



# INVESTMENT RESEARCH

## CEYLINCO STOCK BROKERS (PVT) LIMITED

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## PRINTCARE.PLC

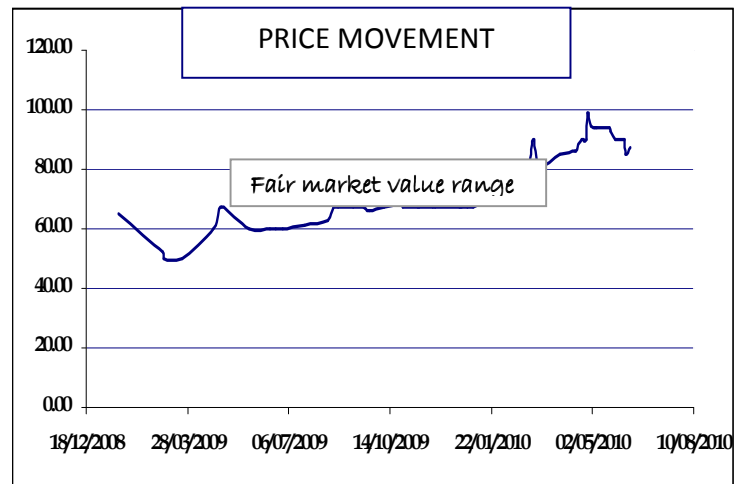
REUTERS CODE CARE.CM

**FAIR MARKET VALUE**  
**(65.42 - 67.77)**

Future prospects YES ... but short term leverage unease, a blotch, & Dividends likely in this Quarter...

KEY DATA	
Number of Shares issued	17,193,334
CDS Qty	11,121,248
Price @ Evaluation	87/-
Total Capitalization - in ooo's	1,495,820.00
% Of TOTAL MARKET CAP	0.11%
P/E - Ratio - FY 2011	14.11X
P/BV - Ratio - FY 2011	1.19X
Market P/E at the time of report	22.49 X
Market P/BV at the time of report	2.27X
52 - week maximum	99
52 - week minimum	60
Date Listed	2/3/1995
Liquidity - 3 months - poor	27.40%

VALUATIONS	
P/E of 11 X	67.77
FY 2011 earnings	
P/ BV of 1.15 X	65.42
FY 2011 earnings	
Relevant range in Prices Po	65.42 - 67.77



### Company Profile.

Printcare PLC, previously identified as Printcare (Ceylon) Limited is a company that is engaged in the manufacturing/printing of tea bag tags, envelopes, and diverse types of cartons.

The subsidiaries of the Company are Printcare Universal (Pvt) Ltd, which is engaged in the manufacturing/ printing of packaging materials, specializing in food grade packaging; Printcare Packaging (Pvt) Ltd is involved in manufacturing/printing of packaging materials, specializing in non food-grade consumer items; Printcare Publishing (Pvt) Ltd is engaged in printing and binding of books, magazines, brochures, and catalogues; Trident Packaging Export (Pvt) Ltd is engaged in exporting of tea bag, tags and envelopes; Jennings Printcare Lanka Ltd, which is engaged in graphics design, prepress, and pre media services, and Printcare Secure Ltd is engaged in specialized printing of products with security features.

Fiscal Year ends 03/31/XX	2009	2010	2011
in 000's LKR			F-CSB
Revenue	3,122,950	2,895,000	3,285,000
Profit before tax - PBT	84,171	123,720	138,775
Net Profit - Post Tax	60,805	85,772	105,850
Assets	2,210,211	2,151,913	2,290,000
Interest bearing loans & borrowings - current	633,929	524,780	500,000
Borrowings - non current	310,650	171,353	98,000
Liabilities	1,346,089	1,233,549	1,228,000
Equity - parent - common	809,617	872,149	978,000
Cash flows from operating activities	367,715	361,215	388,000
Earnings per Share ( EPS )	3.54	4.99	6.16
Book value per Share (BVPS)	47.09	50.73	56.89
Return on Assets ( ROA ) %	2.75%	3.99%	4.62%
Return on Equity ( ROE ) %	7.90%	9.83%	10.82%
Net Profit Margin %	1.95%	2.96%	3.22%

### **KEY BUSINESS FACTS.**

**Revenue Enlargement.** We expect a revenue enlargement to LKR 3.285 mm and net profit post tax and after minority interest of 105.88 mm for FY 2011.

**Interest Bearing borrowings (Long & Short Term)** The interest bearing borrowings that is a current liability of LKR 524.78 mm is in our opinion a tad uncomfortable. This figure will linger on in the balance sheet for the foreseeable future because it's intended to support working capital requirements.

We expect the long term borrowings to shrink to around 98 mm by March 2011 and it to be fully settled by FY 2013.

**Cash position** The cash flow position is acceptable because the operating cash flows have been recorded at over LKR 300 MM compared to the net profit for the past 2 years.

**Dividends a possibility** We expect the company to declare dividends in this quarter, as the cash position is more than sufficient to support such a pay out. In our estimates a pay out of LKR 1.75 - 2.25 a share is a likely possibility.

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