

# Vipul Ltd

## Q3FY12 First cut-Earnings grew q-o-q, but below expectations

Fundamental Grade **2/5 (Moderate fundamentals)**

Valuation Grade **5/5 (CMP has strong upside)**

Industry **Real Estate Management & Development**

Vipul Ltd's standalone Q3FY12 standalone revenues were in line with CRISIL Research's expectations but earnings were below due to lower-than-expected margins and higher interest costs. Post interaction with the management, we will provide more clarity on the bookings and realisations, and may revise our earnings estimates downwards. We maintain our fundamental grade of **2/5**.

### Q3FY12 standalone result analysis

- Vipul's Q3FY12 revenues grew by 17.4% y-o-y (up 9.7% q-o-q) to Rs 1,067 mn, in line with our estimates.
- EBITDA margin declined by 500 bps y-o-y (increased ~80 bps q-o-q) to 10.8%, which was below our expectation. We believe the decline in margin was due to low realisation and higher input costs. However, we will be able to provide more clarity on the same post our discussion with the management.
- PAT declined by 18.9% y-o-y (up 21.4% q-o-q) to Rs 63 mn due to decline in margins and lower other income. PAT margin declined ~270 bps y-o-y (increased ~60 bps q-o-q) to 5.9%. EPS was reported at Rs 0.5 vs. Rs 0.7 in Q3FY11.

### Valuations: Current market price has strong upside

We continue to use the NAV method to value Vipul and maintain the fair value of Rs 27 per share. Based on the current market price, this translates into a valuation grade of **5/5**.

### KEY FORECAST (CONSOLIDATED)

(Rs mn)	FY09	FY10	FY11	FY12E	FY13E
Operating income	4,198	2,856	3,846	4,298	5,069
EBITDA	361	253	435	486	709
Adj PAT	191	89	242	294	483
Adj EPS-Rs	1.6	0.7	2.0	2.5	4.0
EPS growth (%)	(55.9)	(53.0)	170.2	21.8	64.0
Dividend yield (%)	1.1	1.1	1.3	2.4	3.9
RoCE (%)	6.8	4.3	7.0	8.1	13.1
RoE (%)	5.6	2.6	6.6	7.6	11.5
PE (x)	8.3	17.7	6.6	5.4	3.3
P/BV (x)	0.5	0.4	0.4	0.4	0.4
EV/EBITDA (x)	8.3	14.8	8.1	5.5	1.7

NM: Not meaningful; CMP: Current market price

Source: Company, CRISIL Research estimate

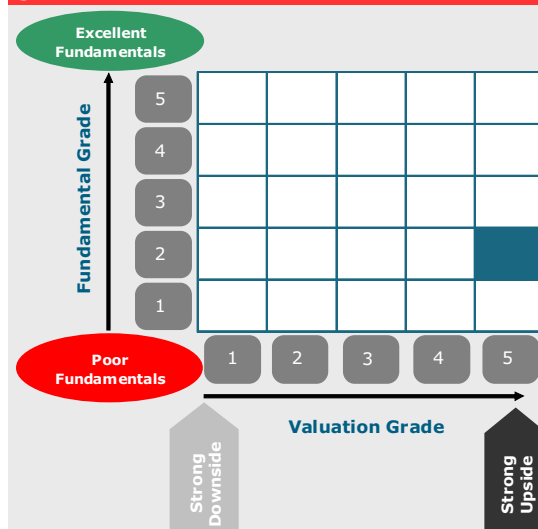


February 13, 2012

Fair Value **Rs 27**

CMP **Rs 13**

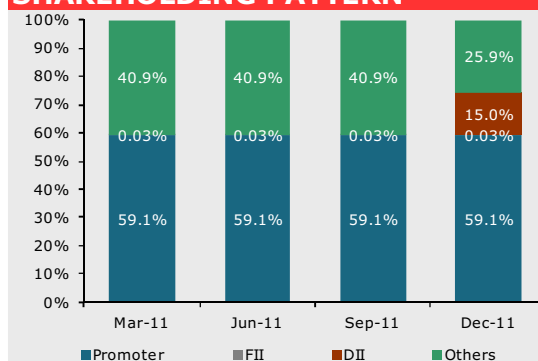
### CFV MATRIX



### KEY STOCK STATISTICS

NIFTY / SENSEX	5,390/17,773
NSE / BSE ticker	VIPUL
Face value (Rs per share)	1
Shares outstanding (mn)	120.0
Market cap (Rs mn)/(US\$ mn)	1,584/32
Enterprise value (Rs mn)/(US\$ mn)	3,518/71
52-week range (Rs) (H/L)	17/7
Beta	1.2
Free float (%)	40.9%
Avg daily volumes (30-days)	38,318
Avg daily value (30-days) (Rs mn)	0.4

### SHAREHOLDING PATTERN



### PERFORMANCE VIS-À-VIS MARKET

	Returns			
	1-m	3-m	6-m	12-m
VIPUL	30%	25%	18%	-11%
NIFTY	11%	4%	6%	2%

### ANALYTICAL CONTACT

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