

# SPEL ^ Effulgence | FY16 to be Extra Ordinary

## Accumulation Strategy will be good

### SPEL ~ FY16 to be extraordinary | Peg 0.33

- We expect FY15 EPS of Rs3.10 while payout is expected for final quarter that could be of Re0.50/sh
- Earnings growth expected to be 44%
- FY16 ^ we believe to be extra ordinary in terms of profitability
- Company might get some new contracts as they incurred massive CAPEX
- Increased demand for FMCG's will boost the demand for packaging products
- Consistent growth with effective business model makes SPEL more attractive

#### New Manufacturers ^ Establishing in market

New manufacturers of motorcycles are establishing themselves in local market while higher demand of cars allowing SPEL to increase its utilization.

- FY16 ^ we believe that some new contracts could be there | Profitability to Rise
- SPEL | Incurring CAPEX ~ Materialization to be in FY16
- SPEL Pharmatec (Subsidiary) to perform well in future | Company deals in medical segment

We expect SPEL to perform well in future hence we remain intact with our Buy call

#### SPEL | PEG 0.33 ^ Dividend yield 2%

- ✤ <u>Wide product portfolio</u>
- \* Higher FMCG's demand
- Consistently improved margins
- <u>Invest Rs88mn in additional</u>
  <u>Plant & machinery</u>
- Locally extended demand of plastic products
- Dividend yield expected to rise in future
- SPEL Pharmatec ^ Company has a wide area to utilize
- Higher demand for plastic spare parts (higher demand for vehicles) | to grow in line with standard of living

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