



# EXPOLANKA HOLDINGS PLC [EXPO.N0000]

## DOWNGRADE TO SELL & DISCONTINUE COVERAGE

### FLASHNOTE

Fair Value [FY20E]: LKR 5.6 [+34%]

#### FIRST CAPITAL INITIATED WITH A BUY IN APR 2019

First Capital initiated coverage on EXPO with company beginning to show a turnaround in the overall business post restructuring and recording consistent earnings growth. We initiated with a BUY, forecasting earnings of LKR 1.8Bn for FY20E expecting EXPO to achieve a TP of LKR 5.6 providing a total return of 38% (Capital Gain 34%, Dividend yield 4%).

#### PRICE APPRECIATION OUTWEIGHS EARNINGS OUTLOOK

EXPO reached First Capital Research TP of LKR 5.6 on 19<sup>th</sup> Jun 2019 while the counter has significantly outperformed the market. Since our initiation report published on 18<sup>th</sup> Apr 2019, EXPO has gained +34% from LKR 4.2 while the benchmark index fell by -4% whereas within the last 12 months EXPO has seen a price appreciation of +14% when the ASPI decreased by -15%. Earnings for 4QFY19 and full year FY19 have been slightly above our expectations but hold no surprises that justifies a further upgrade in our earnings, therefore, we maintain FY20E earnings unchanged at LKR 1.8Bn and maintain our TP for FY20E at LKR 5.60. **DOWNGRADE TO SELL AND DISCONTINUE COVERAGE.**



Source: CSE

#### FIRST CAPITAL RESEARCH

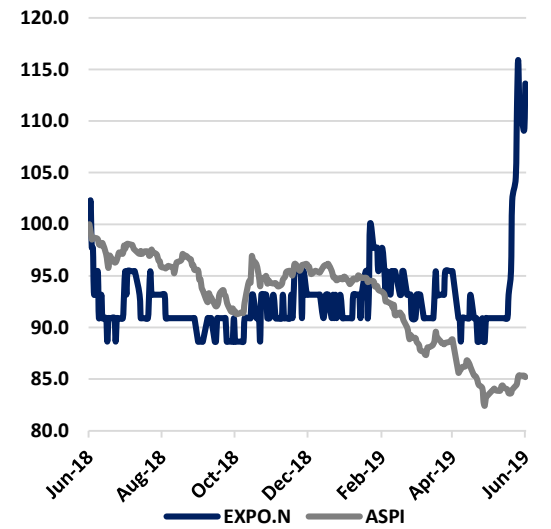
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KEY DATA	
CSE Ticker	EXPO.N0000
Bloomberg Ticker	EXPO SL
Share Price (LKR)	5.00
52w High (LKR)	5.10
52w Low (LKR)	3.90
Avg. Daily Volume (Shares)	413,534
Avg. Daily Turnover (LKR)	1,710,680
Issued Share Capital (Shares 'Mn)	1,955
Market Cap (LKR 'Mn)	9,775
Market Cap (USD 'Mn)	56

\*1 USD = LKR 176

Price Performance (%)	1 mth	3 mths	12mths
EXPO	25%	22%	14%
ASPI	2%	-4%	-15%

#### EXPO vs ASPI



Source: CSE

#### Disclosure on Shareholding:

First Capital Group does not hold shares in EXPO. First Capital Group has not traded in the shares in the three trading days prior to this document, and will not trade in the shares for three trading days following the issue of this document.



First Capital

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