

## Exide Q2 FY12 shows huge margins pressure

Exide Industries Ltd has announced its Q2 FY2012 results on 20 October 2011. While the company's top line and bottom line are below our and Bloomberg Consensus Estimates, The revenue shows 5.5% qoq de-growth due to mainly the strike in the factory of one of the key customer Maruti Suzuki and higher battery price than Amara Raja. A glimpse of the company's Q2 FY2012 results is as follows:

### Exide Industries Ltd Q2 12

Particulars (INR Mn)	Q2 12	Q1 12	Q2 11	QoQ (%)	YoY (%)
Revenues	11,761.0	12,444.1	11,272.0	-5.5%	4.3%
EBITDA	902.9	2,222.5	2,454.9	-59.4%	-63.2%
EBIDTA Margins	7.7%	17.9%	21.8%	(1,018)bps	(1,410)bps
Net Profit	511.5	1,632.0	2,129.3	-68.7%	-76.0%
Net Profit Margins	4.3%	13.1%	18.9%	(877)bps	(1,454)bps
Adj EPS	0.6	1.9	2.5	-68.7%	-75.9%

**View;** Our outlook is cautious for the near term as global slowdown, escalating fuel price, rising inflation and interest rate skid demand of auto sales which in turn may diminish the top line growth of the company. On the other hand, shortage of coal in Eastern region hampers the power supply which is likely to increase inverter sales, but for the longer term we remain positive as after sales services and price cut of 15% and 10% for inverter and car batteries may help to regain market share from Amara Raja.

A detailed analysis of the results will be followed soon.

For a detailed report on Exide Ind, issued by us, click on the following links:

Exide Ind ICR – 'Lead'ing Edge

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