

## EFERT ~ SPO on its way | PE 6.8x

### Engro Fertilizer | SPO ~ Expecting to absorb soon

- + SPO on its way shares offered could be around 90mn
- + Efert SPO level will be decided on 28<sup>th</sup> April 2015 closing share price
- + We expect CY15E EPS of Rs12.01
- + We expect DPS of Rs5/sh for CY15 making dividend yield of 6%
- + Plant utilization to increase from 80% due to assured gas supply

### Financial Presentation ~ EFERT | Outperform

- + Efert report 1Q EPS of Rs2.30
- + Earnings growth of 105% on yearly basis
- + Revenue growth of 18%
- + Gross margin have improved by 19.8%

### Valuation ~ SPO | CY15E EPS of Rs12.01

We expect EFERT to stand strong in the league while higher profitability will increase the payout we believe dividend yield of 6%.

Higher utilization will allow EFERT to gain an edge in the market and would be able to cover the shortfall of urea industry.

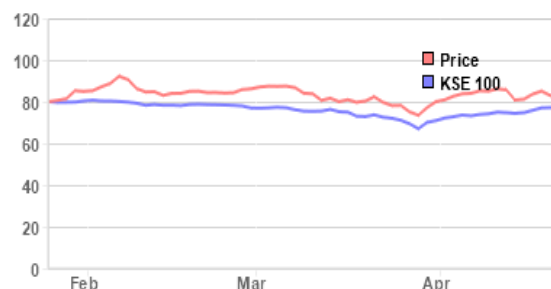
We remain positive on EFERT and believe SPO will soon be absorbed.

### Engro Fertilizer Ltd

Symbol: EFERT

High 93 | Low 51

### Relative Price Index



+ Net margin 17.3%

+ Gross margin 38%

- Higher utilization than ever
- Concessionary showing its strength
- Strong earnings growth expected in CY15

### **Analyst**

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