

Hero Motocorp

Estimate change	↔
TP change	↔
Rating change	↔

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Bloomberg	HMCL IN
Equity Shares (m)	200
M.Cap.(INRb)/(USD\$)	457.8 / 6.3
52-Week Range (INR)	3021 / 1475
1, 6, 12 Rel. Per (%)	9/13/-3
12M Avg Val (INR M)	2685

Financials & Valuations (INR b)

Y/E March	FY20	FY21E	FY22E
Sales	288.4	259.8	292.4
EBITDA	39.6	34.1	41.8
Adj. PAT	30.6	24.9	29.9
EPS (INR)	153.0	124.4	149.5
EPS Gr. (%)	-9.7	-18.7	20.1
BV/Sh. (INR)	707.7	716.1	739.0

Ratios

RoE (%)	22.6	17.5	20.5
RoCE (%)	22.0	17.1	20.1
Payout (%)	70.9	92.0	84.7

Valuations

P/E (x)	15.0	18.4	15.3
P/BV (x)	3.2	3.2	3.1
Div. Yield (%)	3.9	4.1	4.6
FCF Yield (%)	8.9	5.0	6.5

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	34.6	34.6	34.6
DII	19.9	19.6	16.1
FII	34.3	35.3	38.2
Others	11.2	10.5	11.1
FII Includes depository receipts			

CMP: INR 2,292 TP: INR2,350 (+3%) Neutral

Below est.; One-off cost hurts margins; Retail trends positive

Sharper demand recovery, cost cutting key to further outperformance

- HMCL posted a weak operating performance (even on an adjusted basis) due to weak volumes and one-off costs. Near-term margins would remain under pressure due to BS6-related impact, a possible adverse mix, and op. de-leverage.
- We marginally downgrade our EPS, but maintain our Neutral rating, with TP of ~INR2,350 (~15x Mar'22 EPS+INR97/share for Hero FinCorp).

BS4 discounts, other one-offs, and higher other expenses hurt margins

- HMCL's revenues/EBITDA/PAT declined 21%/38%/15% YoY in 4QFY20, and 14%/19.7%/10% in FY20.
- Revenues declined ~21% YoY to ~INR62.4b on ~25% YoY decline (-13% QoQ) in volumes. Realizations increased 5.6% YoY (+2.9% QoQ) to INR46.7k, despite BS4 discounts (INR1.1b), driven by BS6-related price increases.
- Gross margins declined ~20bp YoY (-260bp QoQ) to 30.8% (est.: 32.6%), impacted by: a) BS4 discounts (~160bp), b) prov. receivable of fiscal incentives (~80bp), and c) obsolete BS4 inventory. Also, impact from passing BS6 cost was reported, without the loading of contribution margins.
- Furthermore, higher other expenses (flat QoQ in INR terms despite an 11% QoQ drop in volumes) impacted EBITDA margins, which declined ~300bp YoY (-420bp QoQ) to 10.6% (est.: 13.9%). As per mgmt., adj. margins were at 13.5%.
- Lower depreciation and lower tax restricted PAT decline to ~15% YoY (-30% QoQ) to ~INR6.2b (est.: ~INR6.3b).

Highlights from management commentary

- **COVID-19 impact:** Revenue (opportunity) loss of ~INR12b was reported due to lockdown in the last nine days of Mar'20, weighed by volume loss of ~230k.
- **Inventory:** Dealer network inventory is at ~550k BS6 inventory as of 1st Apr.
- **Status of operations:** 90% of outlets are now open, with many dealers reaching 70–80% of pre-COVID-19 retail levels. The retail pickup has been better than expected; however, these are early trends and their sustenance is key.
- **Financing** was at 43% of domestic volumes and Hero FinCorp had 46% share of financing in FY20 (v/s 41% in FY19). 2W financing is well-placed, and there is good interest from other BFSI players.
- **The price increase** in May'20 was for improving dealer margins and correcting relative price positioning.
- **Cost-cutting targets** were under Leap-II at 100bp (v/s 50bp in FY20). Also, the company targets a reduction in overheads as well.
- **Capex** for FY21 was revised to INR6b (v/s INR10b earlier) v/s INR13.6b in FY20.

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

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Valuation and view

The stock trading at 18.4x/15.3x FY21/FY22E EPS is a fair reflection of the current market condition and expected recovery. Maintain **Neutral**, with a target price of ~INR2,350 (~15x Mar'22 EPS+INR97/share for Hero FinCorp).

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

Y/E March	FY19				FY20				FY19	FY20	FY20
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
Total Volumes ('000 nos)	2,105	2,134	1,800	1,781	1,843	1,691	1,541	1,335	7,821	6,410	1,335
Growth YoY (%)	13.3	5.5	5.3	-10.8	-12.4	-20.7	-14.4	-25.1	3.1	-18.0	-25.1
Net Realization	41,853	42,600	43,682	44,264	43,574	44,759	45,408	46,747	43,027	44,988	46,634
Growth YoY (%)	-2.6	2.9	2.1	3.2	4.1	5.1	4.0	5.6	1.3	4.6	5.4
Net Op Revenues	88,098	90,909	78,648	78,850	80,303	75,707	69,967	62,384	336,505	288,361	62,234
Growth YoY (%)	10.4	8.6	7.5	-7.9	-8.8	-16.7	-11.0	-20.9	4.4	-14.3	-21.1
RM Cost (% sales)	70.0	69.3	68.8	69.0	69.6	67.7	66.6	69.2	69.3	68.3	67.4
Staff Cost (% sales)	4.7	4.8	5.5	5.7	5.8	6.2	6.7	7.0	5.1	6.4	6.9
Other Exp (% sales)	9.7	10.8	11.6	11.8	10.1	11.6	11.8	13.2	10.9	11.6	11.9
EBITDA	13,773	13,787	11,048	10,693	11,580	11,011	10,390	6,599	49,301	39,580	8,624
EBITDA Margins (%)	15.6	15.2	14.0	13.6	14.4	14.5	14.8	10.6	14.7	13.7	13.9
Other Income	1,157	2,237	1,876	1,642	1,688	2,078	1,822	1,695	6,913	7,283	1,738
Interest	21	21	22	22	44	77	59	41	86	220	60
Depreciation	1,482	1,518	1,518	1,502	2,361	2,034	2,037	1,747	6,020	8,180	2,097
PBT before EO Exp/(Inc)	13,427	14,485	11,384	10,811	10,864	10,979	10,115	6,506	50,107	38,463	8,203
Effective Tax Rate (%)	32.3	32.6	32.4	32.4	32.9	15.7	13.0	4.6	32.4	20.6	23.2
Adj. PAT	9,092	9,763	7,691	7,303	6,318	9,226	8,804	6,207	33,849	30,554	6,304
Growth (%)	-0.5	-3.4	-4.5	-24.5	-30.5	-5.5	14.5	-15.0	-8.5	-9.7	-13.7

Key Performance Indicators

Volumes ('000 units)	2,105	2,134	1,800	1,781	1,843	1,691	1,541	1,335	7,821	6,410	1,335
Growth (%)	13.3	5.5	5.3	-10.8	-12.4	-20.7	-14.4	-25.1	25.2	1.2	-25.1
Dom. 2W Mkt Sh (%)	36.3	35.3	35.5	37.0	36.1	35.0	35.8	36.7	36.0	35.9	
Net Realization	41,853	42,600	43,682	44,264	43,574	44,759	45,408	46,747	43,027	44,988	46,634
Growth YoY (%)	-2.6	2.9	2.1	3.2	4.1	5.1	4.0	5.6	1.3	4.6	5.4
Cost Break-up											
RM Cost (% of sales)	70.0	69.3	68.8	69.0	69.6	67.7	66.6	69.2	69.3	68.3	67.4
Staff Cost (% of sales)	4.7	4.8	5.5	5.7	5.8	6.2	6.7	7.0	5.1	6.4	6.9
Other Cost (% of sales)	9.7	10.8	11.6	11.8	10.1	11.6	11.8	13.2	10.9	11.6	11.9
Gross Margins (%)	30.0	30.7	31.2	31.0	30.4	32.3	33.4	30.8	30.7	31.7	32.6
EBITDA Margins (%)	15.6	15.2	14.0	13.6	14.4	14.5	14.8	10.6	14.7	13.7	13.9
EBIT Margins (%)	14.0	13.5	12.1	11.7	11.5	11.9	11.9	7.8	7.8	10.9	10

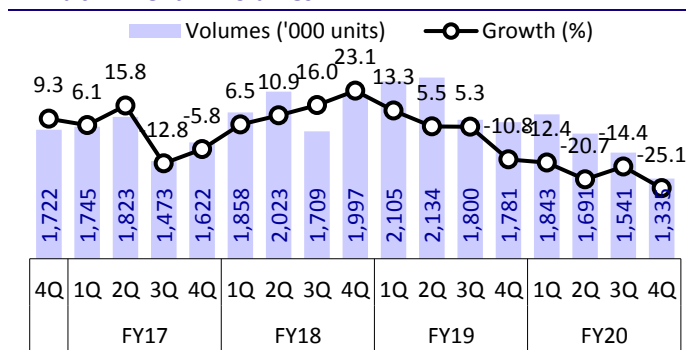
E:MOFSL Estimates

**Key takeaways from earnings call**

- Retail grew in 4Q, while Wholesale declined ~25%.
- **Status of operations:** 90% of outlets are now open, with many dealers reaching 70–80% of pre-COVID-19 retail levels. Retail pick-up has been better than expected; however, these are very early trends and their sustenance is key.
- **EBITDA margins**, ex one-offs, are at 13.5%. 290bps decline during the quarter was led by: a) the BS4 liquidation package of INR1100m to dealers (discount of 10–15k per vehicle) (~160bps), b) provisioning of INR570m for fiscal benefit at the Neemrana plant in other operating income (~80bps), and c) obsolete RM & Fin. Goods inventory (~50bps).
- **Inventory:** The dealer network has the lowest inventory at ~550k BS6 inventory as of 1st Apr.
- **Status of operations:** 90% of outlets are now open, with many dealers reaching 70–80% of pre-COVID-19 retail levels. The retail pickup has been better than expected; however, these are very early trends and their sustenance is key.

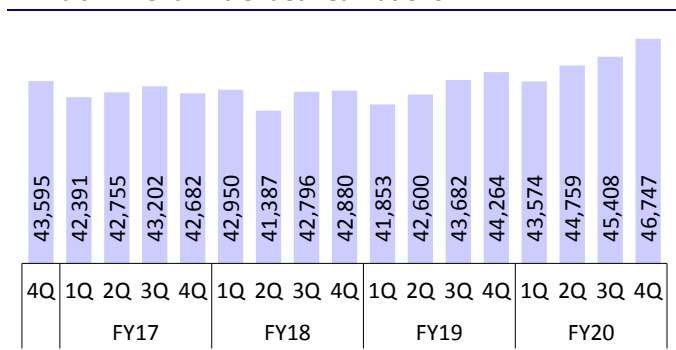
- **Outlook:** It is difficult to take a call on the outlook for FY21. However, the company expects Rural and Semi-Urban to do well.
- Downtrading is being witnessed, and HMCL is well-positioned to benefit from the same.
- **Financing** is at 43% of domestic volumes, and Hero FinCorp has 46% share of financing (v/s 41% in FY19). 2W financing is well-placed, and there is good interest from other BFSI players.
- **The price increase** in May'20 was for improving dealer margins and correcting relative price positioning.
- **Cost-cutting targets** were under Leap-II at 100bp (v/s 50bp in FY20). Also, the company targets a reduction in overheads as well.
- **Capex** for FY21 was revised to ~INR6b (v/s ~INR10b earlier) v/s ~INR13.6b in FY20. The company would not cut investment in R&D / product development.
- **New product launch:** The extreme 160R launch is in the next couple of weeks, and the company targets higher single-digit market share with this product in the premium segment.

Exhibit 1: Trend in volumes



Source: SIAM

Exhibit 2: Trend in blended realizations



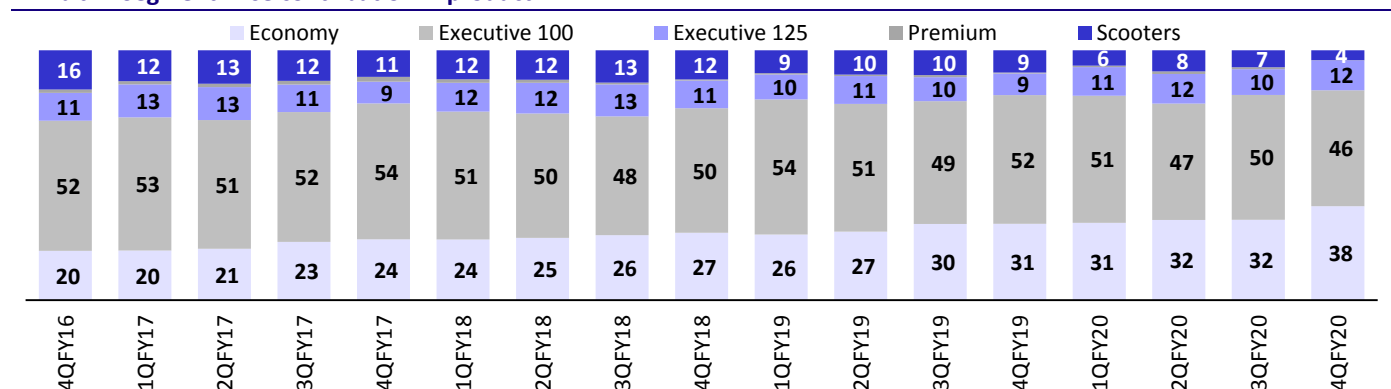
Source: Company, MOFSL

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

	4QFY20	4QFY19	YoY %	3QFY20	QoQ %
Total Motorcycles	1,280	1,616	-20.8	1,436	-10.9
% of total	95.9	89.2		92.9	
Scooters	55	196	-71.9	110	-50.0
% of total	4.1	10.8		7.1	
Total 2Ws	1,335	1,811	-26.3	1,545	-13.7
Of which exports	50	56	(11.5)	36	38.1
% of total	3.7	3.2		2.3	

Source: SIAM

Exhibit 4: Segment-wise contribution in product mix



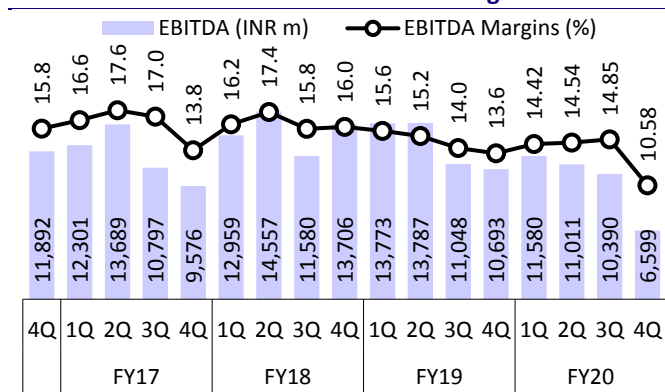
Source: SIAM

Exhibit 5: Segment-wise market share

Segment	4QFY20	4QFY19	Chg YoY (BP)	3QFY20	Chg QoQ (BP)
Economy	63.1	60.3	280	59.0	410
Executive - 100	72.4	85.7	-1,320	82.1	-970
Executive - 125	41.6	39.8	180	38.9	280
Premium	0.4	1.3	-90	3.4	-300
Dom. Motorcycles	51.8	49.8	200	51.4	40
Dom. Scooters	4.3	11.2	-680	7.6	-330
Total 2W (Domestic)	35.8	35.5	40	35.0	80

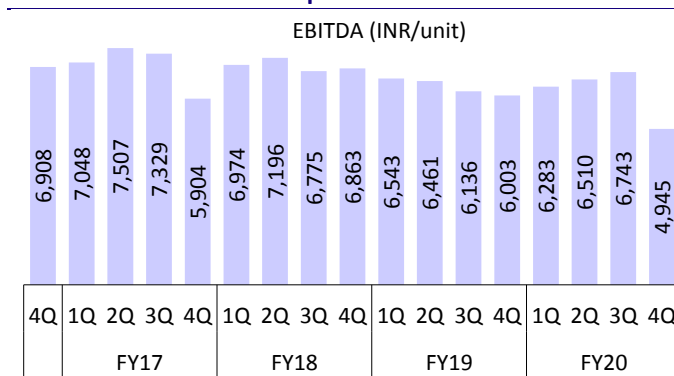
Source: SIAM

Exhibit 6: Trend in EBITDA and EBITDA margins



Source: Company, MOFSL

Exhibit 7: Trend in EBITDA per unit



Source: Company, MOFSL

Valuation and view

- **Foreword on the industry:** We estimate 2W industry volumes to grow at a 5–7% CAGR over the next five years, driven by increasing penetration in the rural markets and replacement demand in the urban markets. We expect Scooters to grow at a 7–9% CAGR and Motorcycles volumes to grow at a 4–6% CAGR over the next five years. Within Motorcycles, we expect the premium segment (>150cc) to grow at a 7–9% CAGR, the entry segment to grow at 4–6%, and the executive segment to grow at just <3%. We believe HMCL would deliver a volume CAGR of 4–5% over the next five years, driven by faster growth in Scooters and ramp-up in exports. HMCL would benefit from rural recovery, with strong brand equity in the economy and executive segments. Expanding its presence in the fast-growing Scooters and Premium Motorcycles segment would further drive volume growth.
- **HMCL to benefit from rural-focused portfolio, but expect value migration from core executive segment to continue:** HMCL is poised for faster recovery than other 2W peers due to its rural-focused portfolio and market leadership in the entry and executive segments. However, we do expect HMCL to grow slower than the industry in the long run due to expectations of continued value migration from its core executive segment (Splendor and Passion). It would be critical for HMCL to improve its competitive positioning in the fast-growing segments of Scooters and Premium Motorcycles, areas yet to see any sustained success.
- **BS6 transition an immediate challenge, EVs a medium-term challenge:** The BS6 transition has narrowed the pricing gap between ICEs and EVs in 2W (particularly 125cc scooters). This poses a threat for incumbents in the Scooters segment (HMSI and TVSL) and an opportunity for OEMs ready with a

compelling e-scooter package. HMCL has a two-pronged strategy for EVs, through Ather Energy as well as its own EV product development plans.

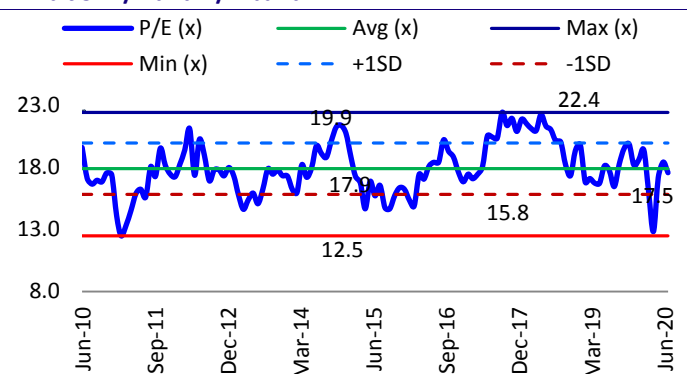
- **Export market to offer huge headroom for growth, but scale-up would be a challenge and back-ended:** HMCL plans to double its target export market to 40 countries from 20 currently over the next few years. While motorcycle exports to emerging markets are a huge opportunity (~2x of the Indian market), HMCL being one of the last entrants may find it difficult to compete against incumbents (especially Bajaj Auto) due to the limited scope to differently position its product. Recovery in some of these markets after their recent currency turmoil works in HMCL's favor.
- **Valuations fair; maintain Neutral:** The steep cut in volumes is offset by low RM cost and cost-cutting initiatives by the management, resulting in no change in EBITDA estimates, with improved EBITDA margins. However, decline in expected other income, partially offset by lower taxes, translates to a marginal downgrade in our EPS estimate by 1.2%/1.5% for FY21/FY22E. Near-term demand uncertainty as well as the increasing threat of electrification would keep earnings as well valuations under check. The stock trades at 18.4x/15.3x FY21/FY22 EPS, which is a fair reflection of the current market condition and expected recovery. Maintain **Neutral**, with a target price of ~INR2,350 (~15x Mar'22 EPS+INR97/share for Hero FinCorp). Our target multiple is at a ~20% discount to the five-year average PE of 18.4x, factoring a changing growth profile, competitive positioning, and changes in the RoE profile.

Exhibit 8: Revised estimates

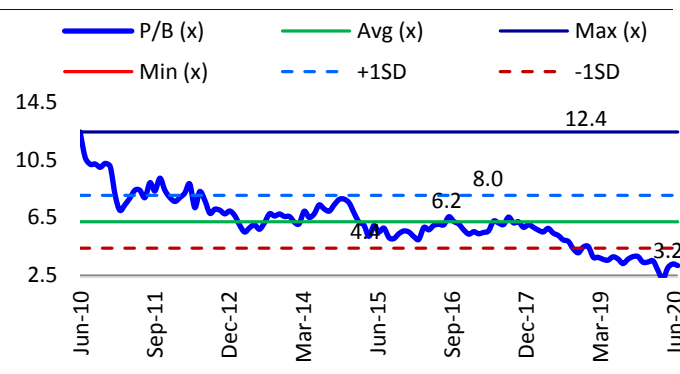
(INR b)	FY21E			FY22E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes ('000 units)	5,361	5,643	-5.0	5,956	6,269	-5.0
Net Sales	259.8	268	-3.2	292.4	301	-2.9
EBITDA	34.1	34	-0.2	41.8	42	0.4
EBITDA Margins (%)	13.1	12.8	40	14.3	13.8	50
Net Profit	24.9	25	-1.2	29.9	30	-1.5
EPS (INR)	124.4	126.0	-1.2	149.5	151.8	-1.5

Source: MOFSL

Exhibit 9: P/E and P/B band



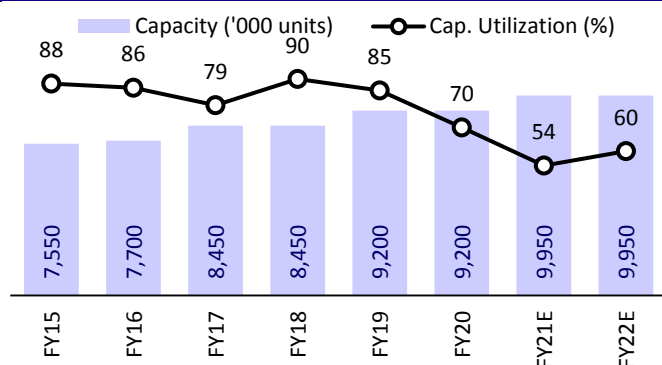
Source: MOFSL



Source: MOFSL

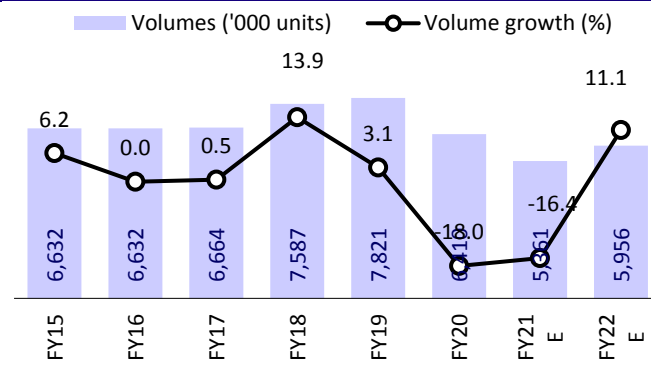
Story in charts

Exhibit 10: Adding capacity ahead of growth



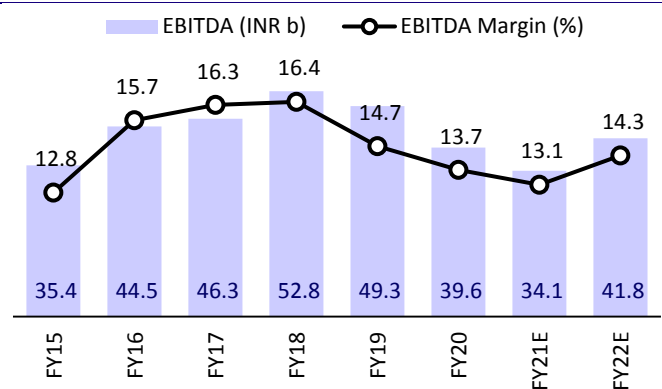
Source: Company, MOFSL

Exhibit 11: Volume sustainability led by rural recovery



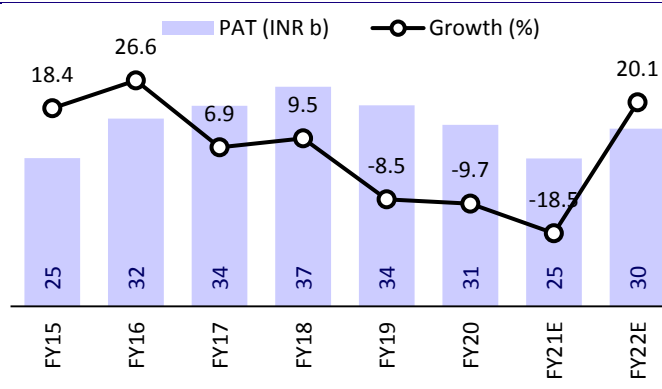
Source: SIAM

Exhibit 12: EBITDA margin trajectory



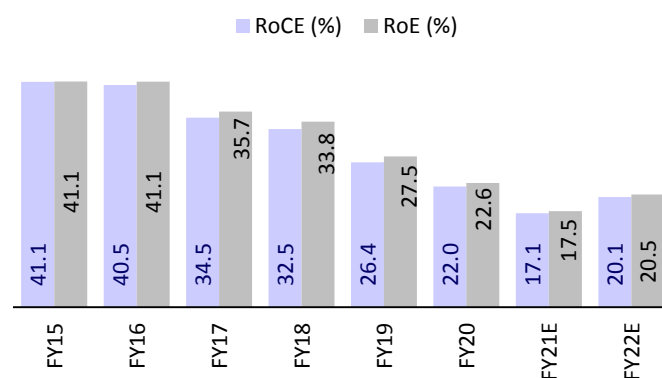
Source: Company, MOFSL

Exhibit 13: PAT growth to be muted



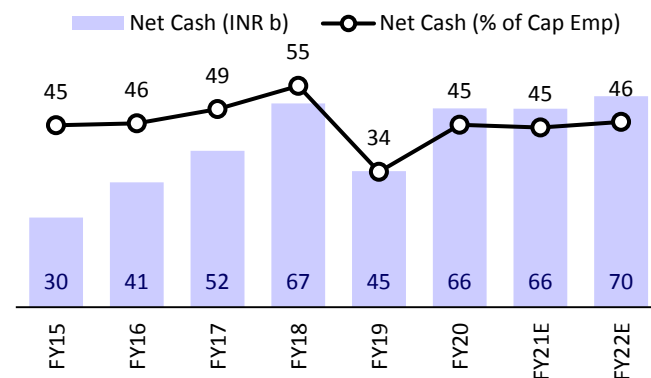
Source: Company, MOFSL

Exhibit 14: Trend in return ratios



Source: Company, MOFSL

Exhibit 15: Trend in cash levels



Source: Company, MOFSL

Exhibit 16: Snapshot of Revenue Model

'000 units	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total M/Cycles	5,800	5,736	5,834	6,677	7,081	5,990	4,983	5,578
Growth (%)	4.7	-1.1	1.7	14.4	6.0	-15.4	-16.8	11.9
% of total volumes	87.5	86.5	87.5	88.0	90.5	93.5	93.0	93.7
Total Scooters	832	896	830	910	740	419	377	377
Growth (%)	17.6	7.7	-7.4	9.7	-18.7	-0.2	-10.0	0.0
% of total volumes	12.5	13.5	12.5	12.0	9.5	6.5	7.0	6.3
Total volumes	6,632	6,632	6,664	7,587	7,821	6,410	5,361	5,956
Growth (%)	6.2	0.0	0.5	13.9	3.1	-18.0	-16.4	11.1
- of which Exports	120	133	141	178	187	162	145	160
% of total volumes	2.0	2.2	2.3	2.6	2.6	2.8	3.0	3.0
Avg. Net Realn (INR/unit)	41,242	42,220	41,991	41,332	41,593	43,966	47,398	48,008
Growth (%)	2.5	2.4	-0.5	-1.6	0.6	5.7	7.8	1.3
Net Revenues (INR b)	274	280	280	314	325	282	254	286
Growth (%)	8.9	2.4	-0.1	12.1	3.7	-13.4	-9.8	12.5

Source: SIAM, Company, MOFSL

Financials and valuations

Income Statement						(INR m)	
Y/E March	2016	2017	2018	2019	2020	2021E	2022E
Volumes ('000)	6,632	6,664	7,587	7,821	6,410	5,361	5,956
Volume Growth (%)	0.0	0.5	13.9	3.1	-18.0	-16.4	11.1
Net Revenues	284,427	285,005	322,305	336,505	288,361	259,805	292,359
Change (%)	3.1	0.2	13.1	4.4	-14.3	-9.9	12.5
EBITDA	44,550	46,348	52,802	49,301	39,580	34,150	41,780
EBITDA Margin (%)	15.7	16.3	16.4	14.7	13.7	13.1	14.3
Depreciation	4,376	4,927	5,556	6,020	8,180	7,210	7,519
EBIT	40,174	41,421	47,246	43,281	31,400	26,940	34,261
Interest cost	49	61	63	86	220	200	150
Other Income	4,224	5,224	5,258	6,913	7,283	5,900	5,300
Non-recurring Expense	0	0	0	0	-7,274	0	0
PBT	44,349	46,585	52,442	50,107	45,737	32,640	39,411
Tax	12,747	12,813	15,468	16,259	9,404	7,728	9,490
Effective Tax Rate (%)	28.7	27.5	29.5	32.4	20.6	23.7	24.1
Adj. PAT	31,602	33,771	36,974	33,849	30,554	24,911	29,921
Change (%)	26.6	6.9	9.5	-8.5	-9.7	-18.5	20.1

Balance Sheet						(INR m)	
Y/E March	2016	2017	2018	2019	2020E	2021E	2022E
Sources of Funds							
Share Capital	399	399	399	400	400	400	400
Reserves	87,945	100,714	117,289	128,172	140,965	142,958	147,549
Net Worth	88,344	101,113	117,689	128,571	141,364	143,358	147,950
Deferred Tax	2,225	4,143	5,117	5,365	3,928	3,928	3,928
Loans	0	0	0	0	0	0	0
Capital Employed	90,569	105,256	122,805	133,936	145,292	147,287	151,878
Application of Funds							
Gross Fixed Assets	91,263	103,772	111,344	116,282	139,447	137,859	145,859
Less: Depreciation	55,420	59,816	64,799	70,097	78,276	85,486	93,005
Net Fixed Assets	35,844	43,956	46,545	46,186	61,171	52,373	52,855
Capital WIP	6,054	4,651	3,184	5,419	3,413	11,000	11,000
Investments	45,810	58,899	75,252	59,686	82,227	82,227	82,227
Curr.Assets, L & Adv.	38,021	39,438	42,407	65,121	40,683	38,264	46,911
Inventory	6,730	6,563	8,236	10,724	10,920	8,354	9,400
Sundry Debtors	12,828	15,619	15,202	28,216	16,031	17,403	19,584
Cash & Bank Balances	1,314	1,367	1,413	1,365	2,419	2,307	6,448
Loans & Advances	498	725	732	850	896	808	909
Others	16,651	15,163	16,823	23,968	10,417	9,392	10,569
Current Liab. & Prov.	35,159	41,686	44,583	42,476	42,201	36,577	41,114
Sundry Creditors	26,506	32,473	33,188	33,553	30,305	27,324	30,748
Other Liabilities	7,681	8,071	9,647	7,161	9,207	6,961	7,834
Provisions	973	1,143	1,747	1,762	2,689	2,292	2,533
Net Current Assets	2,861	-2,249	-2,176	22,646	-1,518	1,687	5,797
Application of Funds	90,569	105,256	122,805	133,936	145,292	147,287	151,878

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2016	2017	2018	2019	2020E	2021E	2022E
Basic (INR)							
EPS	158.2	169.1	185.1	169.5	153.0	124.4	149.5
EPS Growth (%)	26.6	6.9	9.5	-8.5	-9.7	-18.7	20.1
Cash EPS	180.2	193.8	213.0	199.6	222.8	160.4	187.0
Book Value per Share	442.4	506.3	589.3	643.7	707.7	716.1	739.0
DPS	72.0	85.0	95.0	87.0	90.0	95.0	105.0
Payout (Incl. Div. Tax) %	54.8	60.6	61.8	61.9	70.9	92.0	84.7
Valuation (x)							
P/E	14.5	13.6	12.4	13.5	15.0	18.4	15.3
EV/EBITDA	9.2	8.6	7.2	8.0	9.4	11.0	8.9
EV/Sales	1.4	1.4	1.2	1.2	1.3	1.4	1.3
Price to Book Value	5.2	4.5	3.9	3.6	3.2	3.2	3.1
Dividend Yield (%)	3.1	3.7	4.1	3.8	3.9	4.1	4.6
Profitability Ratios (%)							
RoE	41.1	35.7	33.8	27.5	22.6	17.5	20.5
RoCE	40.5	34.5	32.5	26.4	22.0	17.1	20.1
RoIC	85.3	77.3	80.0	53.0	40.0	37.7	50.0
Turnover Ratios							
Debtors (Days)	17	21	18	32	21	26	26
Inventory (Days)	9	9	10	12	15	12	12
Creditors (Days)	34	42	38	36	38	38	38
Working Capital (Days)	4	-3	-2	25	-2	2	7
Asset Turnover (x)	3.1	2.7	2.6	2.5	2.0	1.8	1.9
Fixed Asset Turnover	3.3	2.9	3.0	3.0	2.3	1.9	2.1

Cash Flow Statement

Y/E March	2016	2017	2018	2019	2020E	2021E	2022E
(INR m)							
Profit before Tax	44,349	46,585	52,442	50,107	45,737	32,640	39,411
Depreciation & Amort.	4,376	4,927	5,556	6,020	8,180	7,210	7,519
Direct Taxes Paid	-11,032	-11,865	-14,943	-20,515	-5,443	-7,728	-9,490
(Inc)/Dec in Working Capital	2,504	-1,527	-2,682	-19,189	12,027	-3,317	32
Other Items	1,834	4,129	1,723	-6,634	-6,400	200	150
CF from Oper. Activity	40,280	40,280	39,809	9,791	54,101	29,005	37,622
Extra-ordinary Items		0	0	0		0	0
CF after EO Items	40,280	40,280	39,809	9,791	54,101	29,005	37,622
(Inc)/Dec in FA+CWIP	-14,604	-11,491	-7,992	-9,179	-13,586	-6,000	-8,000
Free Cash Flow	25,676	28,790	31,816	611	40,515	23,005	29,622
(Pur)/Sale of Invest.	-8,203	-7,949	-11,160	22,392	-15,245	0	0
CF from Inv. Activity	-22,807	-19,439	-19,152	13,212	-28,831	-6,000	-8,000
Interest Paid	-49	-61	-63	-86	-874	-200	-150
Dividends Paid	-16,818	-20,896	-20,404	-22,854	-23,323	-22,918	-25,330
CF from Fin. Activity	-16,867	-20,956	-20,467	-22,940	-24,198	-23,118	-25,480
Inc/(Dec) in Cash	606	-116	190	63	1,072	-113	4,141
Add: Beginning Balance	707	270	154	344	407	2,419	2,307
Closing Balance	1,313	154	344	407	1,479	2,305	6,448

E: MOFSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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