

Reckitt Benckiser (Bangladesh) Limited (DSE: RECKITT BEN)

Current Price (Aug 22, 2013)	790.70
Total Number of Share (mn)	4.73
Free Float (%)	13.3%
Forward PE - RECKITT BEN	29.58x
Trailing PE – RECKITT BEN	27.81x
Forward PE – Pharmaceuticals sector	16.20x

Financials (BDT mn)	2011	2012	HY, 2013 (unaudited)
Net Revenue	2,121	2,412	1,289
Gross Profit	912	996	569
Operating Profit	206	183	132
Net profit after tax	134	128	63
Total Asset	1,044	1,123	1,242
Total Equity	282	373	436

Accounting Year End: December

Per share (BDT)	2011	2012	HY, 2013 (unaudited)
Restated EPS	28.37	27.16	13.37
Book Value Per Share (BVPS)	59.61	78.89	92.25

Others	2011	2012	HY, 2013 (unaudited)
Gross Profit Margin	43%	41%	44%
Operating profit margin	10%	8%	10%
Net profit margin	6%	5%	5%
ROA	13%	11%	5%
ROE	48%	34%	14%
Stock Dividend	0%	0%	0%
Cash Dividend	200%	150%	0%

Source: Financial Statements of Reckitt Benckiser (Bangladesh) Limited; Research, IDLC Investments Limited.

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

Reckitt Benckiser (Bangladesh) Limited (DSE: RECKITT BEN) was incorporated in 1961, in the then East Pakistan, as 'Robinson Foods (Pakistan) Limited'. Later on, it underwent several changes in its identity, finally to settle in as Reckitt Benckiser (Bangladesh) Limited, following a merger with Benckiser in 2000. The company was listed in DSE in 1986 and in CSE in 1995.

Currently, RECKITT BEN is a leading player in the FMCG market of Bangladesh with a focus on Health, Hygiene & Home.

Key Revenue Drivers & Company Insight

RECKITT BEN is involved in the business of manufacturing and marketing Household, Toiletries and Pharmaceuticals items. The company's product array includes brands like Disprin, Dettol, Harpic, Mortein, Moov, Veet etc. 96% of the company's revenue come from household & toiletries products. In 2012, it secured a 13.7% growth in revenue primarily driven by Antiseptics and Lavatory care. Household & toiletries products grew 48% in terms of production and 13% in terms of revenue generated, that year.

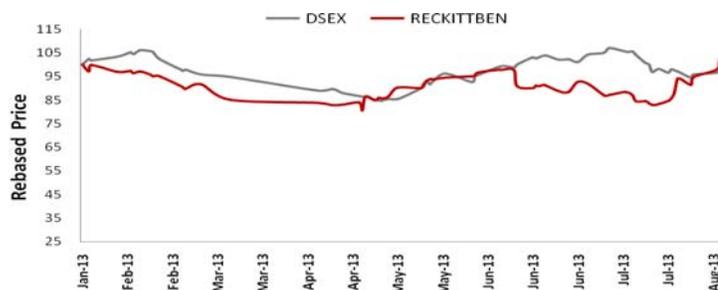
The Pest control product, Mortein contributes a major portion of revenue of the company. However, fierce competition in the segment is forcing the profit margin down and affecting the overall performance of the company.

Financial Performance

In 2012, revenue grew by 13.7%, whereas profit declined by 4.3% due to shrinking margins. Adverse exchange rate fluctuation and high commodity inflation pulled down gross margin, last year. While, incremental selling and marketing expenses pulled down operating margin. However, net profit margin suffered less due to increased interest income.

According to HY 2013 financials, sales of the company shrank by another 1.4%, on a YoY basis. Yet, net profit grew positively as interest income doubled YoY in the stipulated period.

The Company has reported profit after tax of Tk. 63.16 million with EPS of Tk. 13.37 for the period of six months (Jan'13 to June'13) as against Tk. 57.13 million and Tk. 12.09 respectively for the same period of the previous year.



*Since DGEN is discontinued. DSEX has been introduced as the benchmark index.

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