Result Update |16th May 2011

Autoline Industries Ltd.

In line with expectations

On standalone basis, Autoline Industries Ltd's (AIL) net profit rose 39.4% to Rs. 188.4 Mn on the back of 55.3% increase in net sales to Rs. 4342.9 Mn in FY11. In the quarter ended March 31, 2011, the company reported net sales of Rs 1237.2 Mn as against Rs 995.9 Mn in the same quarter previous fiscal. The company ended the March quarter with a net profit was Rs 7.4 Mn. The operating profit margin has been squeezed from 12.5 % to 11.9% in FY11.

- The consolidated net sales numbers of AIL were up at Rs 1973.1 Mn as against Rs 1450.9 Mn, up by a robust 35.9% in Q4 FY11. The company's EBITDA was down at 13.2% to Rs 1827 Mn in the above quarter. The operating profit margin has bosomed from 14.5% to 9.25% because of increased raw material costs and employee costs. Net profit also decreased 69.1% to Rs 272 Mn, due to higher interest outgo.

- The company reported Rs 6607 Mn net sales on a consolidated basis in FY11 compared to Rs 4511.2 Mn in the previous fiscal. Net profit grew by robust 34.1% to Rs 276.3 Mn in FY11. The EBITDA margin shrink from 11.5% to 10.8% in FY11 mainly on the back of spiraling input costs and rising staff expenses. The company's complete annual accounts are awaited.

- AIL owns 100 acres land in Chakan, Maharashtra. The company is keeping its options open to either sell off the land or going for co development with a partner. The company is also thinking of a third option wherein they plan to sell FSI to smaller builders of 5-10 acres each. The land is currently valued at around Rs.200-250 crore as per the company sources.

- AIL is in the process of amalgamation of its 100% subsidiaries Nirmiti Auto components Private Limited and Western Pressing Limited with itself. The shareholders and creditors have approved the scheme of amalgamation and court permission is awaited. Being these two companies are 100% subsidiaries, they are already accounted for in our consolidated estimates.

- Autoline's Q4 FY11 results were almost in line with our expectations. Over next two years we expect the revenue to grow by 13.50 % CAGR. The EBIDTA margin is expected to remain at 12%. The PAT margin is expected to remain at 6% and grow at 19.4% CAGR over next three years. The projected FY13 EPS stands at Rs 35.1. Owing to the current adverse sentiment around auto industry for valuation purpose we only focus on FY12E figures. The current stock price is around 5x the FY12E EPS and 2.4 EV/EBIDTA. And we recommend a **BUY** with a conservative target price of Rs.198.00.

- **Financial Snapshot** (Rs mn)

Year-end: March	FY09	FY10	FY11	FY12E	FY13E
Net Sales	3505	4511	6,607	7,400	8,510
EBDITA	291	547	715	848	1,021
PAT	75	230	276	383	523
EPS	5.0	15.5	18.5	25.7	35.1
P/E	10.7	7.4	7.6	5.1	3.8
EV/EBITDA	7.7	5.5	4.0	2.4	1.3

Dalmia Research Center

Rating : BUY

Target: INR 198.00 (upside 52%)

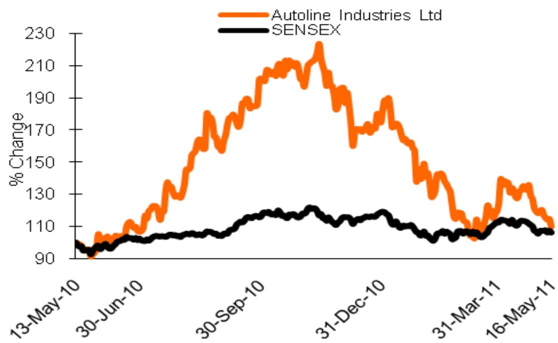
CMP : INR 130.00 (as on 16th May 2011)

Face Value (Rs)	10
Equity Share Capital (Rs. Mn)	122.0
Share Outstanding (Mn)	12.20
Market Cap (Rs. Mn)	1586.0
Book Value / share	185.02
Daily Avj. Volume	21513
52 W High (Rs.)	279.80
52 W Low (Rs.)	106.00

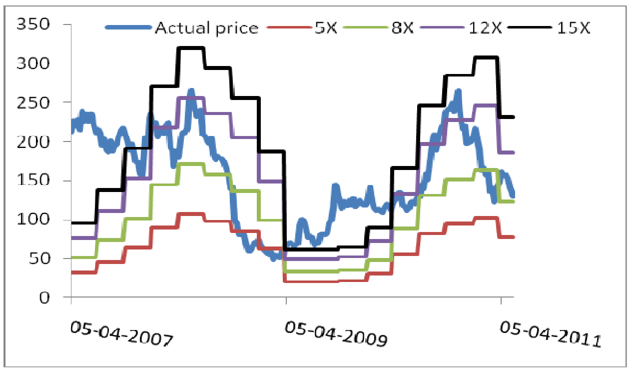
Shareholding pattern (%)

Promoter	28.16
Foreign	8.65
Institutions	3.14
Public & Others	60.06

Relative Performance Analysis



P/E Band



Arjun Niyogi
+91 33 6612 0522
arjun@dalmiasec.com

Susmita Kundu
+91 33 6612 0530
susmita.kundu@dalmiasec.com

Unaudited Financial Result (Standalone)

	Q42011	Q42010	Chg(%)	FY11	FY10	Chg(%)
NetSales	1237.20	995.90	24.23	4342.90	2796.10	55.32
Other Operating Income	0.00	0.00	-	0.00	0.00	-
Other Income	13.30	21.80	-38.99	16.80	30.00	-44.00
Total Income	1250.50	1017.70	22.88	4359.70	2826.10	54.27
Total Expenditure	1115.20	855.80	30.31	3822.00	2446.40	56.23
PBIDT	135.30	161.90	-16.43	537.70	379.70	41.61
Interest	63.50	27.40	131.75	163.10	101.90	60.06
PBDT	71.80	134.50	-46.62	374.60	277.80	34.85
Depreciation	31.40	26.80	17.16	121.20	104.70	15.76
Tax	33.00	38.00	-13.16	65.00	38.00	71.05
Fringe Benefit Tax	0.00	0.00	-	0.00	0.00	-
Deferred Tax	0.00	0.00	-	0.00	0.00	-
Reported Profit After Tax	7.40	69.70	-89.38	188.40	135.10	39.45
Extra-ordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted PAT After Ext. items	7.40	69.70	-89.38	188.40	135.10	39.45
EPS (Adj) (InRs.)	0.61	5.71	-89.38	15.44	11.07	39.45
PBIDTM (%)	10.82	15.91	-31.99	12.33	13.44	-8.20
PATM (%)	0.60	7.00	-91.45	4.34	4.83	-10.22

Unaudited Financial Result (Consolidated)

	Q42011	Q42010	Chg(%)	FY11	FY10	Chg(%)
Net Sales	1973.10	1450.90	35.99	6607.00	4511.20	46.46
Other Operating Income	0.00	0.00	-	0.00	0.00	-
Other Income	7.10	-0.20	-3650.00	34.60	20.80	66.35
Total Income	1980.20	1450.70	36.50	6641.60	4532.00	46.55
Total Expenditure	1790.40	1240.20	44.36	5892.40	3988.90	47.72
PBIDT	189.80	210.50	-9.83	749.20	543.10	37.95
Interest	71.00	13.10	441.98	200.40	108.20	85.21
PBDT	118.80	197.40	-39.82	548.80	434.90	26.19
Depreciation	52.40	56.70	-7.58	184.70	168.30	9.74
Tax	39.80	47.90	-16.91	78.00	49.60	57.26
Fringe Benefit Tax	0.00	0.00	-	0.00	0.00	-
Deferred Tax	0.00	0.00	-	0.00	0.00	-
Reported Profit After Tax	26.60	92.80	-71.34	286.10	217.00	31.84
Extra-ordinary Items	0.00	0.00	-	0.00	0.00	-
Minority Interest	-0.70	4.60	-115.22	9.80	11.00	-10.91
Adjusted Profit After Extra-ordinary item	27.30	88.20	-69.05	276.30	206.00	34.13
EPS (Adj) (Unit Curr.)	2.24	7.23	-69.05	22.65	16.89	34.13
PBIDTM(%)	9.58	14.51	-33.94	11.28	11.98	-5.87
PATM(%)	1.38	6.08	-77.24	4.18	4.57	-8.42

Table 2: Profit and Loss (In Rs. Mn)

Year-end: March	FY09	FY10	FY11	FY12E	FY13E
Net Sales	3505	4511	6607	7400	8510
Growth(%)	-	223	19.9	38.7	36.4
Total Expenditure	3258	3989	5918	6594	7537
EBDITA	290	546	714	847	1021
Growth(%)	-	88	31	19	21
Depreciation	121	168	185	185	185
Other Income	28	21	35	39	45
EBIT	169	378	530	663	837
Interest/Financial Charges	80	108	200	200	200
PBT	89	270	330	463	637
Total Tax	14	50	78	107	146
PAT before minority int	94	241	286	394	535
PAT Growth (%)	-	156	19	38	36
Net Income	75	230	276	383	523

Table 3: Balance Sheet (In Rs. Mn)

Year-end: March	FY09	FY10	FY11	FY12E	FY13E
Equity	149	149	149	149	149
Reserves & Surplus	1984	2186	2434	2789	3283
Total Shareholders fund	2514	2727	2984	3350	3856
Total Debt	1472	1843	1843	1843	1843
Gross Block	2802	3630	3630	3630	3630
Accumulated Depreciation	319	487	672	856	1041
Net Block	2845	3505	3320	3135	2951
Investments	225	225	225	225	225
Total Current Assets	1785	1755	2592	3314	4203
Less: Current Liab. & Prov.	859	904	1300	1472	1670
Net Current Assets	926	850	1292	1842	2533
Cash & Bank	29	523	1099	1725	2478
Total Asset	4045	4629	4886	5252	5758

Table 4: Cash Flow (In Rs. Mn)

Year-end: March	FY09	FY10	FY11	FY12E	FY13E
PAT	75	230	276	383	523
Depreciation	121	168	185	185	185
Deferred Tax	9	-	-	-	-
Other Income	28	21	35	39	45
Inc/(Dec) in WC	(503)	571	134	75	62
Cash from Operation	(251)	1,001	639	693	826
Other Income	(28)	(21)	(35)	(39)	(45)
Net (Pur)/Sale of assets/Capex	369	828	-	-	-
Net (Pur)/Sale of Investments	85	-	-	-	-
Cash from Investing	426	807	(35)	(39)	(45)
Dividends & tax thereon	(14)	(29)	(29)	(29)	(29)
Net borrowing	211	371	-	-	-
Equity Issue	24	-	-	-	-
Share premium	-	-	-	-	-
Cash from Financing	220	342	(29)	(29)	(29)
Adjustments/Extra Income	(432)	(1656)	-	-	-
Cash flow	65	(36)	494	576	625

Table 5: Ratios

Year-end: March	FY09	FY10	FY11	FY12E	FY13E
EPS (Rs)	5.0	15.5	18.5	25.7	35.1
Cash EPS (Rs)	13.8	26.8	30.9	38.1	47.5
DPS (Rs)	1.0	1.9	1.9	1.9	1.9
Book Value (Rs)	168.7	182.9	200.2	224.7	258.8
Sales per share (Rs)	235.1	302.7	443.3	496.5	571.0
Valuations					
P/E (x)	10.7	7.4	7.6	5.1	3.7
Cash P/E (x)	3.9	4.3	4.6	3.4	2.7
P/B (x)	0.3	0.6	0.7	0.6	0.5
P/S (x)	0.2	0.4	0.3	0.3	0.2
Profitability/returns/liquidity					
EBIDTA Margin (%)	8.3	12.1	10.8	11.5	12.0
NPM (%)	2.7	5.4	4.3	5.3	6.3
ROCE (%)	5.2	9.5	10.5	12.3	14.3
ROE (%)	3.5	9.9	10.7	13.0	15.2
Debt/Equity	0.6	0.7	0.6	0.6	0.5
Interest coverage (Times)	3.6	5.1	3.6	4.2	5.1
Current ratio	2.1	1.9	2.0	2.3	2.5
Other Ratios					
EV	2245.2	3019.3	2850.8	2055.5	1302.5
EBITDA	290.6	546.7	714.6	847.8	1021.3
EV/EBITDA	7.7	5.5	4.0	2.4	1.3
EV/Turnover	0.6	0.7	0.4	0.3	0.2

Contact Details – Institutional Relations

R F Jetha	President, Institutional Operation	rfj@dalmiasec.com	+912230272815-16
Malay Kampani	Vice President - Institution	malay.kampani@dalmiasec.com	+919831246854

Dalmia Securities Private Limited

'Ideal Plaza' 11/1 Sarat Bose Road, Kolkata –700020
Phone No: 91-33-22806544-49, Fax No. – 91-33-22806643
Website – www.dalmiasec.com

Khetan Bhavan, Flat No. 17, 2nd Floor, 198 Jamshedji Tata Road Churchgate, Mumbai – 400020
Phone No: 91-22-30272815-16, Fax No – 91-22-30272820