

16 February 2015

CMP: Rs.135

Industry: Auto Parts & Equipments

BSE group: B/Small Cap

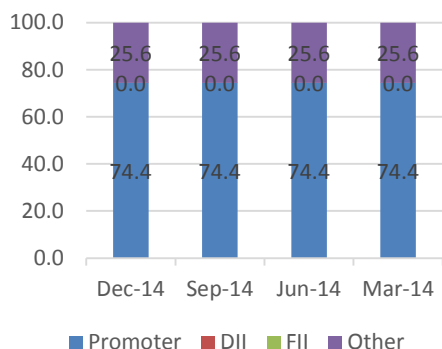
Promoters

Menon group companies

Key Data (as on 16-Feb-15)

BSE	531727
ISIN	INE650G01011
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	688.5
Current P/E	13.7
Current P/BV	1.2
52 week low-high	54-164.4
30 days avg daily trading volume	20125.5
Equity capital (Rs mn)	51.0
Net worth (Rs mn)	555.4

Shareholding Pattern (%)



Click here for:
[Initiation Report](#)

Write to us at:
equity.research@outlook.com

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)	Oct '14 to Dec '14	Oct '13 to Dec '13	% Change ¹	Jul'14 to Sep'14	% Change ²
Total income	349.5	336.3	3.9%	403.1	(13.3%)
Total operating expenditure	311.8	307.0	1.6%	345.4	(9.7%)
EBIDTA	37.7	29.3	28.7%	57.7	(34.7%)
EBIDTA margin	10.8%	8.7%	-	14.3%	-
PBT	16.4	8.0	105.0%	35.9	(54.3%)
PAT	11.1	5.4	105.6%	24.0	(53.8%)
PAT margin	3.2%	1.6%	-	6.0%	-
Cash accruals	24.3	18.2	33.5%	38.0	(36.1%)
EPS	2.2	1.1	104.7%	4.7	(53.8%)

¹ compared to corresponding quarter in the previous year

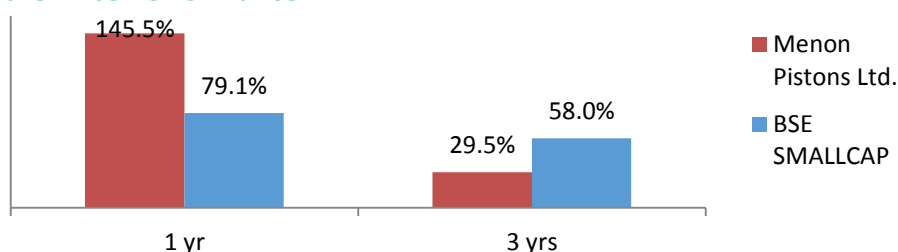
² sequential comparisons

Source: Moneycontrol, Company

Financial Performance

With improved offtake from the medium and heavy commercial vehicle (MHCV) original equipment manufacturers (OEMs) in FY15, MPL's revenues for QE Dec 14 increased 4% to Rs 349.5 mn from Rs 336.3 mn in QE Dec 13. However with severe reduction in input costs and a tight control on employee costs, other expenses, interest costs PAT for QE Dec 14 was 106% higher at 11.1 mn over Rs 5.4 mn for QE Dec 13.

Share Price Performance



Financials

P&L	FY12	FY13	FY14
Total income	1,832.3	1,700.6	1,576.6
EBIDTA	228.0	158.8	113.2
EBIDTA margin (%)	12.4	9.3	7.2
Depreciation	41.5	45.7	40.6
EBIT	186.5	113.1	72.6
Interest	31.9	43.2	40.1
PBT	154.6	69.9	32.5
Tax	54.4	24.2	14.3
PAT	100.2	45.7	18.2
PAT margin (%)	5.5	2.7	1.2
Dividend	20.7	11.9	9.0
Dividend Payout (%)	17.8	22.3	42.3

Valuation ratios	FY12	FY13	FY14
P/E	5.2	6.7	18.8
P/BV	1.0	0.6	0.6

Balance Sheet	FY12	FY13	FY14
Share Capital	51.0	51.0	51.0
Share Application Money	-	-	-
Reserves & Surplus	467.3	501.0	510.1
Shareholders' Funds	518.3	552.0	561.1
Borrowings	278.5	386.6	291.6
Net deferred tax liability	19.2	23.8	30.9
Current Liabilities	372.3	280.1	272.5
Total Liabilities	1,188.3	1,242.5	1,156.1
Net fixed assets	375.1	418.3	397.1
Investments	4.4	4.3	4.3
Loans and Advances	73.6	134.9	147.9
Current Assets	735.2	685.0	606.8
Total Assets	1,188.3	1,242.5	1,156.1

Cash Flow	FY12	FY13	FY14
PBT	154.6	69.9	32.5
CF from Operation	157.0	(1.1)	57.5
CF from Investment	(112.4)	(79.7)	(9.9)
CF from Financing	(5.6)	28.3	(146.6)
Inc/(dec) Cash	39.0	(52.5)	(99.0)
Closing Balance	235.6	183.1	84.1

Disclaimer

The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Our company shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation which may affect their investment in the securities of companies referred to in this document (including the merits and risks involved). The discussions or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information.