

New Delhi, November 12, 2021

HERO MOTOCORP GEARS UP TO LAUNCH ITS ELECTRIC VEHICLE BY MARCH'22; TO BE MANUFACTURED AT ITS PLANT IN CHITTOOR, INDIA

REPORTS REVENUE OF RS. 8,453 CRORE IN Q2'FY22; PAT OF RS.794 CRORE & EBIDTA AT RS.1,066 CRORE ; IMPROVES MARGINS SEQUENTIALLY FROM 9.4% TO 12.6%

Highlights for Q2 FY'22 (July-September'21)

- **Volume** – 14.38 lakh units of motorcycles and scooters sold in Q2 FY'22, growing sequentially by 40.4% vs Q1 FY 22
- **Net Revenue from operations** – Rs.8,453 Crore, a growth of 54.1% over Q1 FY22
- **Earnings Before Interest, Tax, Depreciation, & Amortization (EBITDA)** for the Quarter stood at Rs.1,066 Crore , reflecting 12.6% EBITDA margin and a sequential improvement of 320 bps over Q1 FY22
- **Profit Before Tax (PBT)** - Rs.1,053 Crore
- **Net Profit After Tax (PAT)** - Rs. 794 Crore

Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters, today reported its financial performance for the second quarter (July-September 2021) of the FY' 2022.

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.

Press Release

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).

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.

Highlights (July-September 2021)	
Product Launches	<ul style="list-style-type: none"> Launched Glamour 'Xtec' motorcycle Launched an advanced, 'connected', and feature-rich new Maestro Edge 125
Global Operations	<ul style="list-style-type: none"> Hero MotoCorp started retail sales in the key market of Mexico
Global Milestones	<ul style="list-style-type: none"> During the quarter, Hero MotoCorp achieved two consecutive recognitions from the Guinness World Record for creating the 'Largest Motorcycle Logo' in August 2021 and for creating the 'Largest Online Photo Album of People Planting Plants' in September 2021
Sales Milestone	<ul style="list-style-type: none"> Continuing its 10th anniversary celebrations, Hero MotoCorp sold a record more than one lakh units of motorcycles and scooters in retail sales in a single day on August 9th
Harley-Davidson	<ul style="list-style-type: none"> Hero MotoCorp expanded the touch points and service centers for Harley-Davidson customers in India with 14 full-fledged dealerships and seven authorized service centers across the country

CSR Initiatives	<ul style="list-style-type: none"> • Under its CSR platform “Hero We Care”, Hero MotoCorp Extended its support towards the creation of a 50-bed COVID Ward and ICU at the Janakpuri Super Specialty Hospital, New Delhi • Under “Hero We Care” Hero MotoCorp had partnered with the district administration in Haridwar, Uttarakhand, to administer 5000 doses of vaccines in a phased manner to the people in the city • Launched Project ‘Corona Warriors on Wheels’ under “Hero We Care” and handed over 70 two-wheelers to Haryana Government • Hero MotoCorp handed over 13 life-support ambulances to the Government of Uttarakhand under “Hero We Care” • Hero MotoCorp announced welfare measures to support children who lost one or both of their parents or guardians and women who lost their spouses to Covid-19 in the district of Rajasthan and Uttarakhand. • The program was designed to support women of the affected families by creating supportive conditions to maintain their livelihoods, providing them essential services such as food security and nutrition along with education for their children
Ride for Real Heros	<ul style="list-style-type: none"> • Hero MotoCorp announced an iconic global ride ‘Ride for Real Heroes’ to honour the frontline healthcare warriors across the world • The riders who participated in ‘Ride for Real Heroes’ distributed Covid-19 safety kits to the healthcare workers including doctors and medical personnel in 100 cities and towns across the world
Hero MotoSports	<ul style="list-style-type: none"> • Hero MotoSports Team Rally registered a podium finish at the Silk Way Rally 2021 with Franco Caimi claiming the 3rd position. Sebastian Buhler finished the rally in the 5th position and Joaquim Rodrigues in 9th

For more information, please visit:

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HERO MOTOCORP LIMITED

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

(Rupees in crore)

		Quarter ended			Half year ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1	No. of Two wheelers sold (In Lakhs)	14.38	10.25	18.22	24.63	23.87	58.00
2	Income						
	(a) Revenue from operations	8,453.40	5,487.07	9,367.34	13,940.47	12,338.88	30,800.62
	(b) Other income	156.93	138.59	141.33	295.52	289.79	579.85
	Total income	8,610.33	5,625.66	9,508.67	14,235.99	12,628.67	31,380.47
3	Expenses						
	(a) Cost of materials consumed	6,069.65	4,134.72	6,689.09	10,204.37	8,560.54	21,875.33
	(b) Purchase of stock in trade	13.83	14.42	-	28.25	-	30.46
	(c) Change in inventories of finished goods, stock in trade and work-in-progress	26.88	(169.53)	(29.14)	(142.65)	193.34	(143.46)
	(d) Employee benefits expense	505.44	435.67	511.24	941.11	893.61	1,898.72
	(e) Finance costs	6.54	6.09	4.64	12.63	10.90	21.84
	(f) Depreciation and amortisation expense	163.87	162.98	173.15	326.85	343.91	676.87
	(g) Other expenses	771.24	556.96	909.74	1,328.20	1,296.93	3,120.33
	Total expenses	7,557.45	5,141.31	8,258.72	12,698.76	11,299.23	27,480.09
4	Profit before tax (2-3)	1,052.88	484.35	1,249.95	1,537.23	1,329.44	3,900.38
5	Tax expense						
	Current tax	255.95	117.75	255.27	373.70	271.07	924.92
	Deferred tax	2.53	1.16	41.23	3.69	43.61	11.26
	Total Tax Expense	258.48	118.91	296.50	377.39	314.68	936.18
6	Profit after tax (4-5)	794.40	365.44	953.45	1,159.84	1,014.76	2,964.20
7	Other comprehensive income /(expense) [net of tax]						
	Items that will not be reclassified to profit or loss:-	(5.53)	(5.53)	(8.34)	(11.06)	(16.68)	(21.06)
	Items that will be reclassified to profit or loss:-	-	-	-	-	-	-
8	Total comprehensive income (6+7)	788.87	359.91	945.11	1,148.78	998.08	2,943.14
9	Paid-up equity share capital	39.96	39.96	39.95	39.96	39.95	39.96
	Face value of the share (In Rupees)	2.00	2.00	2.00	2.00	2.00	2.00
10	Total Reserves						15,158.47
11	Earning per equity share on profit after tax (face value Rs. 2/- each) (In Rupees)						
	Basic	39.76	18.29	47.73	58.05	50.80	148.39
	Diluted	39.75	18.29	47.73	58.04	50.80	148.37

Hero MotoCorp Ltd.

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Unaudited Standalone Statement of Assets and Liabilities

(Rupees in crores)

Particulars		As at September 30, 2021	As at March 31, 2021
		Un-Audited	Audited
ASSETS			
1	Non-current assets		
	(a) Property, plant and equipment	5,124.22	5,293.40
	(b) Capital work-in-progress	171.30	177.86
	(c) Right of Use of Assets	392.07	404.75
	(d) Other Intangible assets	279.61	290.26
	(e) Intangible assets under development	316.12	258.73
	(f) Financial assets		
	(i) Investments	4,281.42	4,308.18
	(ii) Loans	15.57	16.73
	(iii) Others	34.97	35.50
	(g) Income tax assets (net)	338.21	368.19
	(h) Other non-current assets	114.28	54.66
	Total Non - Current Assets	11,067.77	11,208.26
2	Current assets		
	(a) Inventories	1,535.66	1,469.55
	(b) Financial assets		
	(i) Investments	5,450.33	6,191.49
	(ii) Trade receivables	3,670.19	2,426.76
	(iii) Cash and cash equivalents	219.64	169.22
	(iv) Bank balances other than (iii) above	77.38	87.93
	(v) Loans	21.41	22.95
	(vi) Others	438.69	371.52
	(c) Other current assets	149.56	213.37
	Total Current Assets	11,562.86	10,952.79
	Total Assets	22,630.63	22,161.05
EQUITY AND LIABILITIES			
1	Equity		
	(a) Equity Share capital	39.96	39.96
	(b) Other equity	15,616.73	15,158.47
	Total Equity	15,656.69	15,198.43
2	LIABILITIES		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Lease Liability	123.59	129.81
	(ii) Other Financial Liabilities	147.78	146.04
	(b) Provisions	162.87	172.46
	(c) Deferred tax liabilities (net)	407.78	404.09
	Total Non - Current Liabilities	842.02	852.40
3	Current liabilities		
	(a) Financial liabilities		
	(i) Lease Liability	17.47	19.70
	(ii) Trade payables		
	Total outstanding dues of micro and small enterprises	29.21	15.71
	Total outstanding dues of creditors other than micro and small enterprises	5,200.88	5,188.90
	(iii) Other financial liabilities	133.51	159.53
	(b) Other current liabilities	551.94	566.01
	(c) Provisions	198.91	160.37
	Total Current Liabilities	6,131.92	6,110.22
	Total Equity and Liabilities	22,630.63	22,161.05

Unaudited Standalone Statement of Cash Flows for the half year ended September 30, 2021

Particulars	(Rupees in crores)	
	Half year ended September 30, 2021	Half year ended September 30, 2020
	Un-audited	Un-audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	1,159.84	1,014.76
Adjustments for:		
Add: Depreciation and amortisation	326.85	343.91
Tax expense	377.39	314.68
Loss on property, plant and equipments sold/discarded	8.93	2.58
Finance cost	12.63	10.90
Employee stock compensation cost	6.67	5.20
Loss allowance on trade receivables	-	23.63
	732.47	700.90
Less: Interest income on financial assets carried at amortised cost	86.19	29.03
Dividend income	5.39	12.88
Profit on sale of investments	44.25	44.37
Gain on investments carried at fair value through profit or loss	141.76	203.23
Profit on sale of property, plant and equipment	0.28	0.28
	277.87	289.79
Operating profit before working capital changes	1,614.44	1,425.87
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories	(66.11)	114.33
Trade receivables	(1,243.43)	(595.48)
Loans-Current	1.54	0.12
Loans-Non-Current	1.16	5.28
Other financial assets	(66.64)	(47.99)
Other current assets	63.81	86.18
Other non-current assets	(5.36)	(2.89)
	(1,315.03)	(440.45)
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	25.48	2,463.49
Other financial liabilities-Current	0.16	(1.75)
Other current liabilities	(14.07)	193.74
Current provisions	38.54	115.33
Non current provisions	(24.37)	(26.62)
	25.74	2,744.19
Cash generated from operations	325.15	3,729.61
Less: Direct taxes paid (net of refund)	340.00	290.37
Net cash (used in)/ generated from operating activities	(14.85)	3,439.24
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, intangible assets, capital work in progress and intangible assets under development including capital advances	(270.26)	(251.78)
Proceeds from sale of property, plant and equipment	9.98	2.24
Sale of investments	21,107.16	20,535.37
Purchase of investments	(20,153.23)	(22,678.16)
Investment in associates	-	(84.00)
Interest income on financial assets carried at amortised cost	86.19	29.03
Dividend income	5.39	12.88
Net cash generated from/ (used in) investing activities	785.23	(2434.42)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(12.63)	(10.90)
Repayment of lease liabilities	(10.14)	(17.98)
Dividend paid	(699.26)	(499.35)
Proceeds from issue of equity share capital (including securities premium)	2.07	1.79
Net cash (used) in financing activities	(719.96)	(526.44)
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	50.42	478.38
Cash and cash equivalents at the beginning of the period	169.22	147.91
Cash and cash equivalents at the end of the period	219.64	626.29