

Quasem Drycells Limited (DSE : QSMDRYCELL)	
Current Price June 27, 2013)	33.80
Total Number of Share (mn)	30.41
Free Float (%)	68.4%
Forward PE – QSMDRYCELL	30.01x
Trailing PE – QSMDRYCELL	20.26x
Forward PE – Engineering Sector	23.27x

* Based on earnings of Q3, 2013

Financials (BDT mn)	2011	2012	Q3, 2013* (Unaudited)
Revenue	1,152	1,524	1,080
Gross Profit	219	279	187
Operating Profit	66	72	76
Net Profit After Tax	47	50	26
Total Asset	2,173	2,257	2,314
Total Equity	1,761	1,776	1,777

*Year ends on June 30

Per share (BDT)	2011	2012	Q3, 2013 (Unaudited)
Restated EPS	1.55	1.65	0.84
BVPS	57.90	58.39	58.44

Others	2011	2012	Q3, 2013 (Unaudited)
Gross Profit Margin	19.0%	18.3%	17.4%
Operating profit margin	5.8%	4.8%	7.0%
Net profit margin	4.1%	3.3%	2.4%
ROA	3.1%	2.3%	1.1%
ROE	4.2%	2.8%	1.4%
Stock Dividend	20.0%	10.0%	-
Cash Dividend	0.0%	5.0%	-

Terminologies

Free Float : % of total shares not owned by Sponsors/
Directors, and Govt.
Forward PE: Based on Annualized Earnings of the latest
declared quarter
Trailing PE: Based on Latest 12 Months Earnings

Company Profile

Quasem Drycells Limited (QSMDRYCELL) began its journey in 1980 as a Dry Cell Battery manufacturing company. The company was listed in DSE in 1989. It joined in CSE six years later, in 1995.

Initially, Dry cell Battery was the only product of the company. Over the years, QSMDRYCELL enriched its product line by adding Flash Light and other Battery operated products with an intention to enlarge the size of the market for Dry Cell Batteries. Alongside, the company distributes Gas Lighter produced by Quasem Lamps Limited and "Sun Chips" produced by Quasem Food Products Limited.

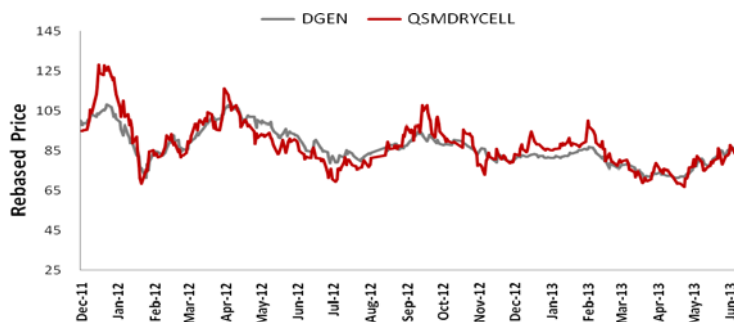
Key Revenue Drivers & Company Insight

53% of QSMDRYCELL's revenue comes from marketing of Battery products. The company has 3 kinds of Batteries in its product line, UM-1, UM-3 and UM-4 Batteries. UM-3 is the most popular among the products and contributes 33% of the Top Line. In 2012, UM-4 Batteries experienced a healthy growth of 60%, yet its contribution to Revenue remained below 10%. Last year observed a modest growth in Flashlight business while Gas Light business grew by 78%. Among all the products, "Sun Chips" secured the highest acceleration in terms of revenue generation. Contribution of "Sun Chips" to Top Line grew by a whopping 337%, reflecting the supernormal growth in a product's early stage of the lifecycle.

Financial Performance

Revenue grew by 32.2% in 2012, a considerable improvement from 23.2% growth in 2011. However, NPAT grew by only 6.6% as profit margins declined due to increased Marketing and Financial expenses. According to Q3, 2013 financials, Revenue remained flat on a YoY basis while NPAT shrank by 15.2% as Profit Margins deteriorated further.

Recently, the company has reported net profit after tax (excluding non-controlling interest) of BDT 25.69 million with EPS of BDT 0.84 for the period of nine months (July 12- March 13) as against BDT 30.31 million and BDT 1.00 respectively for the same period of the previous year.



Disclaimer:

This Document has been prepared and issued by IDLC Investments Limited on the basis of the public information available in the market, internally developed data and other sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts & information stated in the Document are accurate as on the date mentioned herein. Neither IDLC Investments Limited nor any of its director, shareholder, and member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the Document are genuine, accurate, complete, authentic and correct. Moreover, none of the director, shareholder, and member of the management or employee in any way is responsible about the genuineness, accuracy, completeness, authenticity and correctness of the contents of the sources that are publicly available to prepare the Document. It does not solicit any action based on the materials contained herein and should not be construed as an offer or solicitation to buy sell or subscribe to any security. If any person takes any action relying on this Document, shall be responsible solely by himself/herself/themselves for the consequences thereof and any claim or demand for such consequences shall be rejected by IDLC Investments Limited or by any court of law.