



# Hero MotoCorp Ltd

## Q4 - a mixed picture, positive checkboxes are increasing!

Q4FY22 numbers were below estimates majorly due to poor operational performance largely on account of substantial increase in other expenses, while efforts on RMC management is commendable. Going forward, commodity/cost inflation, rising competitive pressures, along with an increase in interest rates & vehicle prices are cause of concern. On the better side, domestic demand is showing signs of resilience, Hero has been gaining market share in exports (strong outlook), 360-degree efforts on EVs should provide an edge. Increase in the students demand, rural uptick (green shoots visible) & ongoing marriage season (better) can turn the table positively for revival in domestic demand. Realistically projected, built-in near term challenges & still found the company is trading at an inexpensive valuation of 14.2x FY24e EPS. Recommend ACCUMULATE!

### Domestic demand momentum is gathering pace with green shoots visible in rural

- We have analyzed past few years and found that Hero MotoCorp has a high positive correlation of ~0.64x with tractor sales. It means Hero's sales has a high dependency on rural sentiments.
- Presently noticed green shoots in rural (~50% Hero's sales) with better crop prices, increased sales in April/May festivals, positive response in the ongoing marriage season, among other factors.
- Students demand (~10% of volumes) should pickup in FY23, all sectors in the economy are back to normal, plans to launch new products, network expansion & recovery in rural to increase volumes in the new financial year.

### Exports supporting well with gaining market share & strong outlook ahead

- We appreciate the efforts of Hero in turning around exports by changing its strategy of providing customized products & increasing reach in the focused markets.
- Its market share increased from 5.1% in FY20 to 5.8% in FY21 & 6.8% in FY22. Exports will continue to see double-digit growth for the next two years as Hero is now on the right path.

### Special emphasis on EVs, premiumization & scooters will deal with the competition

- EVs remain the core focus with in-house development, investment in Ather, Gogoro JV, collaboration for design, battery pack plans, etc. to provide an edge over competitors.
- Hero to use its existing unmatched distribution channels for EV sales is extremely positive.
- Xpulse is in high demand with queue waiting, joint product with Harley is on track, and have plans to launch a few more products especially in premium motorcycles should outperform competition.
- On scooters, refreshed premium launches viz. Pleasure Xtec, Destini Xtec & Maestro xTech should hopefully push volumes in this category.

### Incorporated near-term challenges, worth taking a bet

- We believe Hero MotoCorp is trading at a justifiable valuation of 14.2x FY24e, and suggest its worth taking stake looking at the efforts to fast fill its white spaces viz. exports, premiumization & scooters, along with not leaving any stone unturned for EVs.
- Realistically projected looking at the current demand situation. Assigned 16x FY24e EPS of Rs 169 (valued Hero FinCorp separately), to arrive at a target price of Rs 2,770 per share.

Y/E Mar (Rs Mn)	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY22	QoQ (%)	Q4 FY22e	Var. (%)
Volumes (No)	11,88,884	15,68,242	(24.2)	12,92,136	(8.0)	11,88,884	-
Blended realization (Rs)	62,426	55,387	12.7	61,010	2.3	62,535	(0.2)
EBITDA/unit (Rs)	6,961	7,723	(9.9)	7,430	(6.3)	7,686	(9.4)
<b>Total Income</b>	<b>74,217</b>	<b>86,860</b>	<b>(14.6)</b>	<b>78,833</b>	<b>(5.9)</b>	<b>74,347</b>	<b>(0.2)</b>
Gross margin (%)	30.7	29.6	114 bps	29.0	168 bps	-	-
<b>EBITDA</b>	<b>8,276</b>	<b>12,112</b>	<b>(31.7)</b>	<b>9,600</b>	<b>(13.8)</b>	<b>9,138</b>	<b>(9.4)</b>
EBITDA margin (%)	11.2	13.9	(279) bps	12.2	(103) bps	12.3	(114) bps
Other income	1,398	874	59.9	1,216	14.9	-	-
<b>PBT</b>	<b>8,022</b>	<b>11,291</b>	<b>(29.0)</b>	<b>9,107</b>	<b>(11.9)</b>	-	-
Taxes paid	1,752	2,642	(33.7)	2,246	(22.0)	-	-
Effective tax rate (%)	21.8	23.4	(156) bps	24.7	(282) bps	-	-
<b>Reported PAT</b>	<b>6,271</b>	<b>8,650</b>	<b>(27.5)</b>	<b>6,861</b>	<b>(8.6)</b>	<b>6,644</b>	<b>(5.6)</b>
PAT margin (%)	8.4	10.0	(151) bps	8.7	(25) bps	8.9	(49) bps

Source: Company, SMIFS Institutional Research

Y/E Mar (Rs Mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY20	288,361	(14.3)	39,580	13.7	36,333	7.3	182	22.9	22.0	13.6	10.4
FY21	308,006	6.8	40,192	13.0	29,642	(18.4)	148	20.2	19.3	19.4	11.6
FY22	292,455	(5.0)	33,688	11.5	24,730	(16.6)	124	16.0	15.2	22.0	12.9
FY23e	320,381	9.5	39,289	12.3	28,824	16.6	144	17.7	17.0	16.7	9.2
FY24e	354,991	10.8	46,089	13.0	33,850	17.4	169	19.5	18.8	14.2	7.6

Source: Company, SMIFS Institutional Research Estimates

Rating: Accumulate Upside: 14.8%  
Current Price: 2,412 Target Price: 2,770

#### Earlier recommendation

Previous Rating: Accumulate  
Previous Target Price: 3,050

#### Market data

Bloomberg:	HMCL IN
52-week H/L (Rs):	3,089/2,148
Mcap (Rs bn/USD bn):	482/6.3
Shares outstanding (mn):	200
Free float:	65.0%
Daily vol. (3M Avg):	0.62mn
Face Value (Rs):	2
Group:	Nifty 50

Source: Bloomberg, SMIFS Institutional Research

#### Shareholding pattern (%)

	Mar-22	Dec-21	Sep-21	Jun-21
Promoter	34.8%	34.8%	34.8%	34.8%
FIIs	29.2%	29.6%	32.3%	34.9%
DIIs	24.2%	23.7%	21.9%	20.2%
Public/others	11.8%	11.9%	11.0%	10.1%

Source: BSE

#### Price performance (%) \*

	1M	3M	12M	36M
Nifty 50	-8%	-5%	15%	42%
HMCL	4%	-11%	-13%	-6%

\* As on 04<sup>th</sup> May 2022; Source: AceEquity, SMIFS Research

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## Q4FY22 – Key takeaways from the management call

### Domestic demand, industry & core products outlook

- ✓ Macros indicators, GST, E-way bill, among other things has picked up. All sectors in the economy have opened up, decent forecast for monsoon, consumer confidence is bouncing back.
- ✓ Expect the 2W industry to grow in double digit in FY23 driven by under-penetration and faster growth in the economy. Solid growth expected for the near future. ICE industry to witness growth for the next two years.
- ✓ Replacement demand will be big, fundamental growth levers are intact, rural income is good with higher crop prices, among other factors to drive growth ahead.
- ✓ Hero to launch new products before festivals, expanding secondary networks and will grow ahead of the industry.
- ✓ Entry segment recovered with continued higher sales from Splendor and market share improved.
- ✓ Festivals in April & start of the May months were good, retails were higher. Inventory has come down from 7-8 weeks to 6-7 weeks. Expect April & May retails to be good due to festivals.

### Premium motorcycles, scooters and EVs

- ✓ Continue to build a premium portfolio. Xpulse is in high demand, well accepted by the market & have waiting queue. Hero is expanding adventure segment. Xtreme retails are better.
- ✓ Work on the Harley Davidson – Hero joint product is on track, but launch timing not disclosed.
- ✓ The management is pleased with the way the whole premium portfolio is shaping up.
- ✓ On scooters, brought down inventory in Q4FY22. Will continue to work on scooters segment to improve market share.
- ✓ Had excellent launch of Pleasure Xtec, will further strengthen 110cc segment with more launches.
- ✓ In 125cc scooters, Destini Xtec scooter received very positive response and is already shipped to dealers showrooms. Maestro Xtec connected model is a powerful one.
- ✓ With this lineup, scooter segment will really going to have some mark.
- ✓ On electric vehicles, the primary focus will be on quality & safety, apart from giving competitive features & pricing. To launch the Vida brand product on 1<sup>st</sup> July 2022.
- ✓ On Gogoro JV, will have a launch in FY23.
- ✓ No industry can have 30-40 players, and will see consolidation.
- ✓ There is no official communication by the Government banning new electric vehicle product launch. The Government is examining scooters, which burnt in fire.

### Exports outlook

- ✓ Confident of it being a key driver of growth. Growth trajectory will be robust & solid.

- ✓ FY22 done better than the competition and Hero is on the right path now.

### Margin

- ✓ Gross margins improved QoQ as well as YoY on account of the combination of price increase, leap savings benefits of 300bps and commodity inflation was not that high.
- ✓ There was no delay or deferral of commodity prices.
- ✓ Commodity continues to remain a concern, however, will navigate by price increase, cost savings and premiumization.
- ✓ Other expenses – full year number is the better indicator. CSR spends in Q4 is a large item, along with a couple of other items like Vida branding, etc. led to increase in other expenses.
- ✓ Price increase taken of Rs 1,000 in the 1<sup>st</sup> week of April as commodities continue to rise. There could be some impact on the margin in Q1FY23 and Q2FY23.
- ✓ Operating leverage, premiumization, price increase and exports are positives in FY23, while cost & commodity inflation are negatives.
- ✓ Premium launches are 7-10% higher than the base variants.

### Other highlights

- ✓ The spare parts business reported 10% YoY growth in Q4 and 24% YoY growth in FY22. Spare parts revenue was Rs 11.51bn in Q4FY22 vs. Rs 10.49bn in Q4FY21 vs. Rs 11.86bn in Q3FY22. Approx Rs 39.38bn in FY22. Organic measures already in place and good opportunity to grow this business.
- ✓ There were issues on chips availability, but managed the situation well. Overall impact on volumes is not material.
- ✓ Invested Rs 1.5bn in Ather in Q4FY22, Rs 2.7bn investment will happen in Q1FY23.
- ✓ Financing penetration stands at 54%, which is going up. Hero FinCorp's share in it is 34% in Q4.
- ✓ 1<sup>st</sup> time buyers for Hero is 65%, higher in commuter segment & lower in premium.

## Outlook and Valuations

- ✓ Q4FY22 numbers were below estimates major due to poor operational performance largely on account of substantial increase in other expenses, while efforts on RMC management is commendable.
- ✓ Going forward, commodity/cost inflation, rising competitive pressures, along with an increase in interest rates & vehicle prices is a cause of concern.
- ✓ On the better side, domestic demand is showing signs of resilience, Hero has been gaining market share in exports (strong outlook), 350-degree efforts on EVs should provide an edge. Increase in the students demand, rural uptick (green shoots visible) & ongoing marriage season (better) can turn the table positively for revival in domestic demand.

**We believe Hero MotoCorp is trading at a justifiable valuation of 14.2x FY24e, and suggest its worth taking stake looking at the efforts to fast fill its white spaces viz. exports, premiumization & scooters, along with not leaving any stone unturned for EVs.**

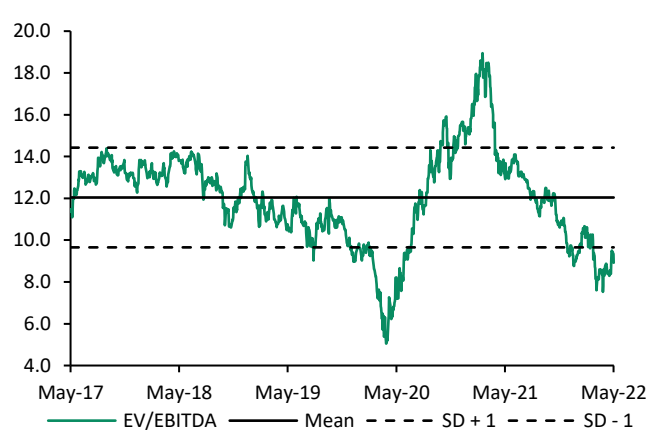
**Realistically projected looking at the current demand situation. Assigned 16x FY24e EPS of Rs 169 (valued Hero FinCorp separately), to arrive at a target price of Rs 2,770 per share.**

**Fig 1: 1-year forward P/E**



Source: AceEquity, SMIFS Institutional Research

**Fig 2: 1-year forward EV/EBITDA**



Source: AceEquity, SMIFS Institutional Research

## Quarterly financials, operating metrics & key performance indicators

**Fig 3: Quarterly Financials**

Y/E March (Rs Mn)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Net Sales</b>	<b>29,715</b>	<b>93,673</b>	<b>97,758</b>	<b>86,860</b>	<b>54,871</b>	<b>84,534</b>	<b>78,833</b>	<b>74,217</b>
Raw Materials	20,939	66,600	68,912	61,173	39,796	61,104	55,943	51,424
Employee Costs	3,824	5,112	5,167	4,884	4,357	5,054	5,180	4,763
Other Expenditure	3,872	9,097	9,543	8,691	5,570	7,712	8,109	9,754
<b>EBITDA</b>	<b>1,081</b>	<b>12,864</b>	<b>14,136</b>	<b>12,112</b>	<b>5,148</b>	<b>10,664</b>	<b>9,600</b>	<b>8,276</b>
Depreciation	1,708	1,732	1,698	1,631	1,630	1,639	1,644	1,585
Interest	63	46	47	63	61	65	65	67
Other Income	1,485	1,413	2,027	874	1,386	1,569	1,216	1,398
Exceptional Items	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>795</b>	<b>12,500</b>	<b>14,418</b>	<b>11,291</b>	<b>4,844</b>	<b>10,529</b>	<b>9,107</b>	<b>8,022</b>
Tax	182	2,965	3,574	2,642	1,189	2,585	2,246	1,752
Tax rate (%)	22.9	23.7	24.8	23.4	24.6	24.5	24.7	21.8
<b>Reported PAT</b>	<b>613</b>	<b>9,534</b>	<b>10,845</b>	<b>8,650</b>	<b>3,654</b>	<b>7,944</b>	<b>6,861</b>	<b>6,271</b>
<b>YoY Growth (%)</b>								
Revenue	(63.0)	23.7	39.7	39.2	84.7	(9.8)	(19.4)	(14.6)
EBITDA	(90.7)	16.8	36.1	83.5	376.5	(17.1)	(32.1)	(31.7)
PAT	(95.1)	9.0	23.2	39.4	496.1	(16.7)	(36.7)	(27.5)
<b>QoQ Growth (%)</b>								
Revenue	(52.4)	215.2	4.4	(11.1)	(36.8)	54.1	(6.7)	(5.9)
EBITDA	(83.6)	1,090.6	9.9	(14.3)	(57.5)	107.1	(10.0)	(13.8)
PAT	(90.1)	1,455.1	13.7	(20.2)	(57.8)	117.4	(13.6)	(8.6)
<b>Margin (%)</b>								
RMC/revenue (%)	70.5	71.1	70.5	70.4	72.5	72.3	71.0	69.3
Gross margin (%)	29.5	28.9	29.5	29.6	27.5	27.7	29.0	30.7
Employee cost/revenue (%)	12.9	5.5	5.3	5.6	7.9	6.0	6.6	6.4
Other expenses/revenue (%)	13.0	9.7	9.8	10.0	10.2	9.1	10.3	13.1
EBITDA margin (%)	3.6	13.7	14.5	13.9	9.4	12.6	12.2	11.2
PAT margin (%)	2.1	10.2	11.1	10.0	6.7	9.4	8.7	8.4

Source: Company, SMIFS Institutional Research

**Fig 4: Key Assumptions**

Operating Details	FY19	FY20	FY21	FY22	FY23e	FY24e
<b>Domestic Sales Volume</b>						
Scooters	7,19,087	4,02,676	4,43,458	3,05,892	3,18,128	3,34,034
Motorcycles	68,93,688	58,20,782	51,61,582	43,37,548	45,97,801	49,19,647
<b>Total Domestic Sales</b>	<b>76,12,775</b>	<b>62,23,458</b>	<b>56,05,040</b>	<b>46,43,440</b>	<b>49,15,929</b>	<b>52,53,681</b>
Growth (%)	3.1	(18.2)	(9.9)	(17.2)	5.9	6.9
<b>Exports Volume</b>						
Scooters	20,871	16,694	14,552	10,491	11,016	11,787
Motorcycles	1,87,185	1,57,848	1,80,589	2,90,131	3,33,651	3,93,708
<b>Total Exports</b>	<b>2,08,056</b>	<b>1,74,542</b>	<b>1,95,141</b>	<b>3,00,622</b>	<b>3,44,666</b>	<b>4,05,494</b>
Growth (%)	1.8	(16.1)	11.8	54.1	14.7	17.6
<b>Total Sales Volume</b>						
Scooters	7,39,958	4,19,370	4,58,010	3,16,383	3,29,143	3,45,821
Motorcycles	70,80,873	59,78,630	53,42,171	46,27,679	49,31,452	53,13,355
<b>Total Sales</b>	<b>78,20,831</b>	<b>63,98,000</b>	<b>58,00,181</b>	<b>49,44,062</b>	<b>52,60,595</b>	<b>56,59,175</b>
Growth (%)	3.1	(18.2)	(9.3)	(14.8)	6.4	7.6
Net Revenues (Rs mn)	3,36,505	2,88,361	3,08,006	2,92,455	3,20,381	3,54,991
<b>Realization per unit (Rs)</b>	<b>43,027</b>	<b>45,070</b>	<b>53,103</b>	<b>59,153</b>	<b>60,902</b>	<b>62,728</b>
Growth (%)	1.3	4.7	17.8	11.4	3.0	3.0

Source: Company, SMIFS Institutional Research Estimates

## Financial Statements

Income Statement					
YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
<b>Revenues</b>	<b>288,361</b>	<b>308,006</b>	<b>292,455</b>	<b>320,381</b>	<b>354,991</b>
% Growth	-14.3%	6.8%	-5.0%	9.5%	10.8%
Materials cost	196,974	217,623	208,267	226,424	249,115
% of revenues	68.3	70.7	71.2	70.7	70.2
Employee cost	18,417	18,987	19,354	20,709	22,159
% of revenues	6.4	6.2	6.6	6.5	6.2
Others	33,390	31,203	31,145	33,959	37,628
% of revenues	11.6	10.1	10.6	10.6	10.6
<b>EBITDA</b>	<b>39,580</b>	<b>40,192</b>	<b>33,688</b>	<b>39,289</b>	<b>46,089</b>
EBITDA margin (%)	13.7	13.0	11.5	12.3	13.0
Depreciation & Amortisation	8,180	6,769	6,498	7,157	7,961
<b>EBIT</b>	<b>31,400</b>	<b>33,424</b>	<b>27,190</b>	<b>32,133</b>	<b>38,128</b>
Interest expenses	220	218	258	251	280
<b>PBT from operations</b>	<b>31,180</b>	<b>33,205</b>	<b>26,932</b>	<b>31,881</b>	<b>37,848</b>
Other income	7,783	5,799	5,569	6,000	6,640
Exceptional items	6,774	-	-	-	-
<b>PBT</b>	<b>45,737</b>	<b>39,004</b>	<b>32,501</b>	<b>37,882</b>	<b>44,487</b>
Taxes	9,404	9,362	7,771	9,058	10,637
Effective tax rate (%)	20.6	24.0	23.9	23.9	23.9
<b>PAT</b>	<b>36,333</b>	<b>29,642</b>	<b>24,730</b>	<b>28,824</b>	<b>33,850</b>
Extraordinary Items	-	-	-	-	-
<b>Reported PAT</b>	<b>36,333</b>	<b>29,642</b>	<b>24,730</b>	<b>28,824</b>	<b>33,850</b>
<b>Adjusted PAT</b>	<b>30,952</b>	<b>29,642</b>	<b>24,730</b>	<b>28,824</b>	<b>33,850</b>

Source: Company, SMIFS Institutional Research Estimates

Key Ratios					
YE March	FY20	FY21	FY22	FY23e	FY24e
<b>Growth Ratio (%)</b>					
Revenue	(14.3)	6.8	(5.0)	9.5	10.8
EBITDA	(19.7)	1.5	(16.2)	16.6	17.3
Adjusted Net Profit	7.3	(18.4)	(16.6)	16.6	17.4
<b>Margin Ratios (%)</b>					
EBITDA margin	13.7	13.0	11.5	12.3	13.0
EBIT margin	10.9	10.9	9.3	10.0	10.7
PBT margin	10.8	10.8	9.2	10.0	10.7
Adjusted PAT margin	10.7	9.6	8.5	9.0	9.5
<b>Return Ratios (%)</b>					
ROE	22.9	20.2	16.0	17.7	19.5
ROCE	22.0	19.3	15.2	17.0	18.8
ROIC	36.4	43.8	37.2	43.6	53.5
<b>Turnover Ratios (days)</b>					
Gross block turnover (x)	2.3	2.3	2.1	2.2	2.3
Inventory	20	25	20	20	20
Debtors	20	29	29	29	29
Creditors	56	87	75	75	75
Cash conversion cycle	(16)	(34)	(26)	(26)	(26)
<b>Solvency Ratio (x)</b>					
Debt-equity	-	-	-	-	-
Net debt-equity	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
Gross debt/EBITDA	-	-	-	-	-
Current Ratio	2.1	1.8	2.0	2.0	2.0
Interest coverage ratio	143	153	105	128	136
<b>Dividend</b>					
DPS (Rs)	90	105	95	108	119
Dividend yield (%)	3.9	3.3	3.5	3.9	4.5
Dividend payout (%)	49%	71%	77%	75%	71%
<b>Per share (Rs.)</b>					
Basic EPS (reported)	182	148	124	144	169
CEPS	196	182	156	180	209
BV	708	761	790	839	901
<b>Valuation (x)</b>					
P/E	13.6	19.4	22.0	16.7	14.2
P/BV	3.4	3.2	3.1	2.9	2.7
EV/EBITDA	10.4	11.6	12.9	9.2	7.6
EV/Sales	1.4	1.5	1.5	1.1	1.0

Source: Company, SMIFS Institutional Research Estimates

Balance Sheet					
YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
<b>Source of funds</b>					
Capital	400	400	400	400	400
Reserves & Surplus	140,965	151,585	157,430	167,281	179,657
<b>Shareholders' fund</b>	<b>141,364</b>	<b>151,984</b>	<b>157,829</b>	<b>167,681</b>	<b>180,057</b>
Total loan funds	-	-	-	-	-
Deferred Tax Liabilities (Net)	3,928	4,041	3,833	3,833	3,833
Other non-current liabilities	2,440	4,483	4,754	3,501	3,712
<b>Total Liabilities</b>	<b>147,733</b>	<b>160,508</b>	<b>166,416</b>	<b>175,015</b>	<b>187,602</b>
<b>Application of funds</b>					
Gross Block	134,016	138,314	141,364	148,142	155,868
Less: Accumulated Dep,	(76,991)	(82,478)	(87,435)	(93,487)	(100,216)
Net Block	57,025	55,837	53,929	54,655	55,652
Capital WIP	3,413	4,366	4,582	4,582	4,582
<b>Net Assets</b>	<b>60,438</b>	<b>60,203</b>	<b>58,511</b>	<b>59,237</b>	<b>60,234</b>
<b>Investments</b>	<b>35,282</b>	<b>43,082</b>	<b>48,147</b>	<b>53,695</b>	<b>59,843</b>
<b>Other non-current assets</b>					
Inventory	10,920	14,696	11,227	12,205	13,428
Sundry Debtors	16,031	24,268	23,043	25,243	27,970
Cash & bank balances	2,419	2,572	1,751	4,074	4,852
Loans & Advances	224	230	228	250	277
Short term investments	46,945	61,915	58,377	63,182	68,507
Other current assets	6,348	5,849	6,525	7,148	7,920
<b>Total current assets</b>	<b>82,886</b>	<b>109,528</b>	<b>101,150</b>	<b>112,102</b>	<b>122,954</b>
Sundry Creditors	30,305	52,046	42,603	46,317	50,959
Other current liabilities	7,990	7,452	6,516	6,856	7,597
Provisions	1,466	1,604	1,604	1,757	1,947
Total current liabilities	39,761	61,102	50,724	54,931	60,503
<b>Net current assets</b>	<b>43,125</b>	<b>48,426</b>	<b>50,426</b>	<b>57,170</b>	<b>62,451</b>
<b>Total Assets</b>	<b>147,733</b>	<b>160,508</b>	<b>166,416</b>	<b>175,015</b>	<b>187,602</b>

Source: Company, SMIFS Institutional Research Estimates

Cash Flow					
YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
Operating profit before WC changes	47,517	40,786	34,716	40,724	47,677
Net chg in working capital	12,027	10,700	(6,825)	3,551	871
Income taxes paid	(5,443)	(9,759)	(7,688)	(9,058)	(10,637)
<b>Cash flow from operating activities (a)</b>	<b>54,101</b>	<b>41,727</b>	<b>20,203</b>	<b>35,218</b>	<b>37,911</b>
Capital expenditure	(13,601)	(5,146)	(5,347)	(7,883)	(8,958)
Free Cash Flow	40,500	36,581	14,856	27,335	28,954
<b>Cash flow from investing activities (b)</b>	<b>(28,831)</b>	<b>(22,099)</b>	<b>(1,519)</b>	<b>(13,671)</b>	<b>(15,378)</b>
<b>Cash flow from financing activities (c)</b>	<b>(24,198)</b>	<b>(19,415)</b>	<b>(19,389)</b>	<b>(19,224)</b>	<b>(21,755)</b>
<b>Net chg in cash (a+b+c)</b>	<b>1,072</b>	<b>213</b>	<b>(705)</b>	<b>2,322</b>	<b>778</b>

Source: Company, SMIFS Institutional Research Estimates

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