

Hino Motors

Automotives

17 Nov 2013



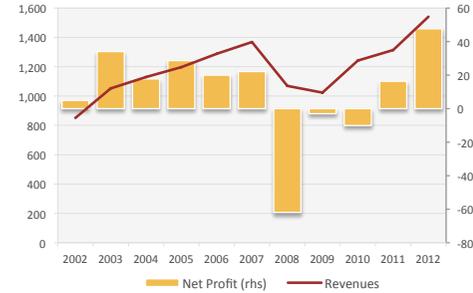
Japan

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 |

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 |

| Margin | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------|-------|-------|-------|------|------|
| 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% |

| Ratio | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------|--------|-------|-------|------|-------|
| 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

| Ratio | 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 |

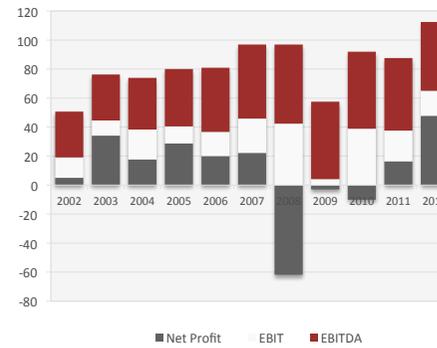
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



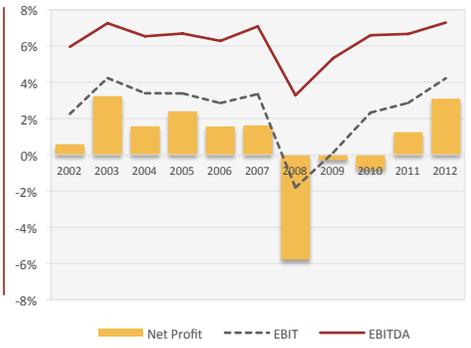
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Financials

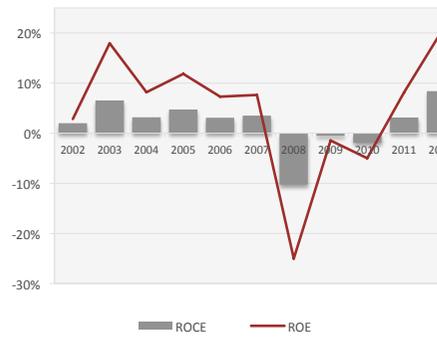
FROM EBITDA TO NET PROFIT JPY bil



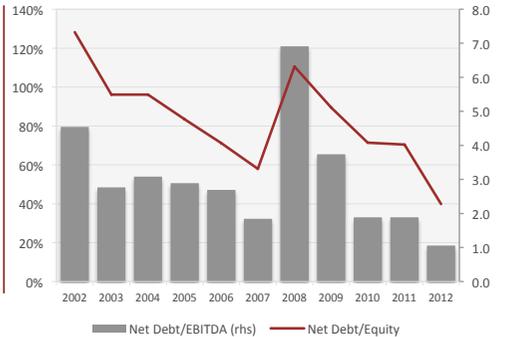
PROFIT MARGIN



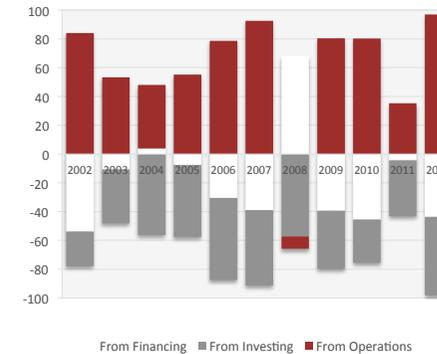
ROE & ROCE



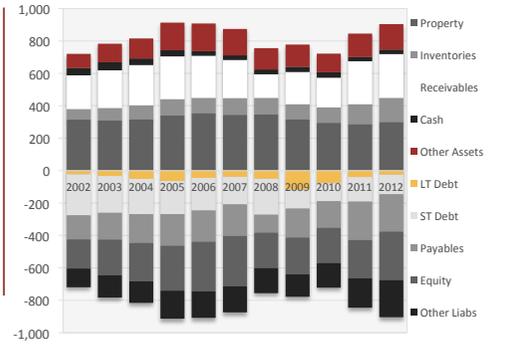
INDEBTEDNESS



CASH FLOW SUMMARY JPY bil



BALANCE SHEET STRUCTURE (JPY bil)



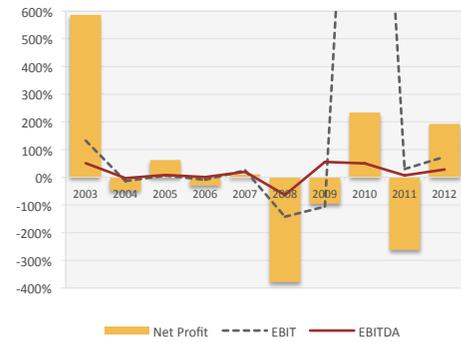
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



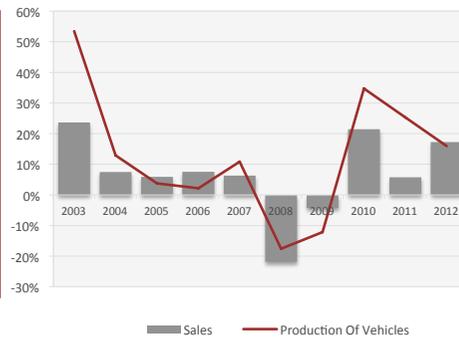
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Momentum

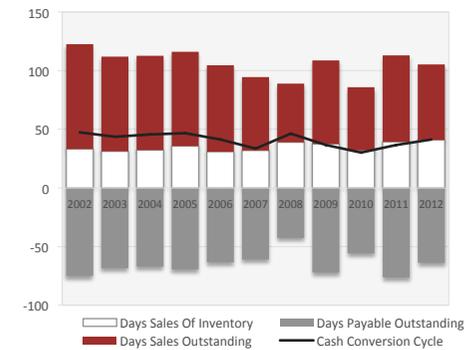
PROFIT GROWTH



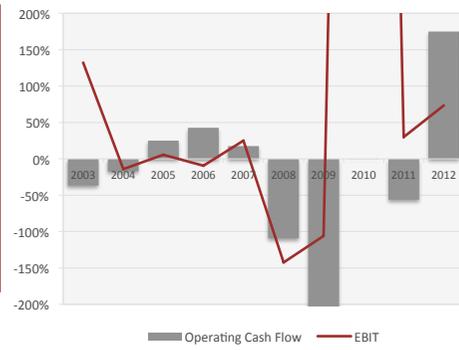
SALES & PRODUCTION GROWTH



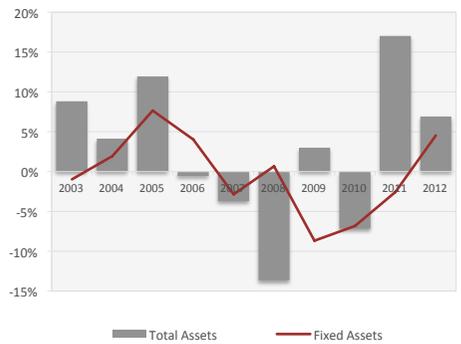
CASH CONVERSION CYCLE (days)



OPERATING CASH FLOW GROWTH



ASSET GROWTH



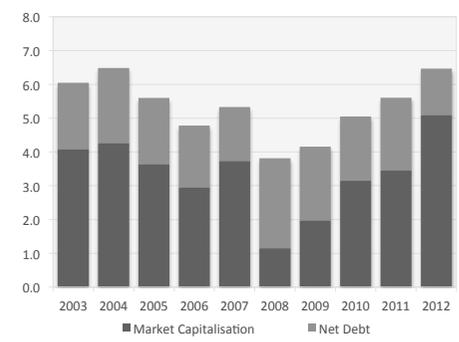
LIABILITY GROWTH



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)



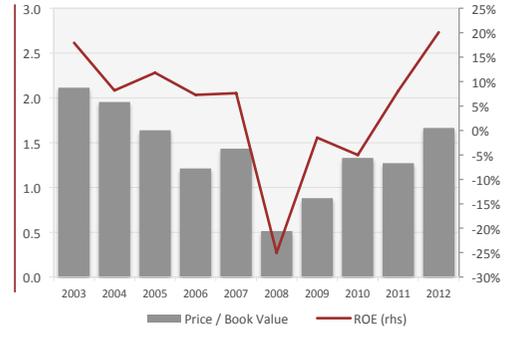
ENTERPRICE VALUE (EV)



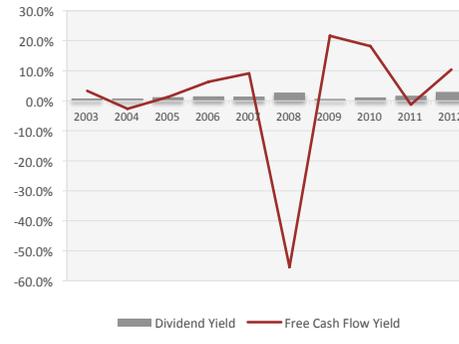
PRICE TO EARNINGS & CASH EARNINGS



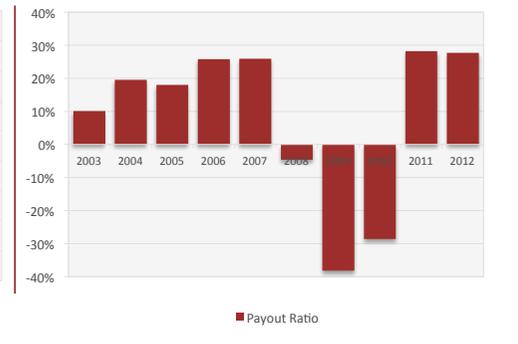
PRICE TO BOOK VALUE



FREE CASH FLOW & DIVIDEND YIELD



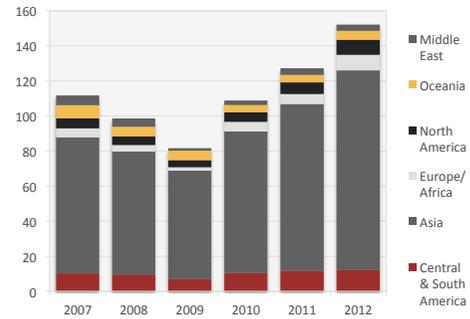
DIVIDEND PAYOUT



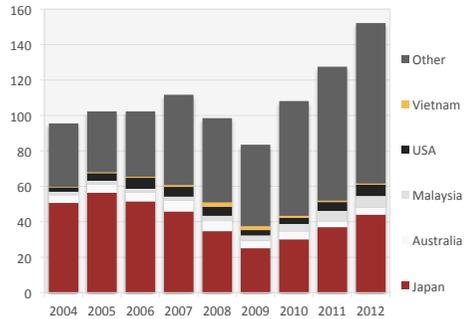
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Business Specifics

GLOBAL SALES BY A REGION ('000)

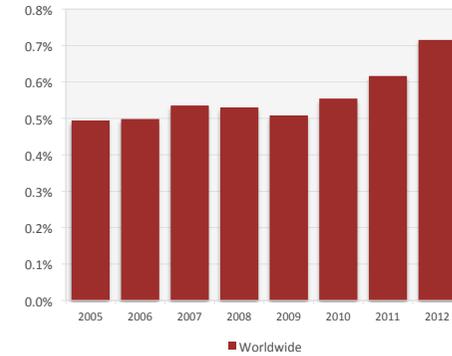


GLOBAL SALES BY A COUNTRY ('000)

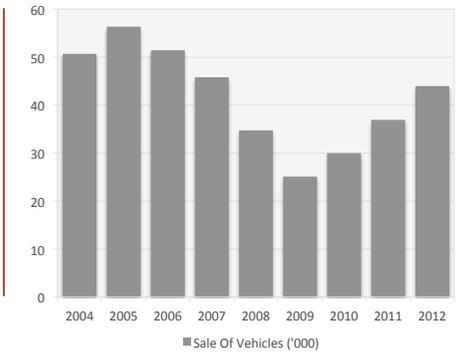


Market Share

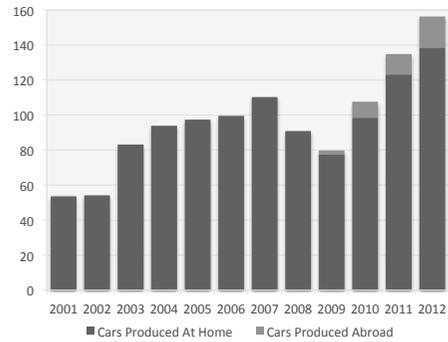
GLOBAL MARKET SHARE (NEW LCV SOLD)



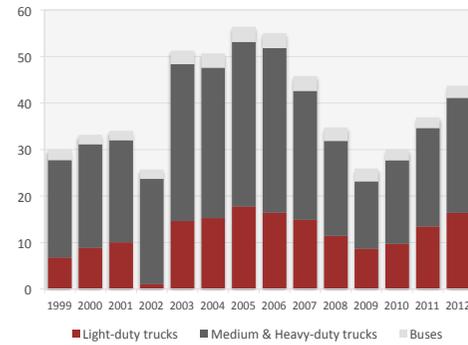
JAPAN



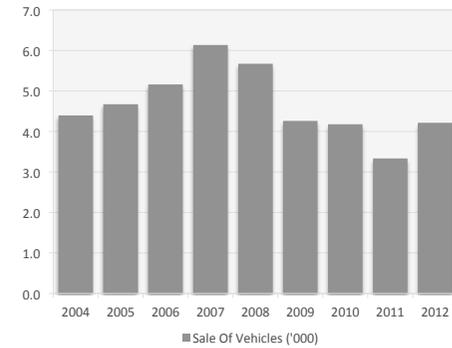
PRODUCTION OF CARS ('000)



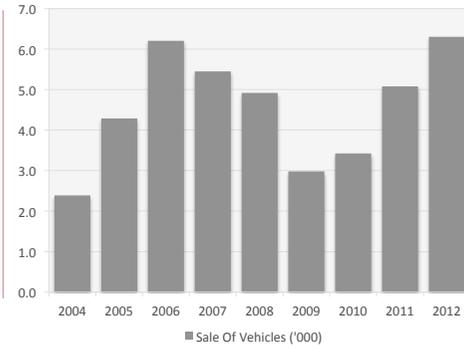
SALES BY TYPE IN JAPAN ('000)



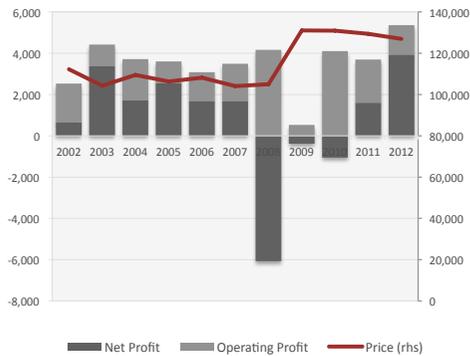
AUSTRALIA



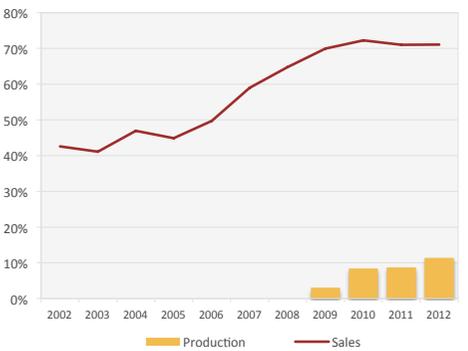
USA



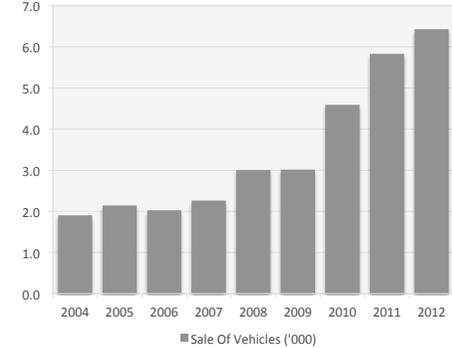
PRICE & PROFITABILITY PER VEHICLE (USD)



OPERATIONS OUTSIDE OF JAPAN (AS % OF TOTAL)



MALAYSIA

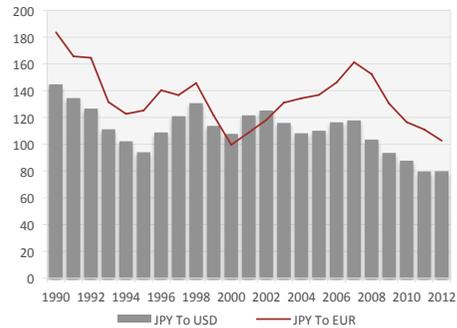


Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

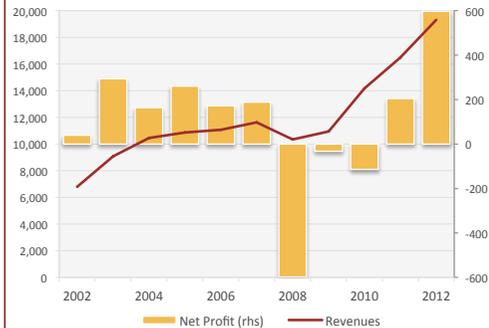
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Financials (USD)

FX TO USD / EUR



REVENUES & PROFIT (USD mil)



INCOME STATEMENT

| USD bil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 10.34 | 10.94 | 14.16 | 16.50 | 19.31 |
| Cost of Goods & Services | 9.14 | 9.61 | 12.26 | 14.26 | 16.46 |
| Gross Profit | 1.20 | 1.33 | 1.90 | 2.24 | 2.85 |
| Staff Cost | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Cost | 0.86 | 0.75 | 0.96 | 1.14 | 1.44 |
| EBITDA | 0.34 | 0.58 | 0.93 | 1.10 | 1.41 |
| Depreciation | 0.53 | 0.57 | 0.60 | 0.63 | 0.59 |
| EBIT | -0.19 | 0.01 | 0.33 | 0.47 | 0.82 |
| Financing Cost | -0.03 | -0.03 | -0.03 | -0.03 | -0.03 |
| Extraordinary Cost | 0.18 | 0.11 | 0.17 | 0.27 | 0.02 |
| Pre-Tax Profit | -0.34 | -0.06 | 0.19 | 0.23 | 0.83 |
| Tax | 0.25 | -0.06 | 0.25 | -0.03 | 0.15 |
| Minorities | 0.01 | 0.03 | 0.05 | 0.06 | 0.08 |
| Net Profit | -0.60 | -0.03 | -0.11 | 0.20 | 0.60 |
| Dividends | 0.03 | 0.01 | 0.03 | 0.06 | 0.17 |
| 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

| USD bil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|
| Non-Current Assets | 4.98 | 4.53 | 4.84 | 5.07 | 4.75 |
| Property, Plant & Equipment | 3.82 | 3.40 | 3.64 | 3.74 | 3.47 |
| Current Assets | 3.34 | 3.82 | 4.05 | 5.91 | 5.68 |
| 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 |
| Total Assets | 8.32 | 8.35 | 8.89 | 10.98 | 10.43 |
| Shareholders' Equity | 2.41 | 2.44 | 2.67 | 3.05 | 3.45 |
| Liabilities | 5.91 | 5.91 | 6.23 | 7.92 | 6.98 |
| Non-Current Liabilities | 1.41 | 2.13 | 1.95 | 1.72 | 1.42 |
| Long-Term Debt | 0.55 | 1.26 | 0.95 | 0.51 | 0.28 |
| Current Liabilities | 4.49 | 3.78 | 4.28 | 6.20 | 5.56 |
| 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 |
| 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 | 110.5% | 89.5% | 71.4% | 70.4% | 39.8% |

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 |
| Total Cash From Operations | -0.08 | 0.86 | 0.91 | 0.44 | 1.21 |
| Capital Expenditures | -0.53 | -0.39 | -0.31 | -0.49 | -0.63 |
| Other | -0.02 | -0.04 | -0.03 | 0.00 | -0.06 |
| Total Cash From Investing | -0.55 | -0.43 | -0.34 | -0.49 | -0.68 |
| 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 |
| Total Cash From Financing | 0.66 | -0.42 | -0.52 | -0.06 | -0.55 |
| NET CHANGE IN CASH | 0.02 | 0.01 | 0.05 | -0.10 | -0.02 |

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 |
| Shares Outstanding (Average) | 574.6 | 574.6 | 574.6 | 574.6 | 574.6 |
| Share Price, Year-End JPY | 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 | 0.51 | 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

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

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 or contact us at info@helgianalytics.com.

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