

HYDERABAD INDUSTRIES

ACCELERATED G GROWTH

Retail Desk

02 May 2012

Rating	Buy
CMP (₹)	381
Target Price (₹)	510
Upside (%)	34

Key Data	
BSE Code	509675
NSE Code	HYDRBADIND
Reuters code	HYDI.BO
Bloomberg Code	HYI IN
Sensex	17319
Face Value (₹)	10
Mcap (₹ Cr.)	286
52 week H/L (₹)	424/255
2 Wk Avg Qty	7638

Share holding, March '12		Holding %
Promoters		41.3
DIs		3.5
State Government		4.1
Corporates		9.6
Foreign		1.9
Public		39.6

Performance (%)			
	3M	6M	12M
Stock (HIL)	9.1	11.7	4.1
BSE 200	4.4	-0.8	-9.2
BSE 500	4.8	-0.8	-9.4

Price Chart: (One-Year)


<http://www.hil.in>

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Q4FY12/FY12 Results:

During Q4FY12, sales rose 29.8% to ₹248.6 crore and net profit by 71.4% to ₹18.0 crore. (YoY). OPM and NPM stood at 13.5% and 7.2% compared to 10.9% and 5.5% respectively in Q4FY11. EPS for Q4FY12 stands at ₹24.0 Vs ₹14 in Q4FY11.

During FY12, sales advanced by 18.4% to ₹857.8 crore and net profit rose by 19.8% to ₹60.6 crore. OP and NP margin stood at 13.5% and 7.1% against 13.4% and 7.0% respectively in the corresponding period last year.

EPS for FY12 stood at ₹81.1. The DER as at FY12 stood at 0.21:1 (0.29:1) whereas the value of the net block stood at ₹326.4 crore (₹289.9 crore).

Valuation & Recommendation:

At the CMP of ₹381, the share is trading at a P/E of 4.1x on FY12E and 3.5x on FY13E. We recommend BUY with an increased price target of ₹510 in the medium-to-long term.

Company Description:

HIL, a C K Birla Group incorporated in 1946 is into the business of producing building products, engineering goods and industrial products. HIL is the market leader in its segments. HIL markets its product AC and fibre cement sheets under the well-known brand "Charminar". The total capacity of the cement sheet is 8.55 lakh tpa, prefab building panels at 4.60 lakh tpa, prefabricated autoclaved capacity at 3.05 lakh tpa and thermal insulation capacity is 6,000 tpa. The commercial production of sheeting line 2 in Uttar Pradesh has started w.e.f. 09 February 2012.

HIL is also the largest manufacturer of calcium silicate, insulation blocks, pipe sections and jointing for gasketing, thereby meeting the critical needs of the fertilizer, engineering & chemical industries. It also makes aerocon prefab panels, autoclaved aerated concrete blocks, which find applications in the construction of buildings, malls, shopping complexes and office partitioning etc.

HIL's most modern manufacturing plants are located at 12 locations in 8 states- Andhra Pradesh, Gujarat, Haryana, Jharkhand, Kerala, Maharashtra, Orissa and Uttar Pradesh. HIL has a strong & extensive distribution network with nearly 8000 sales points spread across the country which is serviced by its 45 depots.

Key Financial:

(₹ crore)

Year-March	FY11A	FY12A	FY13E	FY14E
Sales	726.2	857.8	995.0	1134.3
PBIDT	97.7	116.1	132.3	152.0
Interest	5.6	7.5	8.0	8.0
PBDT	92.1	108.6	124.3	144.0
Depreciation	18.0	21.2	23.5	23.8
PBT	74.1	87.4	100.8	120.2
Tax	23.5	26.8	30.7	37.2
PAT	50.6	60.6	70.1	83.0
Equity	7.5	7.5	7.5	7.5
Reserves	285.9	330.5	400.6	483.6
Book Value (₹)	391.2	445.7	544.1	654.8
EPS (₹)	67.4	80.8	93.5	110.7
OP Margin (%)	13.4	13.5	13.3	13.4
NP Margin (%)	7.0	7.1	7.0	7.3
P/E		4.7	4.1	3.5



SUNIDHI SECURITIES & FINANCE LTD

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