

**HOLD**  
 TP: Rs 5,245 | ▲ 3%

**HERO MOTOCORP**

| Automobiles

| 15 August 2024

**Gaining momentum; pace likely to accelerate. Maintain HOLD**

- Q1 revenue grew by ~16% YoY to Rs 101.4bn, driven by strong volume gains of ~14% YoY and realisations gains of 2% YoY
- EBITDA margin grew 60bps YoY (flat QoQ) to 14.4% in Q1FY25, driven by operating leverage, mix improvement and pricing
- Raise TP to Rs 5,245 on revised FY26 earnings, introduce FY27 estimates and increase multiple to 17x for core business. Retain HOLD

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**Volumes surge, realisations support mid-teen revenue growth:** HMCL's Q1FY25 revenue grew 15.7% YoY (6.6% QoQ) to Rs 101.4bn, driven by volume gains which saw double-digit growth of 13.5%/10.3% YoY/QoQ to 1.54mn units and was supported by 2% YoY (-3.3% QoQ) realisation (per vehicle) gains of Rs 66k. HMCL sold 10k units for electric vehicle with revenue of Rs 1.25bn in Q1FY25.

**Operating leverage and pricing drive margin expansion:** Raw material cost (RM) adjusted for inventory rose 13% YoY (7% QoQ) to Rs 68.26bn. However, RM cost as a percentage of sales fell to 67.7% of sales from 69.4% in Q1FY24 (66.4% in Q4FY24). Gross margin grew 170bps YoY (-130bps QoQ) to 32.3%. Contribution of spares in revenue during Q1FY25 was 12.5% vs 14.7% in Q4FY24, which led to a dip in gross margin QoQ. Other expenses climbed 34.3%/1.4% YoY/QoQ to Rs 12.1bn due to technology-related expenses. EBITDA rose 21% YoY (7.4% QoQ) to Rs 14.5bn and EBITDA margin added 60bps/10bps YoY/QoQ to 14.4% due to operating leverage, better mix and pricing. APAT grew by 36.1%/10.5% YoY/QoQ to Rs 11.2bn.

**Portfolio expansion:** HMCL is raising Xtreme platform's capacity from 25k/month to 40k/month in the short term. Management expects to unveil Destiny scooter in 2QFY25, followed by the Zoom series with 110cc, 125cc and 163cc. It is expanding its portfolio into the mid and affordable EV segments in FY25 and is focused on building its premium portfolio with new launches, improved retail experience, and brand building efforts besides launching a couple of new models in FY25.

**Maintain HOLD:** Factoring in the healthy performance, rural recovery and premium segment focus, we raise our FY26 EBITDA/PAT estimates for HMCL by 2%/1%, leaving FY25 estimates unchanged despite a challenging H1. We introduce FY27 earnings with a 3-year Revenue/EBITDA/PAT CAGR of 17%/17%/15%. We now assign 18x (17x) target P/E to core operations, in line with the 10-year average 1-year forward earnings, and raise the SOTP-based TP to Rs 5,245 (from Rs 4,776), which includes Rs 130/sh as the value of other businesses. We believe current valuations bake in the positives, with limited upside. We retain our HOLD rating.

**Key changes**

Target	Rating
▲	◀ ▶

Ticker/Price	HMCL IN/Rs 5,072
Market cap	US\$ 12.1bn
Free float	65%
3M ADV	US\$ 45.2mn
52wk high/low	Rs 5,895/Rs 2,890
Promoter/FPI/DII	35%/30%/24%

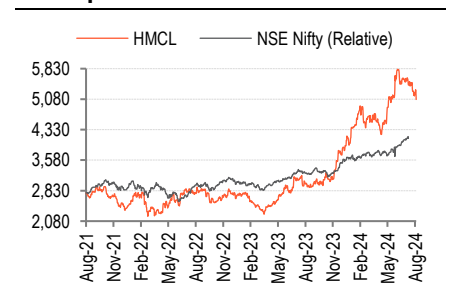
Source: NSE | Price as of 14 Aug 2024

**Key financials**

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	3,74,557	4,62,228	5,32,497
EBITDA (Rs mn)	52,557	63,835	73,811
Adj. net profit (Rs mn)	38,079	47,126	53,856
Adj. EPS (Rs)	190.7	236.0	269.7
Consensus EPS (Rs)	206.7	237.0	269.0
Adj. ROAE (%)	21.2	23.4	23.7
Adj. P/E (x)	26.6	21.5	18.8
EV/EBITDA (x)	19.2	15.8	13.7
Adj. EPS growth (%)	30.8	23.8	14.3

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**Fig 1 – Earnings call highlights**

Parameter	Q1FY25	Q4FY24	Our view
Growth commentary	<p>The company has consolidated its presence in the strong Telangana and Andhra Pradesh market for its entry level bikes including Glamour and Super Splendor. Further, it has ramped up its focus on Xtreme 125cc which helped improve market share from 13% in Q4FY24 to 20% in Q1FY25. The premium segment with the three big brands, Harley-Davidson X440, Mavrick 440, and Karizma is the new focus segment for HMCL with retail maximisation and brand building and expects new launches at regular interval. In the scooter segment the ICE and EV categories will experience big push with new launches and volume.</p>	<p>HMCL indicated the premium and 125cc segments will be the two broad drivers of HMCL's growth. With the launch of three big brands, Harley-Davidson X440, Mavrick 440 and Karizma, growth will be driven by the premium segment. HMCL indicated it has gained 10% market share in the premium segment.</p> <p>This will be further aided by the 125cc motorcycle that will push the overall motorcycle portfolio and management expects the momentum to continue in FY25.</p> <p>Additionally, with steady revival in rural sentiment, 100-110cc bike sentiment is likely to attract healthy demand. Overall, management expects double-digit growth for HMCL with strong volume in Apr'24.</p>	<p>HMCL's multi-fold strategy of sharpening focus on the premium segment and retaining a strong presence in the lower end segments will aid revenue growth as this segment is on revival path.</p>
Margins	<p>The gross margin QoQ weakened due to a lower contribution from the spares business at 12.5% vs 14.4% in 4QFY24. Higher contribution from entry level segment kept GM under check. However, the ICE segment EBITDA margin improved and at ~16% is at the higher end of HMCL's intended range of 14%-16%. Effectively, higher ICE margins have helped higher investment in the Electric Vehicle segment. The negative impact on EV margin is 180bps, leading to overall EBITDA margin of 14.4%.</p>	<p>Operating profit and margin expanded in Q4FY24 due to product mix and price positioning.</p> <p>Management indicated softening commodity prices also helped. Blended margins for 4QFY24 were at 14.3% with the 130bps impact due to the electric vehicle (EV) segment. Effectively, internal combustion engine (ICE) margin was at 15.6%.</p>	<p>Realisation gains should continue from a better product mix. Softening costs are reversing, hence realisations will remain the more important lever for improving margins.</p>
Capacity Expansion	<p>Management indicated that the capacity in the 125cc segment will be enhanced to ~40k units per month of XtremeR in the medium term, from the current 25k/month, to tap incremental demand and gain further market share.</p>	<p>Management indicated that the capacity in the premium segment will be enhanced to ~10k units per month for Harley-Davidson X440, Mavrick 440 and Karizma put together.</p> <p>HMCL plans to increase capacity to ~30k units per month for the Xtreme platform.</p> <p>Harley-Davidson X440 bikes are presently available only in 205 stores out of 400 for exclusivity, while Karizma and Mavrick are being sold through Hero 2.0 stores. HD X440 is sold only in select Hero 2.0 stores.</p>	<p>The company is a late entrant in the premium segment and could face fierce competition from incumbents in the segment.</p> <p>However, HMCL's strategy of targeting high-end products will help enhance margins.</p>
Commentary on marketing	<p>The Super Splendor campaign of 69km per liter has been running across the country and has been accepted well as mileage is the key purchasing factor in the entry level segment. For Xtreme125cc, dealers have received the Xtreme 125cc well, but only ~38-40% of the networks has so far received the Xtreme 125cc. HD X440 continues to be sold only in select Hero 2.0 stores.</p>	<p>Harley-Davidson X440 bikes are presently available only in 205 stores out of 400 for exclusivity, while Karizma and Mavrick are being sold through Hero 2.0 stores. HD X440 is sold only in select Hero 2.0 stores.</p>	<p>The marketing strategy is yielding results with distinct responses in different categories which augurs well for HMCL.</p>

Parameter	Q1FY25	Q4FY24	Our view
Commentary on new launches	In the entry segment (100-110cc) the refreshed Passion is well accepted and helping to maintain the market share in Deluxe 100cc category. Additionally, Glamour and Splendor Super will be scaled up. In the 125cc segment, Xtreme is positioned as premium product and will further help to gain market share. The premium segment (150cc+) will be adding more models in the medium term. In the scooter segment, ICE Destiny will be fully ramped up and the segment will be filled with new launches to keep up the momentum.	The recently launched Xtreme 125cc is well received by the markets. Though it is too early to speak on the market share the product is received well by the market. HMCL plans to raise capacity to ~30k units per month for the Xtreme platform.	Keeping the market excited with stream of new launches will aid all-round growth for HMCL. This will also keep margins intact.
Electric Vehicle portfolio and PLI scheme	HMCL expects EV market to grow and end up being ~1mn market going forward. Management indicated as an entity HMCL has received registration under the Production Linked Incentive (PLI) scheme. However, the current products in the market are not registered under PLI (Vida or otherwise). However, all new launches from H1FY25 will be registered under the PLI scheme and will receive benefits from 2HFY25.	Management indicated as an entity HMCL has registered for the Production Linked Incentive (PLI) scheme. However, the current products in the market are not registered under PLI (Vida or otherwise). However, all new launches from H1FY25 will be registered under the PLI scheme.	Differentiated EV products have resulted in a healthy buyer response in the initial phase. The thrust on EVs is another positive step, though it may keep margins muted.
Parts Accessories & Merchandise (PAM) segment	Revenue from spares segment in Q4FY24 was ~Rs 13.97bn against ~Rs 12.7bn in Q4FY23 (~Rs 14.3bn in Q3FY24). For the full year FY24 the spares segment was Rs 50.9bn. PAM segment is expected to report double-digit growth for the next few years.	Revenue from spares segment in Q4FY24 was ~Rs 13.97bn against ~Rs 12.7bn in Q4FY23 (~Rs 14.3bn in Q3FY24). For the full year FY24 the spare segment was Rs 50.9bn. PAM segment is expected to report double-digit growth for the next few years.	No major changes in the contribution from this segment and going forward it is expected to stay steady but will remain an added cushion.
Other Information	<p>Financing arm: Share of financing in Q1FY25 was at ~60%, no change from the previous quarter.</p> <p>Exports progress remained steady with the Philippines being the new region added in the overseas portfolio. Ramp up in Nigeria and Columbia is expected and is a positive. Capex guidance for FY25 is now at ~Rs 10bn-12bn.</p>	<p>Overall financing penetration as on Q4FY24 is ~60% and penetration for Hero Fincorp is ~30% unchanged over the previous quarter.</p> <p>HMCL has received approval for forming a subsidiary in Brazil. Earlier HMCL formed a similar venture in the Philippines. Capex guidance for FY25 is around Rs 20bn-25bn.</p>	Overseas ventures though steady in offtake will further boost export earnings in the medium term.

Source: Company, BOBCAPS Research

**Fig 2 – Quarterly performance (standalone)**

(Rs mn)	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)	Q1FY25E	Deviation (%)
Volume	15,35,156	13,52,574	13.5	13,92,423	10.3	15,35,156	0.0
Avg. Realisation per Vehicle	66,076	64,819	1.9	68,365	(3.3)	69,049	(4.3)
Net Revenues	1,01,437	87,673	15.7	95,193	6.6	1,06,000	(4.3)
<b>Total Income (A)</b>	<b>1,01,437</b>	<b>87,673</b>	<b>15.7</b>	<b>95,193</b>	<b>6.6</b>	<b>1,06,000</b>	<b>(4.3)</b>
<b>Operating Expenses</b>							
Raw materials consumed	68,672	60,809	12.9	63,249	8.6	71,829	(4.4)
Employee Expenses	6,083	5,802	4.9	6,437	(5.5)	6,360	(4.4)
Other Expenses	12,085	9,000	34.3	11,916	1.4	12,985	(6.9)
<b>Total Expenditure (B)</b>	<b>86,840</b>	<b>75,610</b>	<b>14.9</b>	<b>81,602</b>	<b>6.4</b>	<b>91,174</b>	<b>(4.8)</b>
<b>EBITDA (A-B)</b>	<b>14,598</b>	<b>12,063</b>	<b>21.0</b>	<b>13,592</b>	<b>7.4</b>	<b>14,826</b>	<b>(1.5)</b>
Other Income	2,317	2,222	4.3	1,800	28.7	2,120	9.3
Depreciation	1,932	1,690	14.3	1,851	4.4	1,710	13.0
EBIT	14,983	12,595	19.0	13,541	10.6	15,236	(1.7)
Finance Costs	48	47	3.2	46	5.5	48	0.2
PBT before excep items	14,935	12,548	19.0	13,496	10.7	15,188	(1.7)
Exceptional item	-	1,600	(100.0)	-	-	-	-
PBT after excep item	14,935	10,948	36.4	13,496	10.7	15,188	(1.7)
Tax expense	3,708	2,701	37.3	3,335	11.2	3,797	(2.3)
<b>Reported PAT</b>	<b>11,226</b>	<b>8,247</b>	<b>36.1</b>	<b>10,161</b>	<b>10.5</b>	<b>11,391</b>	<b>(1.4)</b>
<b>Adjusted PAT</b>	<b>11,226</b>	<b>9,847</b>	<b>14.0</b>	<b>10,161</b>	<b>10.5</b>	<b>11,391</b>	<b>(1.4)</b>
EPS (Rs)	56.2	49.3	14.0	50.9	10.5	57.0	(1.4)
<b>Key Ratios (%)</b>			<b>(bps)</b>		<b>(bps)</b>		<b>(bps)</b>
Gross Margin	32.3	30.6	166.1	34	(125.6)	32.2	6.46
EBITDA Margin	14.4	13.8	63.2	14	11.3	14.0	40.39
EBIT Margin	14.8	14.4	40.5	14	54.5	14.4	39.67
PBT Margin	14.7	14.3	41.1	14	54.6	14.3	39.46
Tax Rate	24.8	24.7	16.0	25	11.6	25.0	(17.02)
Adj PAT Margin	11.1	11.2	(16.4)	11	39.4	10.7	32.10

Source: Company, BOBCAPS Research

## Valuation methodology

To factor in the healthy performance, rural recovery and a premium segment focus, we raise our FY26 EBITDA/PAT estimates for HMCL by 2%/1% leaving FY25 estimates relatively unchanged despite a challenging H1. The premium segment performance is encouraging and so is the revival in the base segment thus far in FY25. However, the EV segment will drag margins in the medium term. With strong product portfolio across the segments we feel growth will not be a challenge for HMCL though margins may stay range bound. We introduce FY27 earnings with three-year Revenue/EBITDA/PAT CAGR of 17%/17%/15%.

Taking into consideration the same we now assign 18x (17x) target P/E to core operations – in line with the 10-year average 1-year forward earnings. This gives us a new SOTP-based TP of Rs 5,245 (earlier Rs 4,776), which includes Rs 130/sh as the value of other businesses (unchanged). However, we believe current valuations bake in the positives leaving limited upside and, hence, retain our HOLD rating.

**Fig 3 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	4,62,228	5,32,497	5,99,979	4,66,703	5,35,919	NA	(1.0)	(0.6)	NA
EBITDA	63,835	73,811	83,208	63,775	72,671	NA	0.1	1.6	NA
Adj PAT	47,126	53,856	60,012	47,201	53,197	NA	(0.2)	1.2	NA
Adj EPS (Rs)	236.0	269.7	300.5	236.4	266.4	NA	(0.2)	1.2	NA

Source: BOBCAPS Research

**Fig 4 – Key assumptions**

Parameter	FY24	FY25E	FY26E	FY27E
Volumes (units)	56,21,457	66,38,510	74,24,965	81,61,869
Realisation (Rs/unit)	3,74,557	4,62,228	5,32,497	5,99,979
EBITDA (Rs mn)	52,557	63,835	73,811	83,208
EBITDA margin (%)	14.0	13.8	13.9	13.9
Adj PAT (Rs mn)	38,079	47,126	53,856	60,012

Source: Company, BOBCAPS Research

**Fig 5 – Valuation summary**

Business	1-year forward EPS (Rs)	Target P/E (x)	Value (Rs)
Standalone Business	277	18	5,115
Other Business	-	-	130
<b>Total</b>	-	-	<b>5,245</b>

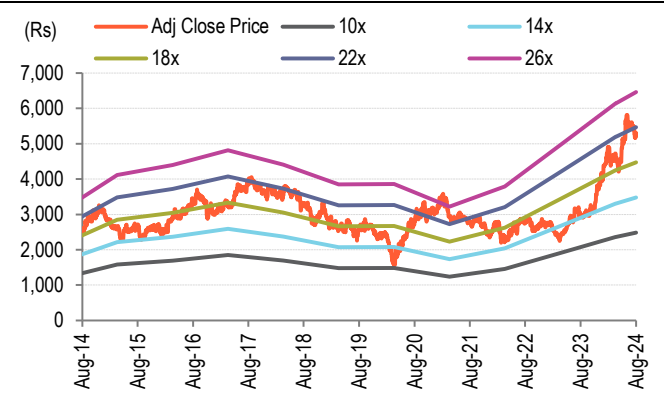
Source: BOBCAPS Research

**Fig 6 – Peer comparison**

Company	Ticker	Rating	Target Price (Rs)	EPS (Rs)		ROE (%)	
				FY25E	FY26E	FY25E	FY26E
Hero Motocorp	HMCL IN	HOLD	5,245	236.0	269.7	24.7	25.1
TVS Motor Company	TVSL IN	HOLD	2,363	60.7	77.7	31.5	30.4
Bajaj Auto	BJAUT IN	SELL	3,279	299.8	359.1	28.5	27.4

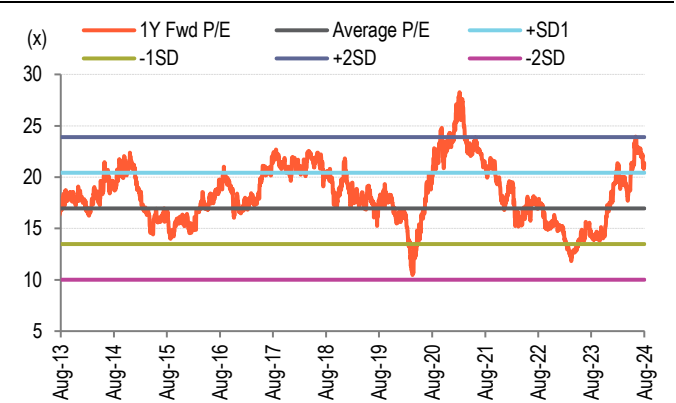
Source: BOBCAPS Research

**Fig 7 – P/E band: We value HMCL at 18x 1-year forward EPS**



Source: Company, Bloomberg, BOBCAPS Research

**Fig 8 – P/E 1Y fwd: Valuations will continue to command a premium**



Source: Company, Bloomberg, BOBCAPS Research

### Key risks

Key upside/downside risks to our estimates are:

- A stronger-than-expected response to HMCL’s high-end products in the 150cc+ segment would be a key upside risk to our estimates.
- Continued raw material cost inflation and slower-than-expected demand revival, especially in the rural segment, represent key downside risks.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Total revenue</b>	<b>3,38,057</b>	<b>3,74,557</b>	<b>4,62,228</b>	<b>5,32,497</b>	<b>5,99,979</b>
EBITDA	39,862	52,557	63,835	73,811	83,208
Depreciation	6,570	7,114	7,894	8,458	8,943
EBIT	38,944	54,368	63,285	72,420	81,489
Net interest inc./(exp.)	(199)	(185)	(659)	(851)	(936)
Other inc./(exp.)	5,652	8,926	7,344	7,068	7,225
Exceptional items	0	1,600	0	0	0
EBT	38,746	52,583	62,626	71,569	80,553
Income taxes	9,640	12,904	15,500	17,713	20,541
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>29,106</b>	<b>39,679</b>	<b>47,126</b>	<b>53,856</b>	<b>60,012</b>
Adjustments	0	(1,600)	0	0	0
<b>Adjusted net profit</b>	<b>29,106</b>	<b>38,079</b>	<b>47,126</b>	<b>53,856</b>	<b>60,012</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	49,638	58,529	70,969	78,130	87,996
Other current liabilities	8,151	8,269	8,682	9,116	9,572
Provisions	3,738	4,708	4,943	5,191	5,450
Debt funds	0	0	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	400	400	400	400	400
Reserves & surplus	1,66,651	1,79,462	2,01,314	2,27,214	2,57,273
Shareholders' fund	1,67,051	1,79,861	2,01,714	2,27,614	2,57,673
<b>Total liab. and equities</b>	<b>2,28,578</b>	<b>2,51,367</b>	<b>2,86,308</b>	<b>3,20,050</b>	<b>3,60,691</b>
Cash and cash eq.	3,455	6,089	3,994	6,918	6,203
Accounts receivables	27,982	27,034	36,978	43,665	49,198
Inventories	14,341	14,438	18,489	21,832	24,599
Other current assets	14,498	14,148	14,855	15,598	16,378
Investments	1,10,104	1,30,861	1,48,912	1,65,204	1,96,040
Net fixed assets	57,614	58,340	60,246	61,688	62,645
CWIP	4,638	4,805	7,000	9,000	9,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(4,054)	(4,348)	(4,166)	(3,855)	(3,372)
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>2,28,578</b>	<b>2,51,367</b>	<b>2,86,308</b>	<b>3,20,050</b>	<b>3,60,691</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Cash flow from operations</b>	<b>25,189</b>	<b>48,638</b>	<b>45,403</b>	<b>51,465</b>	<b>62,296</b>
Capital expenditures	(6,175)	(8,007)	(11,995)	(11,900)	(9,900)
Change in investments	(3,580)	(20,757)	(18,051)	(16,293)	(30,836)
Other investing cash flows	5,652	8,926	7,344	7,068	7,225
<b>Cash flow from investing</b>	<b>(4,104)</b>	<b>(19,839)</b>	<b>(22,701)</b>	<b>(21,125)</b>	<b>(33,511)</b>
Equities issued/Others	71	241	(241)	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(199)	(185)	(659)	(851)	(936)
Dividends paid	(19,983)	(27,956)	(23,963)	(27,956)	(29,953)
Other financing cash flows	221	295	(182)	(311)	(482)
<b>Cash flow from financing</b>	<b>(19,890)</b>	<b>(27,605)</b>	<b>(25,045)</b>	<b>(29,118)</b>	<b>(31,372)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>1,195</b>	<b>1,194</b>	<b>(2,343)</b>	<b>1,222</b>	<b>(2,587)</b>
<b>Closing cash &amp; cash eq.</b>	<b>3,455</b>	<b>6,089</b>	<b>3,994</b>	<b>6,918</b>	<b>6,203</b>

### Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	145.8	190.7	236.0	269.7	300.5
Adjusted EPS	145.8	190.7	236.0	269.7	300.5
Dividend per share	100.1	140.0	120.0	140.0	150.0
Book value per share	836.6	900.7	1,010.1	1,139.8	1,290.4

### Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	3.0	2.7	2.2	1.9	1.7
EV/EBITDA	25.4	19.2	15.8	13.7	12.1
Adjusted P/E	34.8	26.6	21.5	18.8	16.9
P/BV	6.1	5.6	5.0	4.5	3.9

### DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	75.1	72.4	75.3	75.3	74.5
Interest burden (PBT/EBIT)	99.5	96.7	99.0	98.8	98.9
EBIT margin (EBIT/Revenue)	11.5	14.5	13.7	13.6	13.6
Asset turnover (Rev./Avg TA)	208.1	215.9	242.3	248.1	247.3
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
<b>Adjusted ROAE</b>	<b>17.9</b>	<b>22.0</b>	<b>24.7</b>	<b>25.1</b>	<b>24.7</b>

### Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>YoY growth (%)</b>					
Revenue	15.6	10.8	23.4	15.2	12.7
EBITDA	18.3	31.8	21.5	15.6	12.7
Adjusted EPS	17.7	30.8	23.8	14.3	11.4
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	11.8	14.0	13.8	13.9	13.9
EBIT margin	11.5	14.5	13.7	13.6	13.6
Adjusted profit margin	8.6	10.2	10.2	10.1	10.0
Adjusted ROAE	17.4	21.2	23.4	23.7	23.3
ROCE	18.0	23.7	25.0	25.4	25.0
<b>Working capital days (days)</b>					
Receivables	28	27	25	28	28
Inventory	14	14	13	14	14
Payables	72	78	73	73	72
<b>Ratios (x)</b>					
Gross asset turnover	0.4	0.4	0.4	0.3	0.3
Current ratio	1.0	0.9	0.9	1.0	0.9
Net interest coverage ratio	(196.0)	(293.9)	(96.0)	(85.1)	(87.1)
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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**BUY** – Expected return >+15%

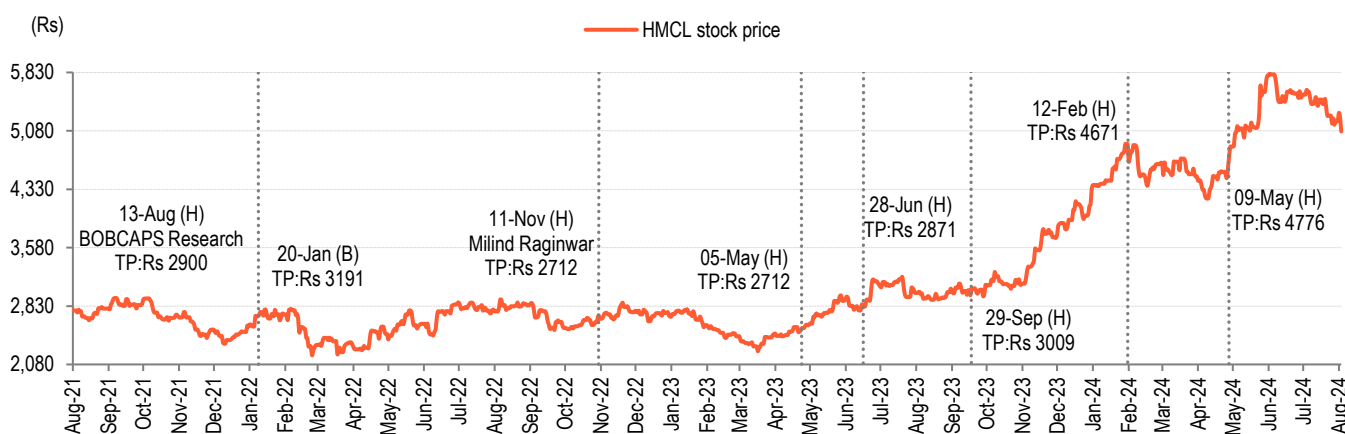
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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