



HAYLEYS PLC [HAYL.N0000]

MAINTAIN BUY

Rights Issue

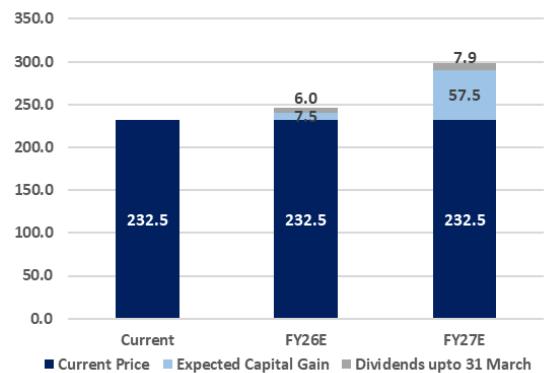
Pre Rights Issue

Fair Value: FY26E - LKR 250.0 [+08%]

Total Return with DPS: FY26E - +10% [AER +56%]

FY27E - LKR 300.0 [+29%]

FY27E - 33% [AER 26%]



Post Rights Issue

Fair Value: FY26E - LKR 240.0 [+03%]

Total Return with DPS: FY26E - +06% [AER +29%]

FY27E - LKR 290.0 [+25%]

FY27E - 28% [AER 22%]

Rights Issue at an issue price of LKR 200.0 per share

- HAYL intends to undertake a rights issue of 45,000,000 ordinary voting shares, offering 3 new ordinary voting shares to every 50 voting shares held by shareholders.
- The funds raised through the rights issue are intended to be utilized towards the partial settlement of existing debts and financing new investments.

The issue is anticipated to raise approximately LKR 9.0Bn through the issue which would increase the current stated capital of LKR 1.6Bn to LKR 10.6Bn, assuming full subscription and post rights issue, HAYL NAV is expected to increase to LKR 142.6 in FY26E (pre rights issue LKR 139.3). While our outlook for HAYL remains unchanged, the full proceeds from the issue are expected to evenly allocate between debt repayment and investment in property, plant and equipment. Given the attractive potential returns, we continue to rate the share as **MAINTAIN BUY.**

Theoretical Ex-Rights Price (TERP)

Current No of shares ('Mn)	750.0
Current Price (LKR)	232.5
Rights Issue (LKR)	200.0
Rights Issue Shares ('Mn) (3:50)	45.0
TERP (LKR)	230.7
Gain	15.3%

**Theoretical gain per share for a shareholder who subscribes to all their rights*

YE Mar/LKR Mn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Estimates (LKR 'Mn)							
Revenue	338,010	487,431	436,833	492,201	528,910	601,476	690,728
Gross Profit	77,374	119,234	109,426	118,312	126,938	147,362	172,682
EBIT	33,594	61,073	42,723	47,767	49,719	62,820	76,930
Net Profit	18,257	16,352	6,889	13,449	16,016	20,927	23,936
Adjusted EPS	24.3	21.8	9.2	17.9	20.1	26.3	30.1
YoY Growth (%)	-10.4%	-57.9%	95.2%	12.3%	30.7%	14.4%	
Valuations							
PER (x)	3.2x	3.3x	8.9x	7.6x	12.4x	11.4x	10.0x
PBV (x)	0.9x	0.7x	0.8x	1.1x	1.8x	1.9x	1.6x
DY (%)	5.2%	6.9%	6.5%	4.4%	2.4%	2.6%	3.0%
Adjusted NAVPS	89.9	105.2	106.9	124.2	142.6	161.1	182.1
DPS (LKR)	4.0	5.0	5.4	6.0	6.0	7.9	9.0
Dividend Payout	16.4%	22.9%	58.2%	33.5%	29.8%	30.0%	30.0%

***Assumed that if all rights are fully subscribed, proceeds are evenly allocated between debt repayment, and investment in property, plant and equipment.*

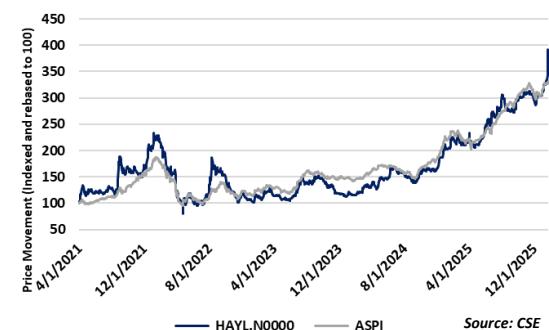
Price Performance (%)	1 mth	3 mths	12mths
HAYL	20.8	17.9	64.9
ASPI	9.3	4.8	40.7

KEY DATA

CSE Ticker	HAYL.N0000
Bloomberg Ticker	HAYL SL
Share Price (LKR)	232.5
52w High (LKR)	260.0
52w Low (LKR)	127.0
Issued Share Capital (Shares 'Mn)	750.0
Market Cap (LKR 'Mn)	174,375.0
Market Cap (USD 'Mn)	564.3

**1 USD = LKR 309*

Price movement of HAYL vs ASPI (indexed and



Minimum Return for BUY:

Buy Below FY27E - [AER of 14.0% with DPS]: LKR 255.0
HAYL categorized as 'Grade A' counter

Disclosure on Shareholding:

First Capital Group or the covering analyst did not hold 1% or more of the total outstanding share capital of HAYL during the five trading days prior to the issuance of this document.



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