

Autoline Industries Ltd.



- On a standalone basis, net profit of Autoline Industries rose 59% to Rs 50.60 Mn in the quarter ended December 2010 as against Rs 31.80 Mn during the corresponding quarter in fiscal 2010. The company posted a net sales of Rs 1101.4 Mn, a 66% rise on Y-o-Y basis. OPM (%) has squeezed from 14.50 % to 11.75%. In the first nine months of FY 11, company's net sales were up by 73% to Rs 3347.00 Mn as against Rs 1939.60 Mn. Its net profit was 110.50% up to Rs 181.00 Mn and the OPM were down by 28 bps to 12.96 % as compared to 9M FY10.

- Its consolidated net sales were up at Rs 1683.10 Mn versus Rs 1129.90 Mn, up by a robust 49% in December 2010 quarter. It recorded combined net profit of Rs 62.90 Mn against Rs 51.20 Mn on Y-o-Y basis. The operating margin was dented by almost 200 bps from 13 % to 11 % on Y-o-Y basis mainly due to increase in raw material price as well as employee cost.

- On a consolidated basis, company posted Rs 3347.00 Mn sales in the first nine months of FY11 as compared to Rs 1939.60 Mn in the same period previous year. Net profit of Autoline Industries Ltd grew by robust 110.50% to Rs 181.0 Mn in 9M FY11.

- The company owns 100 acres land in Chakan, Maharashtra. The company had meetings with its partners in Dubai and are trying to monetise the land through a deal with a developer on a long-term basis. The deal is expected to be completed by March 31, 2011 and is likely to fetch Rs.200-250 crore.

- The meeting of equity shareholders, secured creditors & unsecured creditors of Autoline Industries Limited ('the Applicant Company') will be held on March 01, 2011, for the purpose of considering for approving the Scheme of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited (the Transferor Companies) with Autoline Industries Limited (the Applicant / Transferee Company).

- Autoline's Q3 FY11 results are in line with our expectations. Over next years we expect the revenue to grow by 16 % CAGR. The EBIDTA margin is expected to remain at 12%. The PAT margin is expected to remain at 6.8% and grow at 19.4% CAGR over next three years. The projected FY13 EPS stands at Rs 30.7. The current stock price is around 5.4x the FY13E EPS. And we recommend a reiterating **BUY** with a target price of Rs.205.00.

- Financial Snapshot** (Rs mn)

Year-end:March	FY09	FY10	FY11E	FY12E	FY13E
Net Sales	3505	4511	5782	6239	6738
EBDITA	291	547	691	745	804
PAT	75	230	362	408	458
EPS	5.0	15.5	24.3	27.4	30.7
P/E	10.7	7.4	6.9	6.1	5.4
EV/EBITDA	7.7	5.5	4.7	3.5	2.5

Rating : BUY

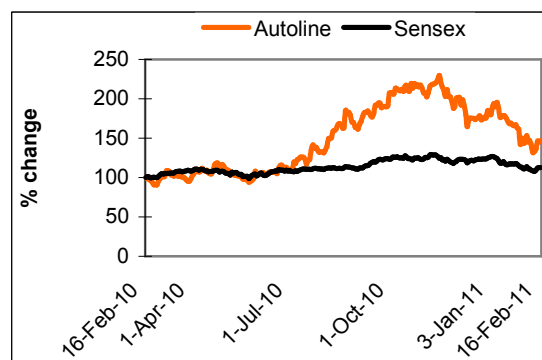
Target : INR 205.00 (upside 22%)

CMP : INR 166.90 (as on 15th Feb 2011)

Face Value (Rs)	10
Equity Share Capital (Rs. Mn)	122.0
Share Outstanding (Mn)	12.20
Market Cap (Rs. Mn)	2053.9
Book Value / share	152.73
Daily Avj. Volume	18425
52 W High (Rs.)	279.80
52 W Low (Rs.)	103.15

Shareholding pattern (%)

Promoter	28.12
Foreign	9.06
Institutions	1.20
Public & Others	61.63

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Unaudited Financial Result (Standalone)

	Q32011	Q32010	Chg(%)	9M2011	9M2010	Chg(%)
NetSales	1188.40	712.40	66.80	3347.00	1939.60	72.60
Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	0.50	1.50	-66.70	3.50	8.20	-57.30
Total Income	1101.90	664.10	65.90	3109.20	1808.30	71.90
Total Expenditure	972.50	568.00	71.20	2706.80	1569.90	72.40
PBIDT	129.40	96.10	34.70	402.40	238.40	68.80
Interest	38.30	37.90	1.10	99.60	74.50	33.70
Exchange Fluctuation	-	-	-	-	-	-
PBDT	91.10	58.20	56.50	302.80	163.90	84.70
Depreciation	30.50	26.40	15.50	89.80	77.90	15.30
Tax	10.00	0.00	0.00	32.00	0.00	0.00
Fringe Benefit Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	-
Reported Profit After Tax	50.60	31.80	59.10	181.00	86.00	110.50
Extra-ordinary Items	-	-	-	-	-	-
Adjusted PAT After Ext. items	50.60	31.80	-6.20	181.00	86.00	110.50
EPS (Adj) (InRs.)	4.15	2.60	59.60	14.84	5.36	176.90
PBIDTM (%)	11.75	14.50	-	12.96	13.24	-
PATM (%)	4.59	4.80	-	5.83	4.78	-

Unaudited Financial Result (Consolidated)

	Q32011	Q32010	Chg(%)	9M2011	9M2010	Chg(%)
NetSales	1683.10	1129.90	49.00	4898.30	3207.20	52.70
Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	0.30	6.70	-95.50	16.10	21.00	-23.30
Total Income	1592.60	1084.60	46.80	4661.50	3081.20	51.30
Total Expenditure	1425.10	943.70	51.00	4101.70	2748.50	49.20
PBIDT	167.50	140.90	18.90	559.80	332.70	68.30
Interest	50.00	88.10	4.50	129.40	95.10	36.10
Exchange Fluctuation	-	-	-	-	-	-
PBDT	117.50	92.10	27.60	430.40	237.60	81.10
Depreciation	42.90	37.60	14.10	132.30	111.60	18.50
Tax	11.20	0.30	3633.33	38.10	1.70	2141.20
Fringe Benefit Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	-
Reported Profit After Tax	63.40	54.20	17.00	260.00	124.30	109.20
Extra-ordinary Items	-	-	-	-	-	-
Adjusted PAT After Ext. items	62.90	51.20	22.90	249.50	117.80	111.80
EPS (Adj) (InRs.)	5.19	4.20	23.60	20.43	9.65	111.70
PBIDTM (%)	11.00	13.00	-	12.00	11.00	-
PATM (%)	4.00	5.00	-	3.03	3.49	-

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

Year-end: March	FY09	FY10	FY11E	FY12E	FY13E
Net Sales	3505	4511	5782	6239	6738
Growth(%)	-	22.30	28.18	7.90	7.90
Total Expenditure	3258.50	3989.30	5131.73	5536.73	5980.20
EBDITA	290.58	546.70	690.84	745.18	803.95
Growth(%)	-	88	26.36	7.86	7.88
Depreciation	121	168	168	168	168
Other Income	28	21	36	39	42
EBIT	169	378	523	577	636
Interest/Financial Charges	80	108	108	108	108
PBT	89	270	414	469	527
Total Tax	22.67	49.60	76.80	86.60	97.10
PAT before minority int	94.29	241.40	373.94	421.41	472.76
PAT Growth (%)	-	156%	55%	12.69%	12.18%
Net Income	75	230	362	408	458

Table 3: Balance Sheet (In Rs. Mn)

Year-end: March	FY09	FY10	FY11E	FY12E	FY13E
Equity	149.04	149.04	149.04	149.04	149.04
Reserves & Surplus	1984	2186	2519	2898	3328
Total Shareholders fund	2513	2726	3071	3464	3909
Total Debt	1472	1842	1842	1842	1842
Gross Block	2802	3630	3630	3630	3630
Accumulated Depreciation	318.56	486.86	655.16	823.46	991.76
Net Block	2845	3504	3336	3168	2999
Investments	225.21	225.21	225.21	225.21	225.21
Total Current Assets	1784	1754	2493	3163	3864
Less: Current Liab. & Prov.	858.58	904.48	1129	1239	1327
Net Current Assets	926.25	850.02	1363	1924	2537
Cash & Bank	28.72	523.10	1084	1697	2335
Total Asset	4045	4628	4973	5366	5811

Table 4: Cash Flow (In Rs. Mn)

Year-end: March	FY09	FY10	FY11E	FY12E	FY13E
PAT	75	230	362	408	458
Depreciation	121	168	168	168	168
Deferred Tax	9	-	-	-	-
Other Income	28	21	36	39	42
Inc/(Dec) in WC	(503)	571	48	52	26
Cash from Operation	(251)	1,001	626	681	709
Other Income	(28)	(21)	(36)	(39)	(42)
Net (Pur)/Sale of assets/Capex	369	828	-	-	-
Net (Pur)/Sale of Investments	85	-	-	-	-
Cash from Investing	426	807	(36)	(39)	(42)
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	77	(432)	-	-	-
Cash flow	65	(36)	2,150	561	613

Table 5: Ratios

Year-end: March	FY09	FY10	FY11E	FY12E	FY13E
EPS (Rs)	50	15.5	24.3	27.4	30.7
Cash EPS (Rs)	138	26.8	35.6	38.7	42.0
DPS (Rs)	1.0	1.9	1.9	1.9	1.9
Book Value (Rs)	168.70	182.90	206.10	232.50	262.30
Sales per share (Rs)	235.10	302.70	388.00	418.60	452.10
Valuations					
P/E (x)	10.7	7.4	6.9	6.1	5.4
Cash P/E (x)	3.9	4.3	4.7	4.3	4.0
P/B (x)	0.3	0.6	0.8	0.7	0.6
P/S (x)	0.2	0.4	0.4	0.4	0.4
Profitability/returns/liquidity					
EBIDTA Margin	8.3	12.1	11.9	11.9	11.9
NPM (%)	27	5.4	6.5	6.8	7.0
ROCE (%)	52	9.5	11.7	11.9	12.0
ROE (%)	35	9.9	13.6	13.4	13.2
Debt/Equity	0.6	0.7	0.6	0.5	0.5
Interest coverage (Times)	36	5.1	6.4	6.9	7.4
Current ratio	2.1	1.9	2.2	2.6	2.9
Other Ratios					
EV	2245.20	3019.30	3245.50	2632.30	1994.10
EBITDA	290.60	546.70	690.80	745.20	804.00
EV/EBITDA	7.7	5.5	4.7	3.5	2.5
EV/Turnover	0.6	0.7	0.6	0.4	0.3

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