

09 February 2014

CMP: Rs.51.2

Industry: Auto Parts & Equipments

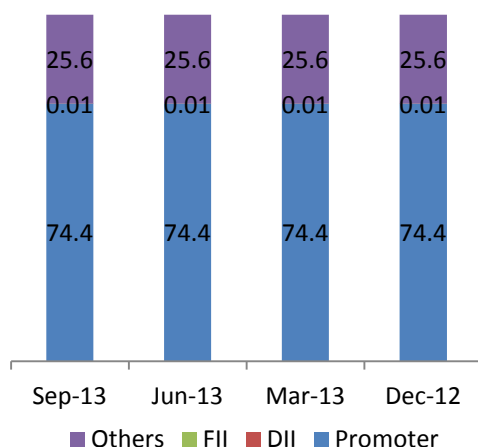
BSE group: B/Small Cap

Promoters

Menon group companies

Key Data (as on 11 Nov' 13)

BSE	531727
ISIN	INE650G01011
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	261.1
Current P/E	21.2
Current P/BV	0.5
52 week low-high	46.50-80.00
30 days avg daily trading volume	325
Equity capital (Rs mn)	51.0
Net worth (Rs mn)	551.9

Shareholding Pattern (%)

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Company business

Menon Pistons Ltd (MPL) manufactures aluminium alloy pistons, piston pins and piston rings for passenger cars, heavy and light commercial vehicles, heavy duty diesel engines for power generation and earth movers, compressors, etc. MPL is one of the only companies in India to develop Austenitic Ring Carrier (Alfin) Pistons. With the three manufacturing plants located in and around Kolhapur, the company manufactures 2.4 million pistons per annum. MPL has the technical capability to design and manufacture pistons of contemporary designs and also for New Generation Engines. In the past the company has had technical collaborations with Izumi Industries Ltd, Japan (for pistons) and Nippon Piston Ring Co. Ltd, Japan (for piston rings). The company now has technology collaboration with Dong Yang Pistons Co. Ltd., South Korea.

Financials

Particulars (Rs in mn)	Jul '13 to Sep '13	Jul '12 to Sep '12	% Change ¹	Apr'13 to Jun '13	% Change ²
Total income	395.3	383.3	3.1%	347.8	13.7%
Total operating expenditure	363.5	334.4	8.7%	321.0	13.3%
EBIDTA	31.8	48.9	(35.0%)	26.8	18.5%
EBIDTA margin	8.04%	12.76%	(37.0%)	7.71%	4.3%
PBT	8.0	25.4	(68.5%)	4.6	73.9%
PAT	5.4	18.9	(71.4%)	3.0	80.0%
PAT margin	1.37%	4.93%	(72.3%)	0.86%	58.4%
Cash accruals	18.2	31.0	(41.3%)	14.1	29.1%
EPS	1.1	3.7	(71.4%)	0.6	76.7%

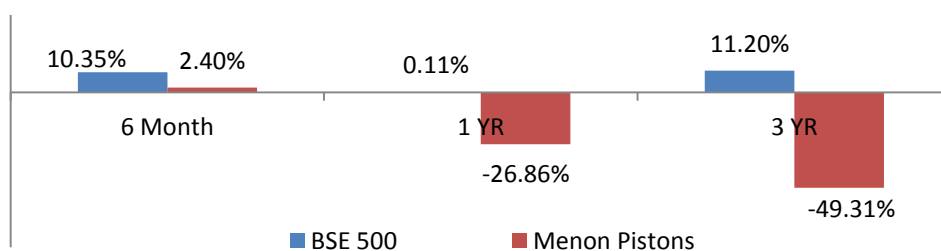
¹ compared to corresponding quarter in the previous year

² sequential comparisons

Source: Moneycontrol, Company

Financial Performance

Due to the ongoing slowdown in offtake from the medium and heavy commercial vehicle (MHCV) original equipment manufacturers (OEMs), MPL's FY13 revenues declined 7% to Rs 1.7 bn from Rs 1.8 bn in FY12 and PAT halved to Rs 45.7 mn from Rs 100.2 mn in FY12. In the QE Sept 13, total income increased by 3.1% to Rs. 395.3 mn over QE Sept 12 but PAT fell 71% to Rs 5.4 mn. On a sequential basis, total income for QE Sept 13 increased by 13.7% to Rs. 395.3 mn and PAT increased by 80.0% over the previous quarter to Rs. 5.4 mn.

Share Price Performance


Financials

P&L (Rs. mn)	FY11	FY12	FY13
Total income	1,509.9	1,832.3	1,700.7
EBIDTA	184.7	228.0	158.8
EBIDTA margin	12%	12%	9%
Depreciation	26.4	41.5	45.7
EBIT	158.3	186.5	113.1
Interest	26.6	31.9	43.2
PBT	131.7	154.6	69.9
Tax	44.0	54.4	24.2
PAT	87.7	100.2	45.7
PAT Margin	6%	5%	3%
	-	-	-
Dividend Payout	23.7	20.7	26.0

Valuation ratios	FY11	FY12	FY13
P/E	6.2	11.5	3.5
P/BV	1.4	1.0	0.6

Balance Sheet (Rs. mn)	FY11	FY12	FY13
Share Capital	51.0	51.0	51.0
Share application money, warrants	0.0	0.0	0.0
Reserves & Surplus	387.8	467.3	500.9
Net worth	438.8	518.3	551.9
Borrowings	233.9	278.5	386.6
Current Liabilities and provisions	349.9	372.3	280.2
Net deferred tax Liabilities	24.1	28.7	29.5
Total liabilities	1,046.7	1,197.8	1,248.2
Fixed assets	268.2	372.5	380.7
Non-current Investments	1.2	4.4	4.4
Loans and Advances	28.0	73.6	134.9
Current Assets	711.0	729.5	679.3
Total assets	1,046.7	1,197.8	1,248.2

Cash Flow (Rs.mn)	FY11	FY12	FY13
PBT	131.7	154.6	69.9
CF from Operation	126.8	157.0	(4.7)
CF from Investment	(117.3)	(112.4)	(75.9)
CF from Financing	59.2	(5.6)	28.1
Inc/(dec) Cash	68.7	39.0	(52.5)
Closing Balance	196.6	235.6	183.1

Disclaimer

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