



# Siemens India Ltd

## FY09: FIRST CUT

- ❑ **Consolidated Results 12% below estimates:** Sales of Rs 93.4 bn (down 4%), OPM of 11.2% (187 bps expansion) and adj. PAT of Rs 5.9 bn (up 18%).
- ❑ **Orders:** The new orders grew by 11% YoY in H2FY09 vs 10% decline in H1. Consolidated and standalone order intake stood at Rs 101 bn (down 2%) and Rs 88 bn (up 1%) respectively. Order backlog (standalone) grew by 1% YoY to Rs 84 bn.
- ❑ **Energy (46% of standalone sales)** posted 2% revenue growth for the year. Q4 EBIT margins of power segment declined sharply (6.2% vs 16.3% in 9M) leading to FY09 margins of 13.6%.
- ❑ **Industry ex-mobility (36% of standalone sales)** buoyed by 20% YoY growth in Q4, this segment reported 4% revenue growth for FY09. However, FY09 EBIT margins reduced by 286 bps to 7.3%.
- ❑ We will release a detailed note tomorrow post the analyst meet.

### Consolidated FY09 (Sept ending) Results: Reported nos. vs. expectations

(Rs mn)	Reported	Forecast	Variance (%)	Comment
Sales	93,491	86,792	8	Higher-than-expected sales by subsidiaries
EBITDA	10,515	10,046	5	OPM at 11.2% vs 11.6% expected
Adj. PAT	5,924	6,716	(12)	Lower-than-expected other income

Source: Company, ENAM Research

### Results update

(Rs mn)	Year Ended (Standalone)#			Year Ended (Consolidated)#		
	FY09	FY08	% Chg	FY09	FY08	% Chg
<b>Net Sales</b>	<b>84,585</b>	<b>83,577</b>	<b>1.2</b>	<b>93,491</b>	<b>97,296</b>	<b>(3.9)</b>
EBITDA	10,232	7,811	31.0	10,515	9,123	15.3
Other income	576	499	15.5	599	681	(12.0)
<b>PBIDT</b>	<b>10,807</b>	<b>8,309</b>	<b>30.1</b>	<b>11,115</b>	<b>9,804</b>	<b>13.4</b>
Depreciation	778	637	22.0	1,733	1,617	7.2
<b>PBT</b>	<b>10,030</b>	<b>7,672</b>	<b>30.7</b>	<b>9,382</b>	<b>8,187</b>	<b>14.6</b>
Tax	3,491	2,720	28.3	3,581	3,218	11.3
<b>Adjusted PAT</b>	<b>6,539</b>	<b>4,952</b>	<b>32.0</b>	<b>5,802</b>	<b>4,969</b>	<b>16.8</b>
Less: Minority/ Associates	-	-	-	(123)	(56)	120.0
<b>Adjusted Net PAT</b>	<b>6,539</b>	<b>4,952</b>	<b>32.0</b>	<b>5,924</b>	<b>5,025</b>	<b>17.9</b>
Extra ordinary income/ (exp.)	3,910	981	298.4	1,122	971	15.6
<b>Reported PAT</b>	<b>10,449</b>	<b>5,933</b>	<b>76.1</b>	<b>7,046</b>	<b>5,995</b>	<b>17.5</b>
No. of shares (mn)	337	337	-	337	337	-
EBITDA margins (%)	12.1	9.3	-	11.2	9.4	-
PBIDT margins (%)	12.8	9.9	-	11.9	10.1	-
<b>EPS - annualized (Rs.)</b>	<b>19.4</b>	<b>14.7</b>	<b>-</b>	<b>17.2</b>	<b>14.7</b>	<b>-</b>

Source: Company, ENAM Research, # Year ending September

Analyst: **Bhavin Vithlani**  
 Email: bhavin@enam.com  
 Tel: 9122 6754 7634

**Akshen Thakkar**  
 Email: akshen.thakkar@enam.com

## FY09- Segmental Performance (Standalone)

(Rs. mn)	Revenues			PBIT margin (%)		
	FY09	FY08	% Chg	FY09	FY08	Chg bps
<b>A ) Industry</b>						
Industry Automation	9,622	9,904	(3)	6.5	9.3	(272)
Drive Technology	11,682	10,108	16	6.3	8.7	(240)
Building Technology	850	925	(8)	3.8	6.0	(224)
Industry Solutions	11,497	11,439	1	9.3	13.1	(382)
<b>Total</b>	<b>33,652</b>	<b>32,376</b>	<b>4</b>	<b>7.3</b>	<b>10.2</b>	<b>(286)</b>
<b>B) Energy</b>						
Fossil Power Generation	4,228	1,300	225	10.4	(143.0)	-
Oil & Gas	5,631	5,115	10	14.4	11.2	326
Power Transmission	24,719	28,415	(13)	16.2	12.0	419
Power Distribution	8,842	7,896	12	7.4	12.3	(494)
<b>Total</b>	<b>43,420</b>	<b>42,725</b>	<b>2</b>	<b>13.6</b>	<b>7.3</b>	<b>636</b>
C) Mobility	10,260	6,952	48	(0.7)	(2.7)	190
D) Healthcare	5,431	6,053	(10)	7.6	5.5	207
E) Real Estate	653	645	1	129.3	95.3	-
F) Discontinued Operations	0	232	-	-	3.6	-
<b>Total (A+B+C+D+E+F)</b>	<b>93,416</b>	<b>88,983</b>	<b>5</b>	<b>10.2</b>	<b>8.1</b>	<b>217</b>
Less Inter Segment Rev	9,528	6,028	58	-	-	-
Add: Operating income	697	622	12	-	-	-
<b>Net Sales/ income from op</b>	<b>84,585</b>	<b>83,577</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: Company, ENAM Research

This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Nothing in this document should be construed as investment or financial advice, and nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. The intent of this document is not in recommendatory nature

Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors

Enam Securities Private Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval

Enam securities Private Limited, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document

This report has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of ENAM Securities Private Limited. The views expressed are those of analyst and the Company may or may not subscribe to all the views expressed therein

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

**Copyright in this document vests exclusively with ENAM Securities Private Limited.**