Outlook & Valuation

In view of the projected GDP growth and continuous buoyancy in demand, most peers in the industry have lined up a flurry of new products and variants, which will offer stiff competition for Hero Honda. Also the recent successes of its competitors in outgrowing their market will put the company's profitability under pressure. However, we expect the market growth to be high enough to accommodate major players as of now; hence we remain cautiously optimistic about sales volumes in the current quarter.

At CMP of Rs 1,815 the stock trades at 15x and 13.2x to FY11 and FY12 EPS estimates of 121.1 and 137 respectively. We have valued the stock at 13 times FY12 earnings. We have neutral view on stock.

Result Update

VENTURA

Kyon ki bhaiya, sabse bada rupaiya.

							(Rs. In Cr.)	
Q1FY11	Q1FY10	% Chg.	Q1FY11	Q4FY10			FY200903	% Chg.
	3811.1	11.9			4.2	15758.2		27.9
32.0	18.1	76.7	32.0	29.7	7.7	102.3	63.1	62.1
4296.6	3829.2	12.2	4296.6	4122.3	4.2	15860.5	12382.3	28.1
3084.8	2577.3	19.7	3084.8	2779.4	11.0	10730.4	8760.2	22.5
71.8%	67.3%	-	71.8%	67.4%	-	67.7%	70.8%	-
-25.5	12.4	PL	-25.5	-11.0	-131.8	6.0	-18.2	LP
-0.6%	0.3%	-	-0.6%	-0.3%	-	0.0%	-0.2%	-
3059.4	2589.7	18.1	3059.4	2768.4	10.5	10736.4	8742.0	22.8
71.2%	67.6%	-	71.2%	67.2%	-	67.7%	70.6%	-
489.7	450.8	8.6	489.7	496.2	-1.3	1796.9	1442.1	24.6
11.4%	11.8%	-	11.4%	12.0%	-	11.3%	11.7%	-
747.6	788.7	-5.2	747.6	857.7	-12.8	3327.3	2198.2	51.4
145.0	138.5	4.7	145.0	146.0	-0.7	560.3	448.7	24.9
3.4%	3.6%	-	3.4%	3.5%	-	3.5%	3.6%	-
3694.1	3179.0	16.2	3694.1	3410.6	8.3	13093.6	10632.7	23.1
602.5	650.1	-7.3	602.5	711.7	-15.3	2767.0	1749.5	58.2
14.0%	17.0%	-	14.0%	17.3%	-	17.5%	14.1%	-
53.4	42.5	25.8	53.4	69.5	-23.1	235.6	180.9	30.2
-2.7	-5.5	-51.3	-2.7	-4.5	-40.5	-20.6	-31.7	-34.9
	0.0				-			-
658.6	698.1	-5.7	658.6	785.7	-16.2	3023.2	1962.1	54.1
48.3	45.6	5.9	48.3	48.7	-0.8	191.5	180.7	6.0
610.3	652.5	-6.5	610.3	737.0	-17.2	2831.7	1781.5	59.0
14.2%	17.0%	-	14.2%	17.9%	-	17.9%	14.4%	-
	0.0				-			-
610.3	652.5	-6.5	610.3	737.0	-17.2	2831.7	1781.5	59.0
19.4%	23.4%	-	19.4%	18.8%	-	21.2%	28.1%	-
118.7	152.4	-22.1	118.7	138.2	-14.2	599.9	499.7	20.1
2.8%	4.0%	-	2.8%	3.4%	-	3.8%	4.0%	-
491.7	500.1	-1.7	491.7	598.8	-17.9	2231.8	1281.8	74.1
11.4%	13.1%	-	11.4%	14.5%	-	14.1%	10.4%	-
2.0	2.0	0.0	2.0	2.0		2.0	2.0	0.0
39.9	39.9	0.0	39.9	39.9	0.0	39.9	39.9	0.0
24.6	25.0	-1.7	24.6	30.0	-17.9	111.8	64.2	74.1
27.0		-1.1						65.7
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Source: ACE Equity

<u>Result Update</u>



Kyon ki bhaiya, sabse bada rupaiya.

Source: ACE Equity

Ventura Securities Limited

Corporate Office: Corporate Office: C-112/116, Bldg No. 1, Kailash Industrial Complex, Park Site, Vikhroli (W), Mumbai – 400079

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