

Golden Son Limited. (DSE : GOLDENSON)

Current Price (October 31, 2013)	44.00
Total Number of Share (Mn)	122.12
Free Float (%)	54.7%
Forward PE – GOLDENSON	13.15x
Trailing PE – GOLDENSON	11.91x
Forward PE – Engineering sector	20.49x

* Based on earnings of Q3, 2013

Financials (BDT mn)	2011	2012	HY, 2013* (Unaudited)
Net Revenues	1,319	1,788	959
Gross Profit	442	517	254
Operating profit	395	467	226
Net Profit after tax	410	452	214
Total Assets	3,763	4,325	5,000
Total equity	3,222	3,504	3,665

*Year ends on Dec 31

Per share (BDT)	2011	2012	HY, 2013 (Unaudited)
Restated EPS	3.36	3.70	1.75
Restated NAVPS	26.38	28.69	30.01

Growth (%)	2011	2012	HY, 2013 (Unaudited)
Net Revenues	142%	36%	3%
Net Profit after tax	134%	10%	-22%

Others	2011	2012	HY, 2013 (Unaudited)
Gross Profit Margin	33%	29%	26%
Operating profit margin	30%	26%	24%
Net profit margin	31%	25%	22%
ROA	12%	11%	4%
ROE	13%	13%	6%
Stock Dividend	-	15%	-
Cash Dividend	16%	5%	-

Source: DSE; Financial Statements of GOLDENSON; Research, IDLC Investments Limited.

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

Golden Son Limited (DSE: GOLDENSON) was incorporated as a private limited company in August 2003. Subsequently, the company was converted into a public limited company, in 2005. The commercial operation of the company started in the same year. The company is an export-oriented entity engaged in manufacturing and marketing of plastic products, garments accessories and solar lightings.

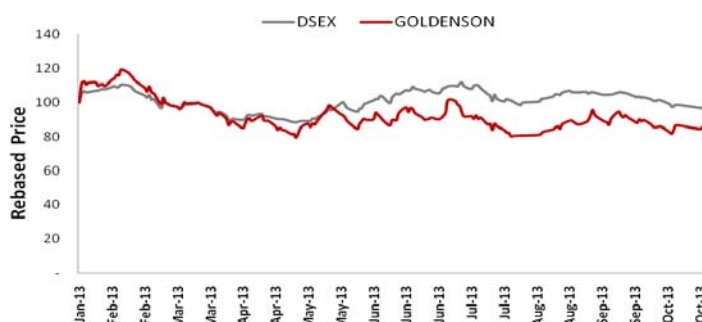
Key Revenue Drivers & Company Insight

GOLDENSON has a long product line centering on plastic and electric goods. The biggest source of revenue for the company is garments hanger business. Hangers, as a single product contributed 68% of the company's total revenue in 2012, as against 62% contribution in 2011. The product enjoyed a 48% YoY growth in terms of value. However, the fastest growing product of GOLDENSON is Poly Bag with a growth rate of 73% in 2012. As a whole, Revenue growth was 36% in 2012 as against a robust growth of 142% in 2011, which was caused largely by increase in sales of Hanger.

Financial Performance

In contrast to, 36% growth in the top line, bottom line increased by only 10% in 2012. In fact, revenue and profit growth have been slowing down over the time. Revenue growth slowed down due to capacity constraint. Profit growth was slashed down to 10% in 2012 from 134% in 2011 as financial expense increased and non-operating income decreased. The negative business trend ultimately ended up in a flat revenue growth of 3% and a decline of profit by 22%, in HY 2013.

Recently, the company has reported net profit after tax (excluding non-controlling interest) of BDT 306.42 million with EPS of BDT 2.51 for the period of nine months (Jan' 12- Sep' 13) as against BDT 397.19 million and BDT 3.25 respectively for the same period of the previous year.



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