Retail Equity Research

GEOJIT
PEOPLE YOU PROSPER WITH

Hero MotoCorp Limited

BUY

Sector: Automobiles

21st May, 2026

Key Changes	Target ▲	Rating ●	Earnings ▲

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	HMCL:IN	75,183	HEROMOTOCO	500182	12 Months

Target	**Rs. 5,688**
CMP	**Rs. 4,970**
Return	**14%**

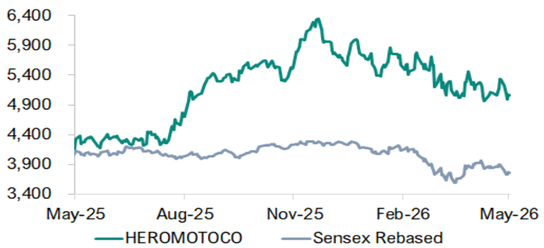
Data as of: 21-May-2026, 17:00 hrs

Company Data	
Market Cap (Rs.cr)	99,455
52 Week High — Low (Rs.)	6,390 - 4,160
Enterprise Value (Rs. cr)	99,247
Outstanding Shares (cr)	20.0
Free Float (%)	64.2
Dividend Yield (%)	3.5
6m average volume (cr)	0.1
Beta	1.2
Face value (Rs.)	2.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	34.7	34.7	34.7
FII's	26.4	29.4	31.2
MFs/Institutions	28.8	26.4	24.8
Public	8.2	8.1	8.1
Others	1.9	1.3	1.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-9.2%	-8.4%	17.2%
Absolute Sensex	-8.9%	-11.0%	-8.8%
Relative Return	-0.3%	2.6%	26.0%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	46,830	51,923	56,376
Growth (%)	*14.9*	*10.9*	*8.6*
EBITDA	6,871	7,374	8,276
EBITDA Margin (%)	*14.7*	*14.2*	*14.7*
PAT Adjusted	5,387	5,741	6,530
Growth (%)	*16.9*	*6.6*	*13.8*
Adjusted EPS	269.2	286.9	326.4
Growth (%)	*16.8*	*6.6*	*13.8*
P/E	18.8	17.7	15.5
P/B	4.7	4.3	3.8
EV/EBITDA	14.7	13.7	12.2
ROE (%)	*24.4*	*24.3*	*24.8*
D/E	0.0	0.0	0.0

Expanding reach across mobility categories

Hero MotoCorp is India's leading two-wheeler manufacturer in terms of unit volume sales in a calendar year. It holds a dominant share in the country's motorcycle market. The company has seven manufacturing facilities, including five in India and one each in Colombia and Bangladesh.

- Revenue from operations grew 28.8% YoY to Rs. 12,797cr in Q4FY26, driven by healthy volume growth and better realisations, aided by new product launches.
- In Q4FY26, motorcycle volumes rose 21.3% YoY to 1,528,028 units, while scooter volumes surged 53.6% YoY to 186,257 units, aided by strong demand momentum and market-share gains, particularly in scooters and electric scooters, led the growth.
- Domestic volumes increased 24.2% YoY to 1,589,681 units, while international volumes grew 23.6% YoY to 124,605 units.
- EBITDA rose 31.1% YoY to Rs. 1,856cr, with EBITDA margin improved 30bps YoY to 14.5%, supported by operating leverage, pricing, and LEAP cost savings (overall margin after Rs. 220cr investment in electric vehicles).
- Reported PAT increased 29.6% YoY to Rs. 1,401cr, primarily driven by higher topline.

Outlook and Valuation

Hero MotoCorp's Q4FY26 performance highlights sustained momentum across core and emerging segments, supported by healthy traction in premium motorcycles, scooters and international markets. The company is steadily building a more diversified mobility portfolio beyond its traditional commuter base through product refreshes, premium offerings and a deeper foray into electric mobility. Continued investment in VIDA (its electric vehicle platform), the Harley-Davidson partnership and global market expansion further strengthen its long-term positioning. The company is also expanding its premium dealership network and improving its presence in the 125cc+ segment, while launches across motorcycles and scooters enhance customer reach across urban and aspirational markets. Therefore, **we reiterate our BUY rating on the stock with a rolled-forward target price of Rs. 5,688 based on SOTP valuation.**

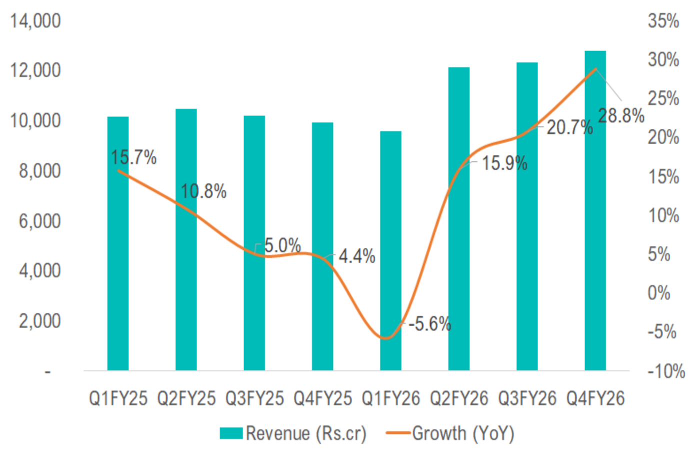
Quarterly Financials Standalone

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	12,797	9,939	*28.8*	12,328	*3.8*	46,830	40,756	*14.9*
EBITDA	1,856	1,416	*31.1*	1,810	*2.5*	6,871	5,868	*17.1*
Margin (%)	*14.5*	*14.2*	*30bps*	*14.7*	*-20bps*	*14.7*	*14.4*	*30bps*
EBIT	1,652	1,223	*35.0*	1,606	*2.9*	6,073	5,092	*19.3*
PBT	1,855	1,442	*28.6*	1,777	*4.4*	6,972	6,128	*13.8*
Rep. PAT	1,401	1,081	*29.6*	1,349	*3.9*	5,268	4,610	*14.3*
Adj PAT	1,401	1,081	*29.6*	1,468	*-4.6*	5,387	4,610	*16.9*
Adj. EPS (Rs)	70.0	54.0	*29.6*	72.2	*-3.1*	269.2	230.5	*16.8*

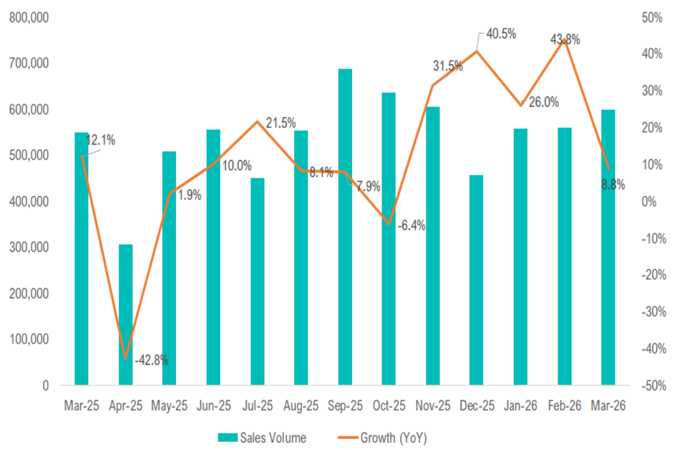
Key concall highlights

- Management expects high single-digit two-wheeler industry growth in FY27 with scooters outpacing motorcycles. It noted demand momentum had remained intact into April / early May supported by structural drivers (urbanisation, gig economy and e-commerce), with Hero aiming to outperform the industry.
- In Q4FY26, the average selling price rose 3.7% YoY to Rs. 74,646 and 2.7% QoQ.
- The company expects multiple product launches in FY27 across VIDA, premium motorcycles and scooters, following nine launches and multiple refreshes in FY26.
- Q4FY26 EBITDA margin for ICE (internal combustion engine) vehicles improved 100bps YoY to ~17%. Management highlighted ~100bps sequential gross margin pressure in Q4FY26 from broad-based commodity inflation (aluminium / steel / rubber / plastics), only partly offset by ~2% price hikes. It guided for near-term transitory pressure while reiterating 14–16% medium-term EBITDA margin.
- Management expected for ~Rs. 15bn capex in FY27 to expand capacity (notably scooters and EVs), alongside continued investment in new products, brand building and technology. It also committed ~Rs. 7bn to set up a new global parts centre in south India to scale the parts/accessories business.

Revenue



Sales Volume – Monthly



SOTP (Sum of the parts)

Particulars	Basis	Ownership	Multiple	Year	Value (Rs Cr)	Value/share (Rs)
Standalone	P/E	100%	16x	FY28E	103,176	5,159
Implied Equity Value					**103,176**	**5,159**
Hero Fincorp	P/B	41.15%	0.5x	FY28E	1,956	98
Ather Energy ltd	MCap/Sales	30.07%	5x	FY28E	11,284	564
Total (Hero Fincorp and Ather Energy ltd)					**13,240**	**662**
Deduct: Holding Discount		20.00%			2,648	132
Implied Equity Value (SOTP)					**113,768**	**5,688**
					Up / (Down side)	**14%**

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	48,368	-	51,923	56,376	*7.4*	-
EBITDA	7,037	-	7,374	8,276	*4.8*	-
Margins (%)	*14.5*	-	*14.2*	14.7	*-21bps*	-
Adj. PAT	5,406	-	5,741	6,530	*6.2*	-
EPS	270.3	-	286.9	326.4	*6.1*	-

Standalone Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**37,456**	**40,756**	**46,830**	**51,923**	**56,376**
% change	*10.8*	*8.8*	*14.9*	*10.9*	*8.6*
EBITDA	**5,256**	**5,868**	**6,871**	**7,374**	**8,276**
% change	*31.8*	*11.6*	*17.1*	*7.3*	*12.2*
Depreciation	711	776	798	872	956
EBIT	**4,544**	**5,092**	**6,073**	**6,502**	**7,321**
Interest	19	20	23	24	25
Other Income	733	1,056	922	1,176	1,412
PBT	**5,258**	**6,128**	**6,972**	**7,654**	**8,707**
% change	*35.7*	*16.5*	*13.8*	*9.8*	*13.8*
Tax	1,290	1,518	1,704	1,914	2,177
Tax Rate (%)	*24.5*	*24.8*	*24.4*	*25.0*	*25.0*
Reported PAT	**3,968**	**4,610**	**5,268**	**5,741**	**6,530**
PAT att. to common shareholders	3,968	4,610	5,268	5,741	6,530
Adj.*	160	-	119	-	-
Adj. PAT	**4,128**	**4,610**	**5,387**	**5,741**	**6,530**
% change	*41.8*	*11.7*	*16.9*	*6.6*	*13.8*
No. of shares (cr)	20.0	20.0	20.0	20.0	20.0
Adj EPS (Rs.)	**206.5**	**230.5**	**269.2**	**286.9**	**326.4**
% change	*41.9*	*11.6*	*16.8*	*6.6*	*13.8*
DPS (Rs.)	140.0	165.0	185.0	192.2	212.1

Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	609	353	604	910	1,168
Accts. Receivable	2,703	3,674	2,593	2,960	3,326
Inventories	1,444	1,458	1,858	2,110	2,338
Other Cur. Assets	5,040	7,351	13,059	14,613	17,122
Investments	8,812	8,299	7,222	7,122	7,022
Gross Fixed Assets	10,746	11,256	12,250	13,677	14,918
Net Fixed Assets	5,305	5,342	5,544	6,133	6,459
CWIP	121	107	117	129	142
Intangible Assets	888	945	1,048	1,090	1,135
Def. Tax -Net	-	-	-	-	-
Other Assets	649	391	199	211	224
Total Assets	**25,572**	**27,920**	**32,244**	**35,277**	**38,936**
Current Liabilities	6,268	6,541	8,708	9,618	10,454
Provisions	317	489	690	697	704
Debt Funds	566	574	685	703	722
Other Liabilities	435	510	583	612	697
Equity Capital	40	40	40	40	40
Res. & Surplus	17,946	19,767	21,538	23,607	26,320
Shareholder Funds	17,986	19,807	21,578	23,647	26,360
Minority Interest	-	-	-	-	-
Total Liabilities	**25,572**	**27,920**	**32,244**	**35,277**	**38,936**
BVPS	900	990	1,078	1,182	1,317

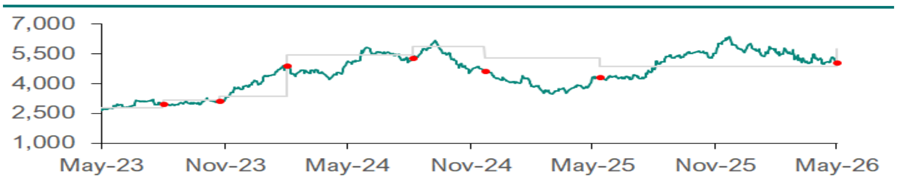
Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**4,679**	**5,386**	**6,066**	**6,613**	**7,486**
Non-cash adj.	-664	-251	-385	-1,710	-2,492
Other adjustments	-	-	-	-	-
Changes in W.C	891	-953	2,633	410	174
C.F. Operation	**4,907**	**4,182**	**8,315**	**5,312**	**5,168**
Capital exp.	-710	-810	-994	-1,428	-1,240
Change in inv.	-1,548	-1,290	-3,826	100	100
Other invest.CF	457	514	314	-	-
C.F - Investment	**-1,802**	**-1,586**	**-4,505**	**-1,328**	**-1,140**
Issue of equity	10	7	2	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-2,699	-2,800	-3,501	-3,702	-3,846
Other finance.CF	-45	-54	-68	23	77
C.F - Finance	**-2,733**	**-2,847**	**-3,567**	**-3,678**	**-3,769**
Chg. in cash	372	-251	243	306	258
Closing Cash	**609**	**353**	**604**	**910**	**1,168**

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	14.0	14.4	14.7	14.2	14.7
EBIT margin (%)	12.1	12.5	13.0	12.5	13.0
Net profit mgn.(%)	10.6	11.3	11.2	11.1	11.6
ROE (%)	22.1	23.3	24.4	24.3	24.8
ROCE (%)	24.5	25.0	27.3	26.7	27.0
W.C & Liquidity					
Receivables (days)	26.3	32.9	20.2	20.8	21.5
Inventory (days)	20.7	19.7	21.5	21.7	22.3
Payables (days)	79.3	75.1	86.9	88.0	88.7
Current ratio (x)	1.5	1.9	2.0	2.0	2.2
Quick ratio (x)	1.2	1.6	1.7	1.7	1.9
Turnover &Leverage					
Gross asset T.O (x)	3.6	3.7	4.0	4.0	3.9
Total asset T.O (x)	1.5	1.5	1.6	1.5	1.5
Int. covge. ratio (x)	245.6	255.6	266.8	272.1	289.0
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	1.3	1.8	2.2	1.9	1.8
EV/EBITDA (x)	8.9	12.7	14.7	13.7	12.2
P/E (x)	11.4	16.1	18.8	17.7	15.5
P/BV (x)	2.6	3.8	4.7	4.3	3.8

Recommendation Summary - (Last 3 years)



Dates	Rating	Target
11-May-23	HOLD	2,795
16-Aug-23	HOLD	3,176
07-Nov-23	HOLD	3,367
16-Feb-24	BUY	5,435
21-Aug-24	BUY	5,877
06-Dec-24	BUY	5,269
27-May-25	BUY	4,865
21-May-26	BUY	5,688

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, Antu Eapen Thomas, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please Click here

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly GIL's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

Regulatory Disclosures:

Geojit Investments Limited is a wholly owned subsidiary of Geojit Financial Services Limited. Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services) and Aloula Geojit Capital Company (a joint venture in Saudi Arabia under liquidation). Geojit Investments Limited is an investment services company with memberships in National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) and National Commodity & Derivatives Exchange (NCDEX). GIL offers advanced trading and investing platforms, and in-depth research reports & recommendations on equities, commodities, currencies and bonds. As a depository participant of NSDL and CDSL, GIL offers comprehensive investment related services like de-materialization, transmission and, hassle free distribution of benefits from corporate actions. In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities. In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision

1. **Disclosures regarding Ownership:**

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. **Disclosures regarding Compensation:**

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. **Disclosure by GIL regarding the compensation paid to its Research Analyst:**

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company**: It is affirmed that I, Antu Eapen Thomas, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. **Disclosure regarding conflict of interests:** GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. **Standard Warning:** "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports. Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

ANTU EAPAN THOMAS Digitally signed by ANTU EAPAN THOMAS Date: 2026.05.21 17:40:21 +05'30'

Step 1: The client should first contact the RA using the details on its website or following contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances:grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at https://smartodr.in

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567; Depository Participant : IN-DP-781-2024.