



CAPITAL ALLIANCE PLC [CALT.N0000]

Company Profile

- Capital Alliance Limited (CALT) was incorporated in 2000 as a debt dealer and appointed as an authorized primary dealer by CBSL in 2003. CAL Group has become one of the leading Investment Banking groups in Sri Lanka with over two decades of experience, specializing in originating, trading and investing in debt and equity securities while offering investments into diversified assets classes.
 - CAL Group has been serving a wide range of customers from banks to retail investors by providing services ranging from treasuries, asset management, corporate debt, and equity advisory, stock brokering, private equity and research services. CALT's key business activities are trading government securities and earning profits through accurately forecasting interest rate movements. CALT forms a securities trading function of the group and maintains its position as one of the five Non-Bank primary dealer in the country by mainly focusing on building and nurturing a long-term relationship with their clients' base.
 - CALT recorded a NII of LKR 879.4Mn during 1QFY24 registering an uptick of 21.0% compared to 4QFY23 which recorded only LKR 726.5Mn while attaining an upsurge of 560.1%YoY. The improvement in the NII can be justified by, mainly the Interest Income growth of 20.0%QoQ which recorded at LKR 2.6Bn in 1QFY24. Moreover, Net operating income also displayed an upsurge, recording at LKR 4.5Bn registering a QoQ growth of 80.4% while registering an YoY growth of 739.9%. Furthermore, PBT also gained considerably well as it witnessed a growth of 136.8%QoQ recording LKR 4.3Bn. Meanwhile PAT was recorded at LKR 2.9Bn (134.6%QoQ and 1205.7%YoY).
 - The excellent performance in CALT in the 1QFY24 can be justified by the sharp drop of T-Bill and T-Bond rates in the secondary market resulted by the 250bps rate cut announced by the Monetary Board of the Central Bank of Sri Lanka during the policy review meeting held in Jun-23. Furthermore, signing of IMF board level agreements also contributed to the drop of yields which boosted investor confidence which resulted in CALT to deliver impressive results.
- ### Future outlook
- As a result of the SRR cut by 2% with effect from the 16th Aug-23, alongside agreed DDR strategies by the GoSL the secondary market yield curve may budge lower influencing CALT and the Investment Banking sector to perform well during the future quarters.

P/E 31 March	FY18	FY19	FY20	FY21	FY22	FY23
Earnings (LKR 'Mn)						
Net Interest Income	261	222	340	368	224	1,592
Net Operating Income	843	202	1,313	1,570	6	4,852
Profit/(Loss) before tax	573	37	1,008	1,270	(206)	3,695
Profit/(Loss) for the Year	573	37	737	966	(171)	2,827
Adjusted EPS (LKR)	1.7	0.1	2.2	2.9	(0.5)	8.6
YoY % Growth	87%	-93%	1867%	31%	-118%	1550%
Valuations						
PER (x)	51.4	785.4	39.9	30.5	(171.8)	10.4
PBV (x)	21.3	20.7	14.6	10.8	11.0	5.4
DY (%)	7%	0%	0%	1%	0%	0%
NAVPS	4.2	4.3	6.1	8.3	8.1	16.7
DPS (LKR)	6	-	-	1	-	-
Payout Ratio	345%	0%	0%	34%	0%	0%

LKR (Mn)	1QFY24	1QFY23	YoY	FY23	FY22	YoY
NII	879	133	+561%	1,592	224	+610%
Net Operating Income	4,504	536	+740%	4,852	6	+78718%
PBT	4,278	296	+1345%	3,965	(206)	+1822%
Net Profit	2,944	225	+1208%	2,827	(171)	+1550%

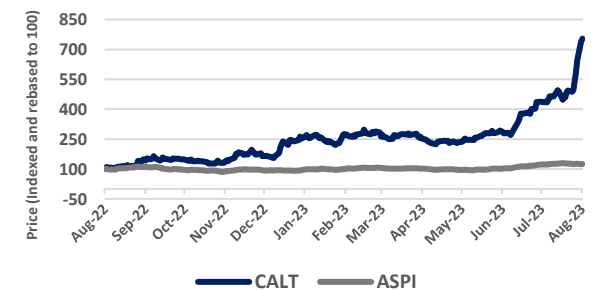
Quarterly	Sep-22	Dec-22	Mar-23	Jun-23	QoQ
Earnings (LKR 'Mn)					
NII	289	443	727	879	+21%
Net Operating Income	295	1,523	2,497	4,504	+80%
PBT	187	1,399	1,807	4,278	+137%
Net Profit	154	1,201	1,255	2,944	+135%

KEY DATA

CSE Ticker	CALT.N0000
Bloomberg Ticker	CALT SL
Share Price (LKR)	92.0
52w High (LKR)	92.0
52w Low (LKR)	12.2
Issued Share Capital (Shares 'Mn)	329
Market Cap (LKR 'Mn)	30,306
Market Cap (USD 'Mn)	153

Price Performance	1 mth	3 mth	12 mth
CALT	72%	208%	592%
ASPI	2%	31%	22%

CALT vs ASPI



Source: CSE

Top 5 Shareholders (30th June 2023)

Capital Alliance Holdings Ltd	79.41%
Mr. W. A. T. Fernando	6.59%
Mr H. M. S. Perera	1.43%
Seylan Bank PLC/ARRC Capital Pvt Ltd	0.40%
J. B. Cocoshell Pvt Ltd	0.39%



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