HM

HERO MOTORS LIMITED

Auto ancillary   Mainboard

Band not yet filed

16 Sep 2026 - 18 Sep 2026

Issue size	Where the money goes	Earnings per share
Rs. 900 cr	**56% fresh**	**Rs. 1.02**
	Rs. 500 cr to the company, Rs. 400 cr to selling holders - p.1	issuer disclosed

WHAT STANDS OUT

Profit backed by cash - Operating cash flow is 754% of profit after tax — earnings are cash-backed.

Margins compressing - EBITDA margin declined across the reported years.

WHAT THE COMPANY DOES

We are a fully integrated powertrain systems provider offering comprehensive solutions for designing, prototyping, validating, developing, and delivering system-level transmission solutions for electric as well as non-electric powertrains.

We operate six manufacturing facilities spread across India, the United Kingdom, and Thailand, and two technology centres in India and the UK.

WHERE THE MONEY GOES

Fresh issue goes to the company. Offer for sale goes to shareholders selling out.

Fresh issue Rs. 500 cr 56%   Offer for sale Rs. 400 cr 44%

How the fresh proceeds are to be spent, as stated in Objects of the Offer.

Repayment/prepayment, in full or ... 54%   Capital expenditure of our Compan... 33%   Funding working capital requireme... 13%

PROMOTER HOLDING

91.7% before > **—** after

AGAINST LISTED PEERS

Company	P/E	Revenue	Source
CIE Automotive India Limited	17.9x	Rs. 9,280 cr	p.150
Endurance Technologies Limited	51.8x	Rs. 10,241 cr	p.150
Sona BLW Precision Forgings Limited	77.8x	Rs. 3,185 cr	p.150
UNO Minda Limited	75.3x	Rs. 14,031 cr	p.150
Varroc Engineering Limited	15.4x	Rs. 7,552 cr	p.150
Industry average	47.6x	—	issuer

Figures as printed in the offer document. This page does not say whether that is expensive or cheap. That judgement is yours.

FINANCIALS, RS. CRORE

	FY22	FY23	FY24	2Y CAGR
Revenue	914	1,055	1,064	+7.9%
EBITDA	168	97	83	—
Profit after tax	99	41	17	-58.5%
Net worth	159	344	385	—
Total debt	265	270	304	—

READING THESE NUMBERS AS AUTO ANCILLARY

What actually diagnoses this business: OEM client concentration - Content per vehicle - EV transition exposure - Capacity utilisation.

Revenue growth
—
read with care

Earnings track the OEM production cycle, not the company's own effort. Check how much revenue sits with the single largest OEM, and what share of it is tied to internal-combustion platforms.

DOES THE PROFIT TURN INTO CASH

	FY22	FY23	FY24
Operating cash flow	65	42	129
Capital expenditure	57	134	116
Financing	-43	118	-17

Operating cash flow is 754% of profit after tax. Reported earnings are backed by cash.

WHEN LOCKED SHARES CAN BE SOLD

Each date releases shares that could not previously be traded.

+1 months
Anchor, first half
50.0%

+3 months
Anchor, remainder
50.0%

+18 months
Promoter
20.0%

THE DOCUMENT'S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. Among India's Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product Portfolio (p.148)
2. Growing Market Presence in the Electric Bikes and Premium Two-Wheelers Segments (p.148)
3. Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions (p.148)
4. Advanced Infrastructure with Geographically Diverse Operations (p.148)
5. Strong Research and Development Capabilities and Long-Term

RISKS IT DISCLOSES

1. We generate a portion of our revenue from operations from jurisdictions outside India, in particular, from Europe. (p.40)
2. Our business is dependent on the performance of certain industries particularly e-bikes and two wheelers. (p.40)
3. We depend on a certain limited set of suppliers for the supply of critical raw materials. (p.41)
4. We are subject to strict performance requirements, including, but not limited to, quality and delivery, by our customers. (p.42)
5. Our business largely depends upon our top 10 customers. (p.43)

Both columns are the offer document's own words, not this page's assessment.

THE INDUSTRY, AS THE DOCUMENT DESCRIBES IT

Market size Rs. 43,100 cr in 2023, forecast Rs. 1,17,800 cr by 2029, a 18.0% CAGR.

Drivers it names: Electrification of vehicles significantly impacting powertrain solutions; Government support for BEV and investment in charging infrastructure.

Constraints it names: Decline in sales of CVT products on account of over stocking of e-bikes in Europe.

> These industry figures come from a CRISIL Report report commissioned and paid for by the issuer. It is not neutral research.

THE WIDER GROUP

Hero Cycles Limited (promoter-group)	holds 2.0% - 0.5% of revenue is related-party
Bhagyoday Investments Private Limited (promoter-group)	holds 6.3%

Extracted from the DRHP at https://www.sebi.gov.in/sebi_data/attachdocs/aug-2024/1724670869826.pdf by gemini-3.5-flash on 2026-09-10. Figure verification was skipped. The source text was not available to check against.