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Q4 FY07
Result Update

Jyoti Structures

Outperformer

Rs 184

May 8, 2007

Continuing the growth trajectory...

Company Details		Result Snapshot	
Market Cap:	Rs 15,006m	<p>For Q4FY07, Jyoti Structures (JSL) reported a topline growth of 28.8% yoy to 3.04bn, lower than our estimates. Operating margins were up 230bps to 12.8% as compared to same period last year. PAT for the quarter increased by 53% yoy to Rs 160m.</p> <p>Order book for the company stands at Rs 20bn. Order inflow during the quarter was particularly strong from the distribution side with the company receiving significant number of orders from REC and SEB's.</p> <p>At the CMP of Rs 185, the stock trades at 16.2x FY08E and 12.2x FY09E earnings of Rs 11.4 and Rs 15.1 respectively. On an EV/EBIDTA basis, it trades at 8.7x and 6.9x FY08 and FY09 estimates respectively. We maintain Outperformer.</p>	
52 Week High/Low:	Rs 210 / 59		
Bloomberg Code:	JYS@IN		
Reuters Code:	JYTS.BO / NS		
Shares O/s:	82m		
Average Volume (3 months):	0.2m		
Price Performance			
(%)	1m	3m	12m
Absolute	9.9	6.5	70.7
Relative to Sensex	1.9	11.7	59.3

Q4 FY07 Result Overview

(Rs m)

Y/e March	Q4FY07	Q4FY06	yoy gr. (%)	FY06	FY07	yoy gr. (%)
Net Sales	3,043	2,364	28.8	7,381	10,250	38.9
Expenditure						
Raw Material	1,628	1,274	27.8	4,449	5,882	32.2
<i>% of Net Sales</i>	<i>53.5</i>	<i>53.9</i>		<i>60.3</i>	<i>57.4</i>	
Personnel Cost	87	41	112.6	185	266	43.9
<i>% of Net Sales</i>	<i>2.8</i>	<i>1.7</i>		<i>2.5</i>	<i>2.6</i>	
Others	940	800	17.5	1,999	2,847	42.4
<i>% of Net Sales</i>	<i>30.9</i>	<i>33.8</i>		<i>27.1</i>	<i>27.8</i>	
Total Expenditure	2,654	2,115	25.5	6,633	8,996	35.6
EBITDA	389	249	56.2	748	1,254	67.7
<i>Margin (%)</i>	<i>12.8</i>	<i>10.5</i>		<i>10.1</i>	<i>12.2</i>	
Other income	1	15	(93.4)	21	8	(60.7)
Depreciation	16	16	(2.3)	48	58	20.3
EBIT	374	248	51.0	720	1,204	67.1
Interest	100	60	66.2	258	329	27.3
PBT	274	187	46.1	462	875	89.4
Total Taxes	114	83	37.5	185	330	78.0
<i>ETR (%)</i>	<i>41.7</i>	<i>44.4</i>		<i>40.1</i>	<i>37.7</i>	
PAT	160	104	53.0	277	545	97.1

(Stock price as on May 8, 2007)



Result Highlights

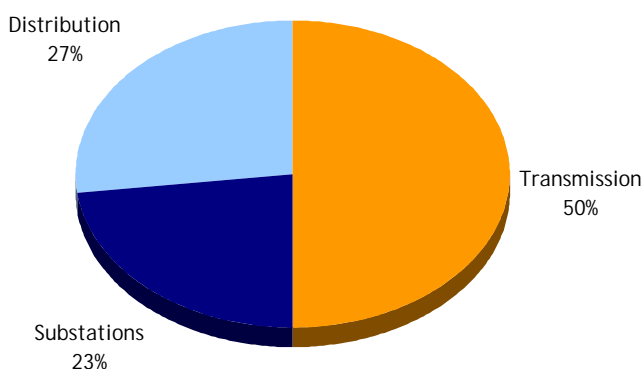
For Q4FY07, Jyoti Structures (JSL) reported a topline growth of 28.8% yoy to 3.04bn, lower than our estimates. Operating margins were up 230bps to 12.8% as compared to same period last year. PAT for the quarter increased by 53% yoy to Rs 160m.

Interest expense for the quarter increased to Rs 100m on account of rising interest rates and also certain PGCIL orders have started attracting interest on advance received.

For the full year, the company reported a topline of Rs 10.2bn, up 38.9%. EBIDTA for the year increased by 67.7% to Rs 1.25bn. Operating margins increased by 210bps to 12.2%. Net Profit for the year grew by 97.1% to Rs 545m.

Order book for the company stand at Rs 20bn, up 96.6% as compared to start of the year.

Order Book Breakup



Source: Company Data, PL Research

Key Figures

Y/e March	FY06	FY07E	FY08E	FY09E
Revenues (Rs m)	7,381	10,250	14,698	18,975
EBITDA (Rs m)	748	1,254	1,866	2,372
<i>Margins (%)</i>	<i>10.1</i>	<i>12.2</i>	<i>12.7</i>	<i>12.5</i>
PAT (Rs m)	277	545	929	1,230
EPS (Rs)	4.0	6.7	11.4	15.1
PER (x)	45.9	27.5	16.2	12.2
EV / E (x)	19.1	13.0	8.7	6.9
EV / Sales (x)	1.9	1.6	1.1	0.9
<i>RoCE (%)</i>	<i>14.9</i>	<i>24.9</i>	<i>33.2</i>	<i>35.7</i>
<i>RoE (%)</i>	<i>22.8</i>	<i>34.6</i>	<i>44.4</i>	<i>47.5</i>

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