

# Hino Motors

Automotives

17 Nov 2013

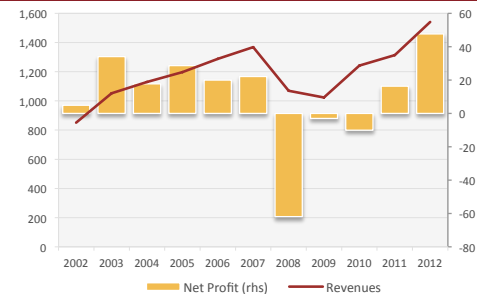
Japan

## COMPANY DESCRIPTION

Hino Motors Ltd. is a Japan-based manufacturing company. The Company is based in Hino, Tokyo, Japan and is engaged in the manufacture and sale of trucks, buses and other automobiles, as well as the entrusted manufacture according to the order from Toyota Motor Corporation. Worldwide sales of Hino-brand trucks and buses total about 150,000 vehicles a year. The Hino Brand is almost 80 years old and is recognized globally as the 3rd largest truck manufacturer in the world. The company is No. 1 producer in Japan, has a strong market share in South East Asia and has been increasingly focusing on the US market when leveraging the experience and success of Toyota Motor Corporation there.

Main Shareholders: Toyota Motor Corporation

## REVENUES & PROFIT (JPY bil)



## INCOME STATEMENT

JPY bil	2008	2009	2010	2011	2012
Sales	1,069	1,023	1,243	1,315	1,541
Cost of Goods & Services	945	899	1,076	1,136	1,314
Gross Profit	124	125	166	178	227
Staff Cost	n.a.	n.a.	n.a.	n.a.	n.a.
Other Cost	89.3	70.0	84.5	90.6	114.9
EBITDA	35.0	54.5	81.9	87.6	112.4
Depreciation	54.5	53.3	53.0	50.1	47.3
EBIT	-19.4	1.1	28.9	37.5	65.1
Financing Cost	-3.4	-3.1	-2.7	-2.5	-2.6
Extraordinary Cost	19.0	10.1	15.1	21.8	1.7
Pre-Tax Profit	-35.0	-5.9	16.5	18.3	66.1
Tax	26.1	-5.6	21.9	-2.7	12.2
Minorities	0.7	2.8	4.7	4.7	6.2
Net Profit	-61.8	-3.0	-10.0	16.3	47.7
Dividends	2.9	1.1	2.9	4.6	13.2

EBITDA Margin	3.3%	5.3%	6.6%	6.7%	7.3%
EBIT Margin	-1.8%	0.1%	2.3%	2.9%	4.2%
Net Margin	-5.8%	-0.3%	-0.8%	1.2%	3.1%

## BALANCE SHEET

JPY bil	2008	2009	2010	2011	2012
Non-Current Assets	452	422	393	390	411
Property, Plant & Equipment	347	317	295	288	301
Current Assets	303	356	329	455	492
Inventories	101	92	95	122	148
Receivables	146	200	183	265	271
Cash & Cash Equivalents	30	31	34	26	27
Total Assets	755	778	722	845	903
Shareholders' Equity	219	228	216	235	299
Liabilities	536	550	506	610	604
Non-Current Liabilities	128	198	159	132	123
Long-Term Debt	50	117	77	39	24
Current Liabilities	408	352	347	478	482
Short-Term Debt	222	117	111	152	122
Trade Payables	110	178	164	237	230

ROE	-25.0%	-1.5%	-5.0%	8.1%	20.1%
ROCE	-10.3%	-0.5%	-1.9%	3.1%	8.4%
Net Debt/Equity	111%	89%	71%	70%	40%

## CASH FLOW

JPY bil	2008	2009	2010	2011	2012
Net Profit	-61.8	-3.0	-10.0	16.3	47.7
Depreciation	54.5	53.3	53.0	50.1	47.3
Non-Cash Items	-5.7	7.5	35.8	5.8	40.7
Change in Working Capital	4.6	22.4	1.4	-37.0	-38.7
Total Cash From Operations	-8.5	80.3	80.2	35.3	96.9
Capital Expenditures	-55.2	-36.7	-27.4	-39.1	-50.0
Other	-2.1	-3.7	-2.6	0.4	-4.6
Total Cash From Investing	-57.3	-40.4	-30.0	-38.7	-54.5
Dividends Paid	-5.7	-2.9	-1.1	-2.9	-4.6
Issuance Of Shares	0.0	0.0	0.0	0.0	0.0
Issuance Of Debt	63.8	-37.2	-45.9	2.7	-45.1
Total Cash From Financing	68.1	-39.4	-45.6	-4.5	-43.6
NET CHANGE IN CASH	2.2	0.5	4.7	-7.9	-1.2

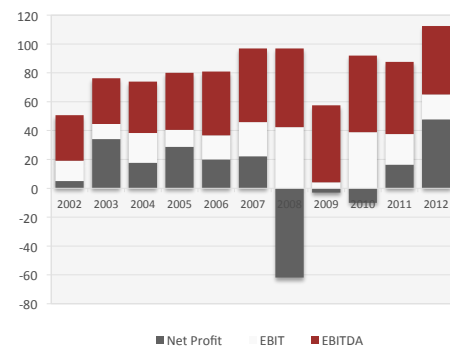
## RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	11.6%	12.2%	13.4%	13.6%	14.7%
Net Debt/EBITDA	6.9	3.7	1.9	1.9	1.1
Cost of Financing	-1.4%	-1.2%	-1.3%	-1.3%	-1.6%
Payout Ratio	-5%	-38%	-29%	28.2%	27.7%
FX TO USD (Average)	103.4	93.6	87.8	79.7	79.8
FX TO USD (Year-End)	90.8	93.1	81.2	77.0	86.6
Shares Outstanding (Average)	574.6	574.6	574.6	574.6	574.6
Share Price, Year-End	182	321	448	467	773
Market Capitalisation (USD mil)	1,149	1,970	3,147	3,458	5,094
Enterprise Value (USD mil)	3,814	4,158	5,051	5,606	6,467
EV/EBITDA	11.3	7.1	5.4	5.1	4.6
P/E	-1.7	-60.9	-25.4	16.3	9.3
P/BV	0.5	0.9	1.3	1.3	1.7

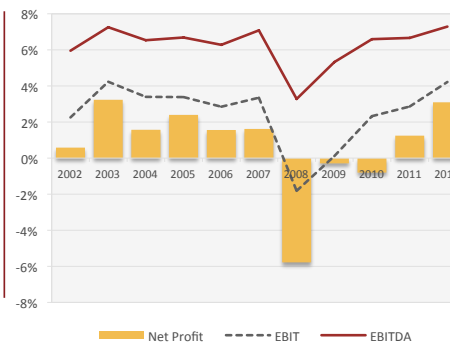
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Financials

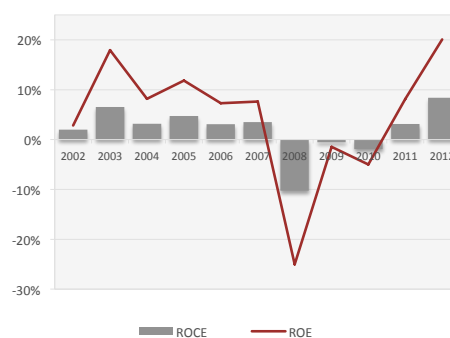
### FROM EBITDA TO NET PROFIT JPY bil



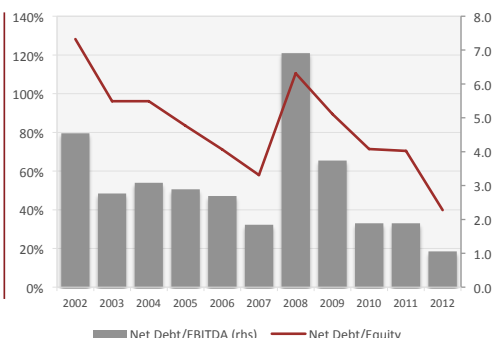
### PROFIT MARGIN



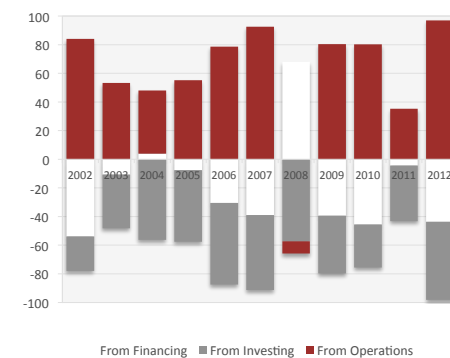
### ROE & ROCE



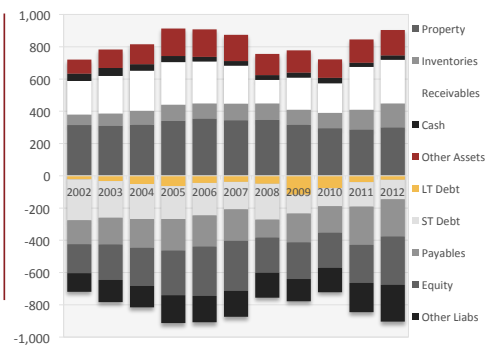
### INDEBTEDNESS



### CASH FLOW SUMMARY JPY bil



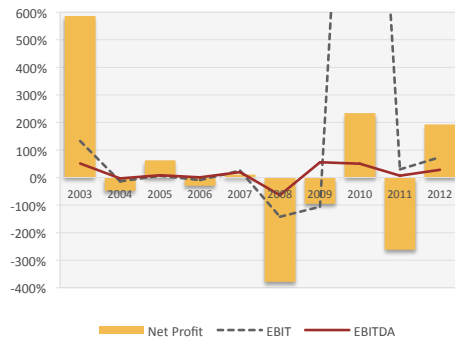
### BALANCE SHEET STRUCTURE (JPY bil)



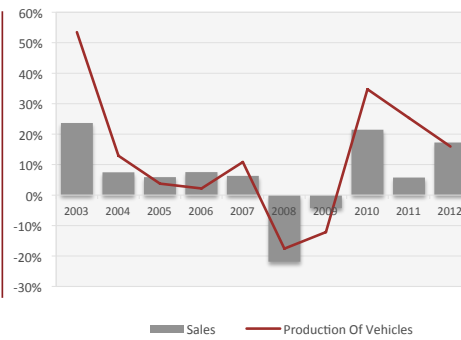
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Momentum

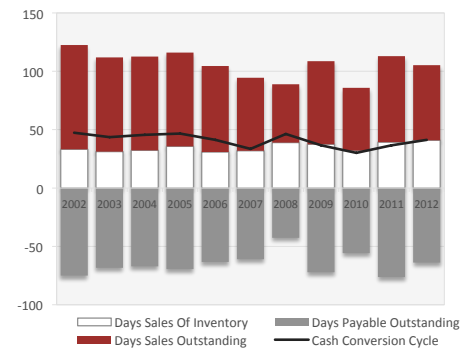
### PROFIT GROWTH



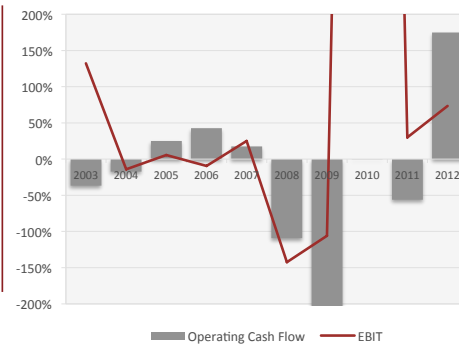
### SALES & PRODUCTION GROWTH



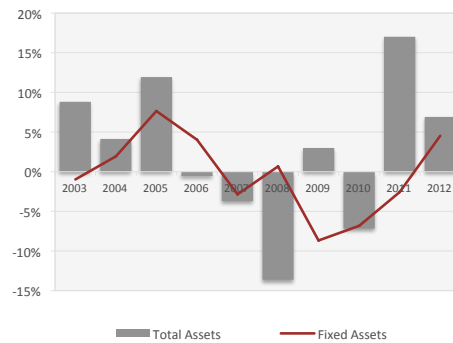
### CASH CONVERSION CYCLE (days)



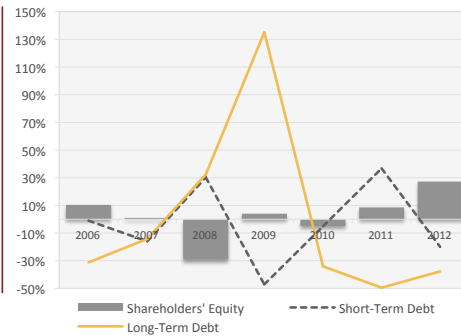
### OPERATING CASH FLOW GROWTH



### ASSET GROWTH



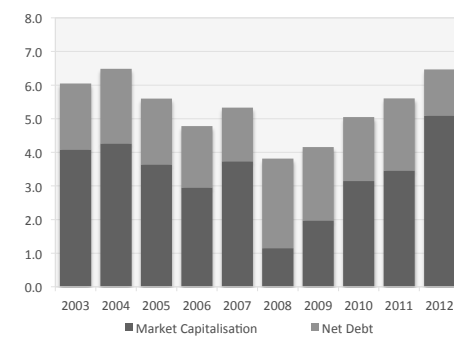
### LIABILITY GROWTH



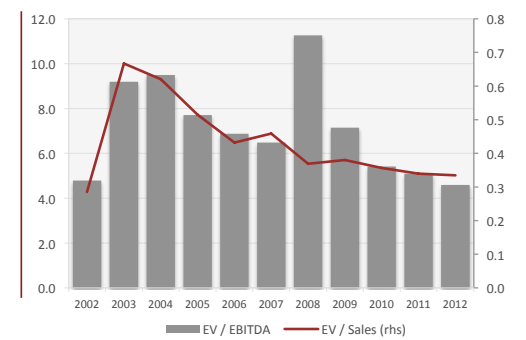
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Valuation

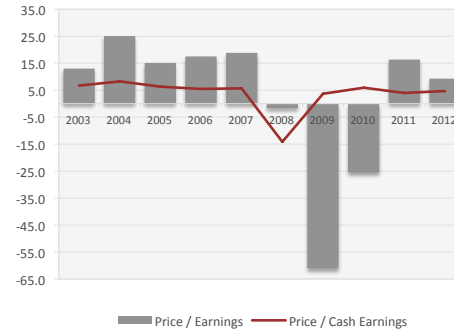
### MARKET CAPITALISATION & NET DEBT (USD bil)



### ENTERPRICE VALUE (EV)



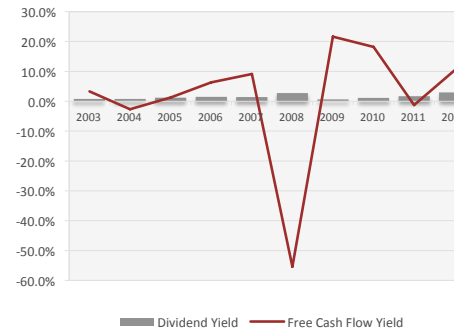
### PRICE TO EARNINGS & CASH EARNINGS



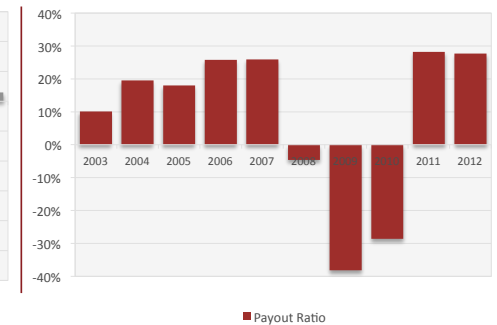
### PRICE TO BOOK VALUE



### FREE CASH FLOW & DIVIDEND YIELD



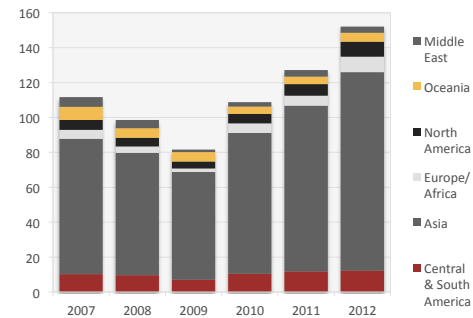
### DIVIDEND PAYOUT



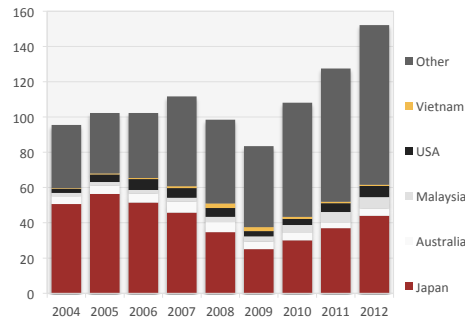
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Business Specifics

GLOBAL SALES BY A REGION ('000)

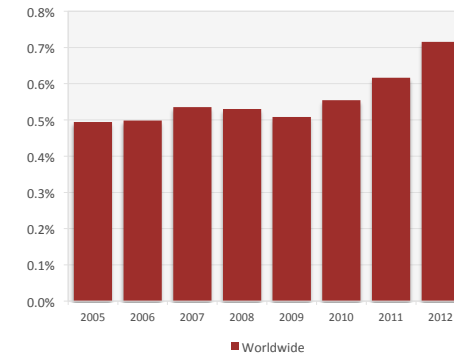


GLOBAL SALES BY A COUNTRY ('000)

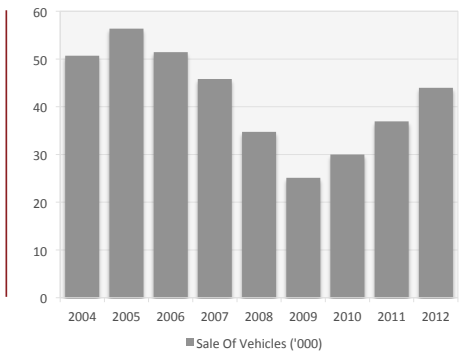


## Market Share

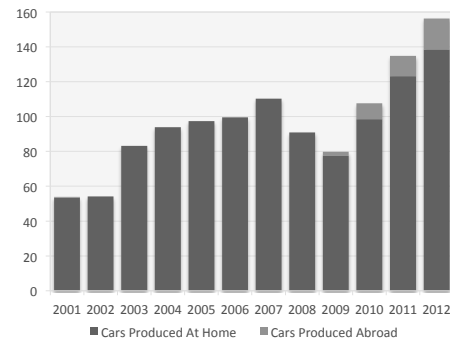
GLOBAL MARKET SHARE (NEW LCV SOLD)



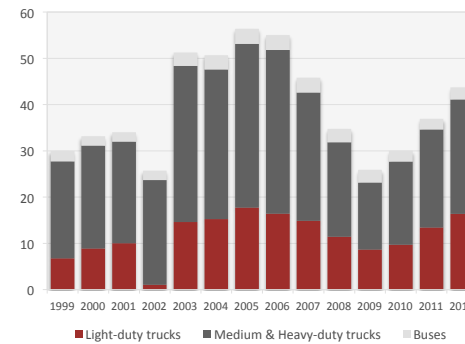
JAPAN



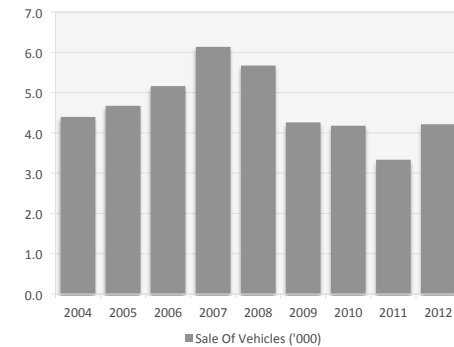
PRODUCTION OF CARS ('000)



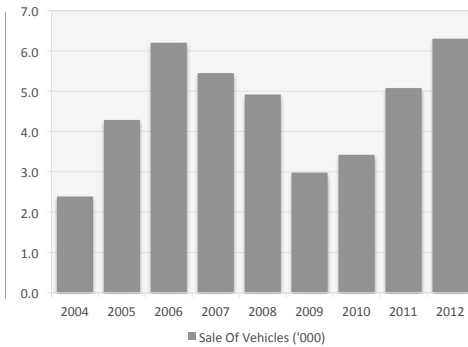
SALES BY TYPE IN JAPAN ('000)



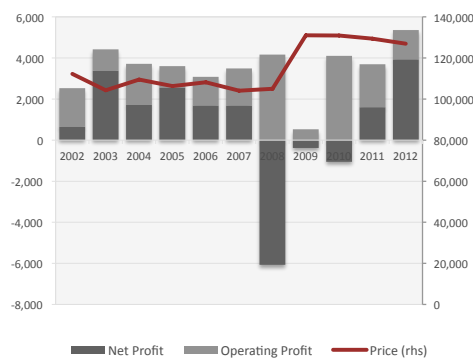
AUSTRALIA



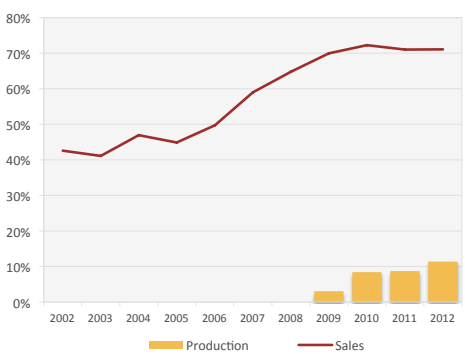
USA



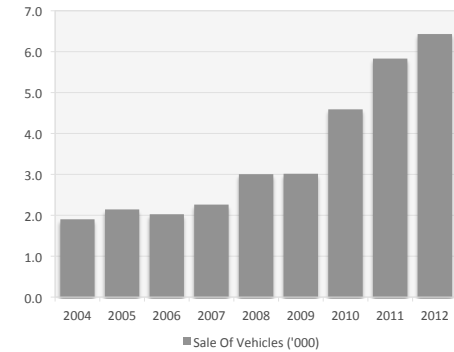
PRICE & PROFITABILITY PER VEHICLE (USD)



OPERATIONS OUTSIDE OF JAPAN (AS % OF TOTAL)



MALAYSIA

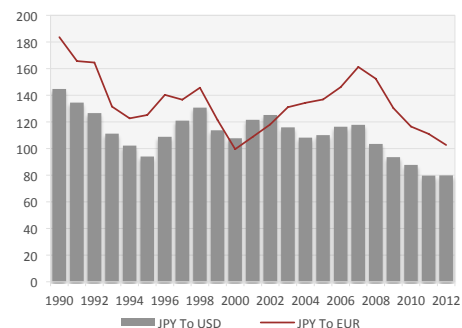


Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

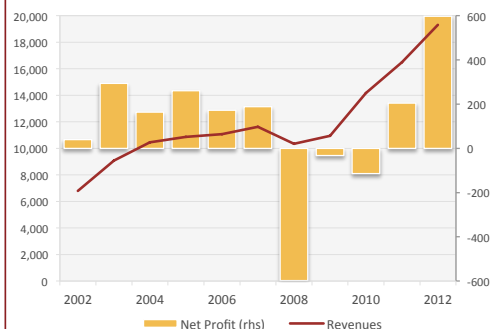
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Financials (USD)

### FX TO USD / EUR



### REVENUES & PROFIT (USD mil)



### INCOME STATEMENT

USD bil	2008	2009	2010	2011	2012
<b>Sales</b>	<b>10.34</b>	<b>10.94</b>	<b>14.16</b>	<b>16.50</b>	<b>19.31</b>
Cost of Goods & Services	9.14	9.61	12.26	14.26	16.46
<b>Gross Profit</b>	<b>1.20</b>	<b>1.33</b>	<b>1.90</b>	<b>2.24</b>	<b>2.85</b>
Staff Cost	0.00	0.00	0.00	0.00	0.00
Other Cost	0.86	0.75	0.96	1.14	1.44
<b>EBITDA</b>	<b>0.34</b>	<b>0.58</b>	<b>0.93</b>	<b>1.10</b>	<b>1.41</b>
Depreciation	0.53	0.57	0.60	0.63	0.59
<b>EBIT</b>	<b>-0.19</b>	<b>0.01</b>	<b>0.33</b>	<b>0.47</b>	<b>0.82</b>
Financing Cost	-0.03	-0.03	-0.03	-0.03	-0.03
Extraordinary Cost	0.18	0.11	0.17	0.27	0.02
<b>Pre-Tax Profit</b>	<b>-0.34</b>	<b>-0.06</b>	<b>0.19</b>	<b>0.23</b>	<b>0.83</b>
Tax	0.25	-0.06	0.25	-0.03	0.15
Minorities	0.01	0.03	0.05	0.06	0.08
<b>Net Profit</b>	<b>-0.60</b>	<b>-0.03</b>	<b>-0.11</b>	<b>0.20</b>	<b>0.60</b>
Dividends	0.03	0.01	0.03	0.06	0.17
<b>EBITDA Margin</b>	<b>3.3%</b>	<b>5.3%</b>	<b>6.6%</b>	<b>6.7%</b>	<b>7.3%</b>
<b>EBIT Margin</b>	<b>-1.8%</b>	<b>0.1%</b>	<b>2.3%</b>	<b>2.9%</b>	<b>4.2%</b>
<b>Net Margin</b>	<b>-5.8%</b>	<b>-0.3%</b>	<b>-0.8%</b>	<b>1.2%</b>	<b>3.1%</b>

### BALANCE SHEET

USD bil	2008	2009	2010	2011	2012
<b>Non-Current Assets</b>	<b>4.98</b>	<b>4.53</b>	<b>4.84</b>	<b>5.07</b>	<b>4.75</b>
Property, Plant & Equipment	3.82	3.40	3.64	3.74	3.47
<b>Current Assets</b>	<b>3.34</b>	<b>3.82</b>	<b>4.05</b>	<b>5.91</b>	<b>5.68</b>
Inventories	1.11	0.99	1.16	1.59	1.70
Receivables	1.61	2.14	2.25	3.45	3.13
Cash & Cash Equivalents	0.33	0.33	0.42	0.34	0.31
<b>Total Assets</b>	<b>8.32</b>	<b>8.35</b>	<b>8.89</b>	<b>10.98</b>	<b>10.43</b>
<b>Shareholders' Equity</b>	<b>2.41</b>	<b>2.44</b>	<b>2.67</b>	<b>3.05</b>	<b>3.45</b>
<b>Liabilities</b>	<b>5.91</b>	<b>5.91</b>	<b>6.23</b>	<b>7.92</b>	<b>6.98</b>
<b>Non-Current Liabilities</b>	<b>1.41</b>	<b>2.13</b>	<b>1.95</b>	<b>1.72</b>	<b>1.42</b>
Long-Term Debt	0.55	1.26	0.95	0.51	0.28
<b>Current Liabilities</b>	<b>4.49</b>	<b>3.78</b>	<b>4.28</b>	<b>6.20</b>	<b>5.56</b>
Short-Term Debt	2.44	1.26	1.37	1.98	1.41
Trade Payables	1.21	1.91	2.02	3.08	2.65
<b>ROE</b>	<b>-25.0%</b>	<b>-1.5%</b>	<b>-5.0%</b>	<b>8.1%</b>	<b>20.1%</b>
<b>ROCE</b>	<b>-10.3%</b>	<b>-0.5%</b>	<b>-1.9%</b>	<b>3.1%</b>	<b>8.4%</b>
<b>Net Debt/Equity</b>	<b>110.5%</b>	<b>89.5%</b>	<b>71.4%</b>	<b>70.4%</b>	<b>39.8%</b>

### CASH FLOW

USD bil	2008	2009	2010	2011	2012
Net Profit	-0.60	-0.03	-0.11	0.20	0.60
Depreciation	0.53	0.57	0.60	0.63	0.59
Non-Cash Items	-0.06	0.08	0.41	0.07	0.51
Change in Working Capital	0.04	0.24	0.02	-0.46	-0.48
<b>Total Cash From Operations</b>	<b>-0.08</b>	<b>0.86</b>	<b>0.91</b>	<b>0.44</b>	<b>1.21</b>
Capital Expenditures	-0.53	-0.39	-0.31	-0.49	-0.63
Other	-0.02	-0.04	-0.03	0.00	-0.06
<b>Total Cash From Investing</b>	<b>-0.55</b>	<b>-0.43</b>	<b>-0.34</b>	<b>-0.49</b>	<b>-0.68</b>
Dividends Paid	-0.06	-0.03	-0.01	-0.04	-0.06
Issuance Of Shares	0.00	0.00	0.00	0.00	0.00
Issuance Of Debt	0.62	-0.40	-0.52	0.03	-0.57
<b>Total Cash From Financing</b>	<b>0.66</b>	<b>-0.42</b>	<b>-0.52</b>	<b>-0.06</b>	<b>-0.55</b>
<b>NET CHANGE IN CASH</b>	<b>0.02</b>	<b>0.01</b>	<b>0.05</b>	<b>-0.10</b>	<b>-0.02</b>

### RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	11.6%	12.2%	13.4%	13.6%	14.7%
Net Debt/EBITDA	6.9	3.7	1.9	1.9	1.1
Cost of Financing	-1.4%	-1.2%	-1.3%	-1.3%	-1.6%
Payout Ratio	-5%	-38%	-29%	28%	28%
FX TO USD (Average)	103.4	93.6	87.8	79.7	79.8
FX TO USD (Year-End)	90.8	93.1	81.2	77.0	86.6
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EV/EBITDA	11.3	7.1	5.4	5.1	4.6
P/E	-1.7	-60.9	-25.4	16.3	9.3
P/BV	0.51	0.88	1.33	1.27	1.66

Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



www.HelgiAnalytics.com

## ABOUT HELGI ANALYTICS

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Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgianalytics.com](mailto:info@helgianalytics.com).

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