 14.6% over FY22-24E
EBITDA	3,931	4,034	2.6	4,711	5,077	7.8	
EBITDA Margin (%)	11.7	11.6	-5 bps	12.8	13.2	41 bps	Altered margin estimates tracking management commentary and meaningful reduction in key commodity prices amidst currency headwinds
PAT	2,642	2,755	4.3	3,358	3,558	6.0	
EPS (₹)	132.3	138.0	4.3	168.2	178.2	6.0	our earnings get a single digit upgrade amid upward revision in sales volume, margins. We expect earnings at the company to grow at a CAGR of 20% over FY22-24E

Source: ICICI Direct Research

Exhibit 4: Assumptions

	Current				Earlier				Comments
	FY19	FY20	FY21	FY22	FY23E	FY24E	FY23E	FY24E	
Motorcycle volumes (lakh units)	71	60	53	46	51	55	51	54	Upgraded our sales volume estimates amid recovery in 2-W sales volumes domestically. We expect total volumes at the company to grow at a CAGR of 9.2% over FY22-24E. With steady work on the premiumisation front, ASPs are seen improving to ₹ 65,139/unit by FY24E
Scooter volumes (lakh units)	7	4	5	3	4	4	3	4	
Total volumes (lakh units)	78	64	58	49	55	59	55	58	
Growth (% YoY)		-18.0%	-9.8%	-14.5%	11.5%	7.0%			
Gross Blended ASP (₹/unit)	43,026	44,988	53,244	59,152	63,055	65,139	61,643	63,428	

Source: ICICI Direct Research

## Financial story in charts

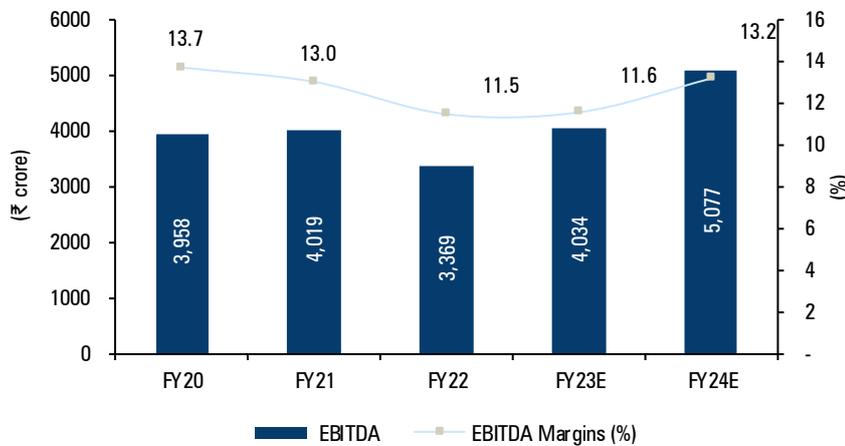
Exhibit 5: Topline trend



We expect sales to grow at a CAGR of 14.6% over FY22-24E backed by 9.2% volume CAGR

Source: Company, ICICI Direct Research

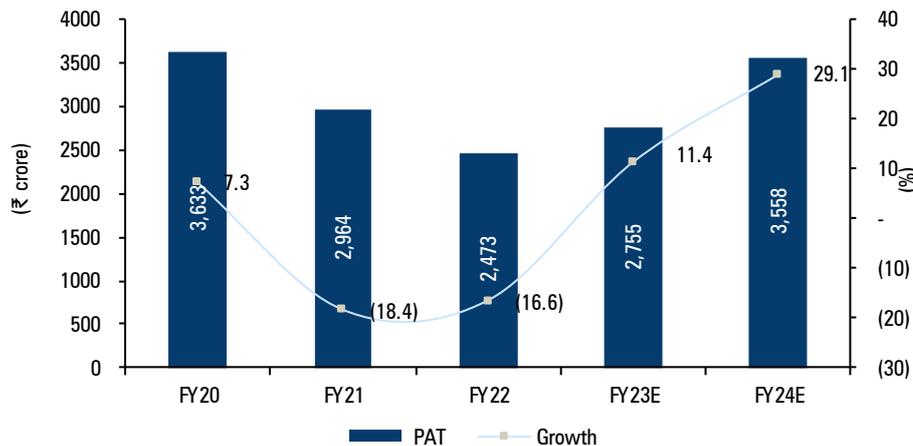
Exhibit 6: Trend in margins



Margins are seen improving to 13.2% levels by FY24E amid meaningful correction in commodity prices. The company's long term target in this domain is 14-16%

Source: Company, ICICI Direct Research

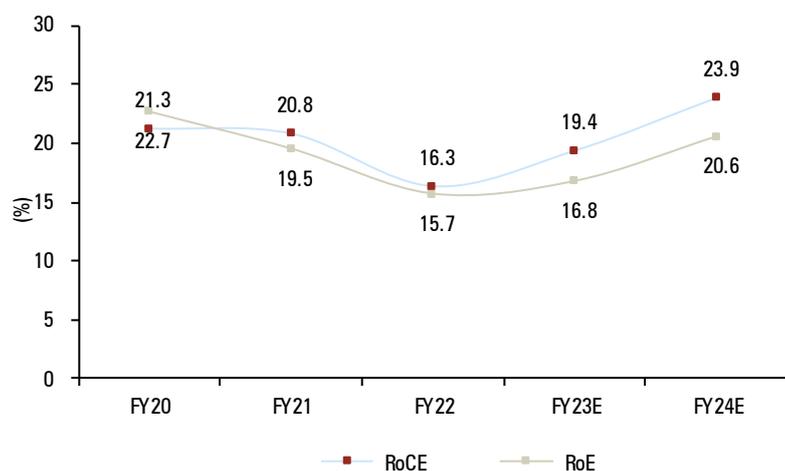
Exhibit 7: Trend in profitability



PAT is expected to grow to ₹ 3,558 crore in FY24E i.e. at a CAGR of 20% over FY22-24E

Source: Company, ICICI Direct Research

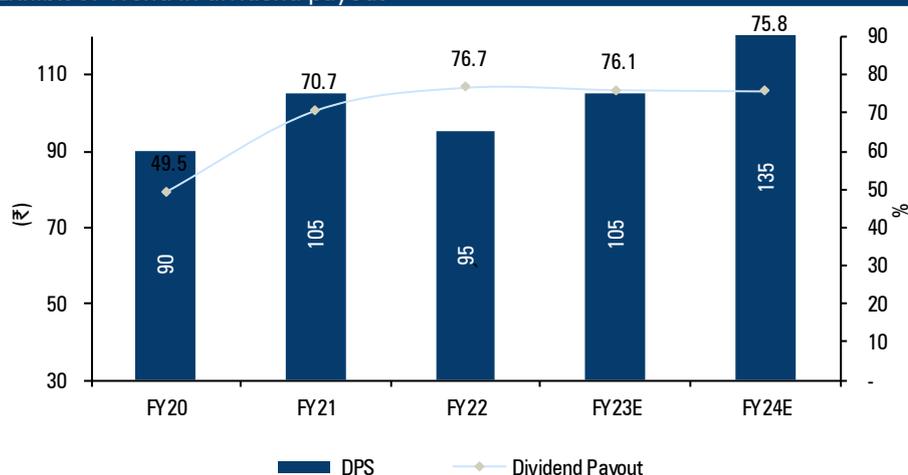
Exhibit 8: Trend in return ratios



Return ratios are expected to be healthy and revert back 20%+ levels by FY24E

Source: Company, ICICI Direct Research

Exhibit 9: Trend in dividend payout



High dividend payout is the USP at HMCL and the same is expected to continue. HMCL offers a lucrative dividend yield of ~4-5%

Source: Company, ICICI Direct Research

Exhibit 10: Valuation Summary

	Sales (₹ cr)	Growth (%)	EPS (₹ cr)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY18	32,230.5	(7.3)	185.1	34.2	14.0	8.5	31.4	38.1
FY19	33,650.5	4.4	169.5	-8.5	15.3	9.6	26.3	32.0
FY20	28,836.1	(14.3)	181.9	7.3	14.2	11.4	22.7	21.3
FY21	30,800.7	6.8	148.4	-18.4	17.4	10.8	19.5	20.8
FY22	29,245.5	-5.0	123.8	-16.6	20.9	12.8	15.7	16.3
FY23E	34,753.9	18.8	138.0	11.4	18.8	10.9	16.8	19.4
FY24E	38,429.8	10.6	178.2	29.1	14.5	8.6	20.6	23.9

Source: Company, ICICI Direct Research

Exhibit 11: SoTP Valuation

Particulars	Amount (₹)
FY24E Core EPS (₹/share, A)	178.2
P/E Multiple assigned (x, B)	14.0
<b>Value of Base Business (C = A*B)</b>	<b>2,495</b>
Other investment like Hero Fincorp & Ather Energy (₹ crore as of FY24E, D)	4,129
P/B Multiple Assigned (x, E)	2.0
Value of long term Investments (₹ crore, F = D*E)	8,257
<b>Per share value of long term investments (G)</b>	<b>415</b>
<b>Target Price (C+G)</b>	<b>2,910</b>
Potential Upside (%)	12%

Source: ICICI Direct Research

## Financial Summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Total operating Income</b>	<b>30,800.7</b>	<b>29,245.5</b>	<b>34,753.9</b>	<b>38,429.8</b>
Growth (%)	6.8	-5.0	18.8	10.6
Raw Material Expenses	21,762.3	20,826.7	24,952.4	27,107.2
Employee Expenses	1,898.8	1,935.4	2,145.4	2,305.8
Other expenses	3,120.3	3,114.5	3,621.3	3,939.1
Total Operating Expenditure	26,781.5	25,876.8	30,719.3	33,352.2
<b>EBITDA</b>	<b>4019.2</b>	<b>3368.7</b>	<b>4034.6</b>	<b>5077.6</b>
Growth (%)	1.5	-16.2	19.8	25.9
Depreciation	676.9	649.8	677.7	730.2
Interest	21.9	25.8	24.1	25.3
Other Income	579.9	556.9	346.2	435.1
<b>PBT</b>	<b>3900.3</b>	<b>3250.0</b>	<b>3678.8</b>	<b>4756.8</b>
Total Tax	936.2	777.1	923.5	1,198.7
<b>PAT</b>	<b>2964.1</b>	<b>2472.9</b>	<b>2755.3</b>	<b>3558.1</b>
Growth (%)	-18.4	-16.6	11.4	29.1
Normalised PAT (₹)	2,964.1	2,472.9	2,755.3	3,558.1
<b>EPS (₹)</b>	<b>148.4</b>	<b>123.8</b>	<b>138.0</b>	<b>178.2</b>

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Profit after Tax</b>	<b>2,964.1</b>	<b>2,472.9</b>	<b>2,755.3</b>	<b>3,558.1</b>
Add: Depreciation & Interest	698.7	675.6	701.8	755.5
Sub: Other Income	579.9	556.9	346.2	435.1
(Inc)/dec in Current Assets	-1,151.9	384.5	-988.2	-540.3
Inc/(dec) in CL and Provisions	2,134.2	-1,037.8	1,136.0	656.7
<b>CF from operating activities</b>	<b>4065.2</b>	<b>1938.2</b>	<b>3258.8</b>	<b>3994.9</b>
(Inc)/dec in Investments	-1,892.5	-137.6	800.0	-200.0
(Inc)/dec in Fixed Assets	-643.6	-489.4	-1,010.0	-1,010.0
Others	-169.8	-35.9	-1,230.0	-480.0
Add: Other Income	579.9	556.9	346.2	435.1
<b>CF from investing activities</b>	<b>-2126.0</b>	<b>-106.0</b>	<b>-1093.8</b>	<b>-1254.9</b>
Inc/(dec) in loan funds	0.0	0.0	0.0	0.0
Dividend paid & dividend tax	-2,096.9	-1,897.2	-2,096.9	-2,696.0
Inc/(dec) in Sec. premium & Othe	172.8	-17.1	-24.1	-25.3
<b>CF from financing activities</b>	<b>-1924.0</b>	<b>-1914.3</b>	<b>-2121.0</b>	<b>-2721.3</b>
Net Cash flow	15.3	-82.0	44.0	18.7
Opening Cash	241.9	257.1	175.2	219.1
<b>Closing Cash</b>	<b>257.1</b>	<b>175.2</b>	<b>219.1</b>	<b>237.9</b>

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Liabilities</b>				
Equity Capital	40.0	40.0	40.0	40.0
Reserve and Surplus	15,158.5	15,743.0	16,401.4	17,263.6
<b>Total Shareholders funds</b>	<b>15198.4</b>	<b>15782.9</b>	<b>16441.4</b>	<b>17303.6</b>
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	404.1	383.3	393.3	403.3
Others	448.3	475.4	485.4	495.4
<b>Total Liabilities</b>	<b>16050.8</b>	<b>16641.6</b>	<b>17320.1</b>	<b>18202.3</b>
<b>Assets</b>				
Gross Block	10,714.3	11,173.8	12,198.8	13,223.8
Less: Acc Depreciation	5,016.1	5,665.8	6,343.5	7,073.7
<b>Net Block</b>	<b>5698.2</b>	<b>5508.0</b>	<b>5855.3</b>	<b>6150.1</b>
Capital WIP	177.9	87.3	62.3	37.3
Total Fixed Assets	5,876.0	5,595.3	5,917.6	6,187.4
Investments	10,499.7	10,652.3	11,102.3	11,802.3
Inventory	1,469.6	1,122.7	1,428.2	1,579.3
Debtors	2,426.8	2,304.3	2,856.5	3,158.6
Loans and Advances	36.9	40.2	47.8	52.9
<b>Cash</b>	<b>257.1</b>	<b>175.2</b>	<b>219.1</b>	<b>237.9</b>
Total Current Assets	4,761.3	4,294.8	5,327.0	5,886.0
Creditors	5,204.6	4,260.4	5,236.9	5,790.8
Provisions	160.4	160.4	197.2	218.0
Total Current Liabilities	6,110.2	5,072.4	6,208.4	6,865.1
<b>Net Current Assets</b>	<b>-1,348.9</b>	<b>-777.6</b>	<b>-881.4</b>	<b>-979.1</b>
<b>Application of Funds</b>	<b>16050.8</b>	<b>16641.6</b>	<b>17320.1</b>	<b>18202.3</b>

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Per share data (₹)</b>				
EPS	148.4	123.8	138.0	178.2
Cash EPS	182.3	156.4	171.9	214.7
BV	761.1	790.3	823.3	866.5
DPS	105.0	95.0	105.0	135.0
Cash Per Share	420.3	423.1	385.2	396.2
<b>Operating Ratios (%)</b>				
EBITDA Margin	13.0	11.5	11.6	13.2
PBT / Net sales	10.9	9.3	9.7	11.3
PAT Margin	9.6	8.5	7.4	7.9
Inventory days	17.4	14.0	15.0	15.0
Debtor days	28.8	28.8	30.0	30.0
Creditor days	61.7	53.2	55.0	55.0
<b>Return Ratios (%)</b>				
RoE	19.5	15.7	16.8	20.6
RoCE	20.8	16.3	19.4	23.9
RoIC	44.7	33.5	35.1	42.4
<b>Valuation Ratios (x)</b>				
P/E	17.4	20.9	18.8	14.5
EV / EBITDA	10.8	12.8	10.9	8.6
Market Cap / Sales	1.7	1.8	1.5	1.3
Price to Book Value	3.4	3.3	3.1	3.0
<b>Solvency Ratios</b>				
Current Ratio	0.8	0.9	0.9	0.9
<b>Quick Ratio</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>

Source: Company, ICICI Direct Research

Exhibit 16: ICICI Direct coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Apollo Tyre (APOTYR)	286	335	Buy	18,162	10.1	16.5	25.0	28.4	17.3	11.5	8.8	6.8	5.2	6.3	9.4	13.0	5.4	8.4	11.7
Ashok Leyland (ASHLEY)	147	180	Buy	43,028	1.8	1.7	4.8	79.6	86.0	30.8	44.4	27.1	15.3	2.1	7.6	17.7	0.2	6.5	17.1
Bajaj Auto (BAAUTO)	3,775	3,910	Hold	1,09,237	173.4	200.2	232.2	21.8	18.9	16.3	16.7	13.8	11.8	18.4	24.7	28.0	17.6	22.6	25.4
Balkrishna Ind. (BALIND)	1,896	2,550	Buy	36,653	73.0	65.3	98.3	26.0	29.0	19.3	19.4	20.3	13.3	15.9	13.1	19.7	20.4	16.0	20.4
Bharat Forge (BHAFOR)	856	900	Buy	39,853	23.1	19.8	28.3	37.0	43.3	30.3	21.3	20.7	16.3	9.6	9.2	12.2	15.2	12.7	16.1
Eicher Motors (EICMOT)	3,674	4,170	Buy	1,00,421	61.3	101.8	122.0	59.9	36.1	30.1	42.4	25.7	21.5	13.3	20.4	20.9	13.3	19.3	20.1
Escorts Kubota (ESCORT)	1,997	2,390	Buy	26,346	58.0	56.3	70.6	34.4	35.5	28.3	22.6	23.2	18.2	10.4	8.8	10.1	9.7	8.7	10.0
<b>Hero Moto (HERHON)</b>	<b>2,590</b>	<b>2,910</b>	<b>Hold</b>	<b>51,722</b>	<b>123.8</b>	<b>138.0</b>	<b>178.2</b>	<b>20.9</b>	<b>18.8</b>	<b>14.5</b>	<b>12.8</b>	<b>10.9</b>	<b>8.6</b>	<b>16.3</b>	<b>19.4</b>	<b>23.9</b>	<b>15.7</b>	<b>16.8</b>	<b>20.6</b>
M&M (MAHMAH)	1,340	1,590	Buy	1,66,589	41.4	48.7	60.6	32.4	27.5	22.1	22.9	18.4	14.5	9.3	11.4	13.9	13.1	13.5	14.9
Maruti Suzuki (MARUTI)	9,231	11,200	Buy	2,78,850	124.7	234.9	350.2	74.0	39.3	26.4	41.6	22.4	15.8	5.1	12.5	16.7	7.0	12.0	16.0
Uno Minda (MININD)	532	650	Buy	30,417	6.2	10.0	13.6	85.5	53.1	39.1	35.0	26.9	21.4	10.2	13.4	16.9	10.3	14.5	16.7
Tata Motors (TATMOT)	425	530	Buy	1,62,694	-29.9	-9.5	17.9	-14.2	-44.5	23.7	7.0	5.8	4.3	4.8	8.2	14.5	-23.5	-8.1	13.2

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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