

MJL Bangladesh Limited (DSE: MJLBD)	
Current Price (Jan. 23, 2014)	85.10
Total Number of Share (Mn)	238.47
Free Float (%)	22.18%
Forward PE* – MJLBD	24.22x
Trailing PE* – MJLBD	28.10x
Forward PE – Fuel & Power Sector	11.92x

* Based on earnings of 9M, 2013

Financials (BDT Mn)	2011	2012	9M, 2013** (Unaudited)
Net Revenue	6,017	6,994	5,414
Gross Profit	1,131	1,327	1,139
Operating Profit	709	879	863
Net Profit After Tax	637	651	628
Total Asset	11,409	11,312	11,897
Total Equity	6,872	7,212	7,245

**Year ends on Dec. 31

YoY Growth (%)	2011	2012	9M, 2013 (Unaudited)
Sales Revenue	54%	16%	0.21%
Net Profit After Tax	25%	2%	13%

Per Share (BDT)	2011	2012	9M, 2013 (Unaudited)
Restated EPS	2.67	2.73	2.64
Book Value Per Share	28.82	30.24	30.38

Others (%)	2011	2012	9M, 2013 (Unaudited)
Gross Profit Margin	19%	19%	21%
Operating Profit Margin	12%	13%	16%
Net Profit Margin	11%	9%	12%
ROA	8%	6%	5%
ROE	13%	9%	9%
Stock Dividend	15%	-	-
Cash Dividend	15%	25%	-

Source: DSE; Quarterly & Annual Reports of MJLBD and Research, IDLC Investments Ltd.

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

MJL Bangladesh Limited (DSE: MJLBD) was incorporated in 1998 as a Joint venture company between state owned Jamuna Oil Company and EC Securities Ltd. (subsidiary of East Coast Group). It started its commercial operation in May 1999. Subsequently, in 2003, the company commissioned a state-of-the-art Lube Oil Blending Plant (LOBP). Later on, the company was listed in both DSE and CSE in 2011. At present, 58.36% of its share is held by its sponsor/director.

The company receives base oils from the American multinational oil and gas corporation 'ExxonMobil' and additives from global suppliers as required by ExxonMobil's Quality Integrity Management System (QIMS).

Key Revenue Drivers & Company Insight

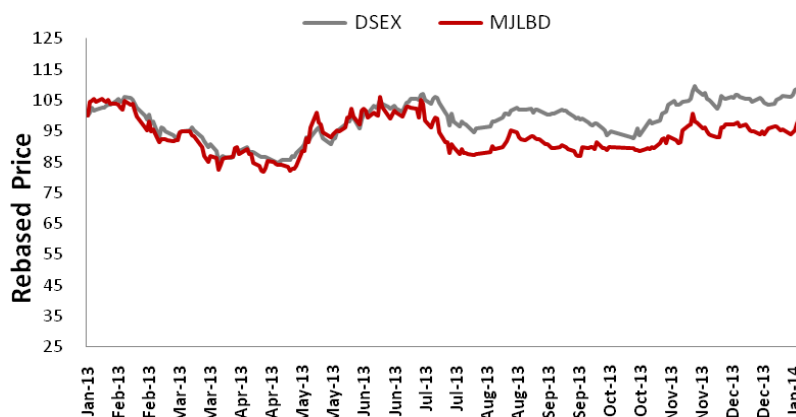
MJLBD produces and markets different types and qualities of lubricants under the Mobil, Omera and others brands. Besides, the company imports some finished products and markets those directly across the country. At present, MJLBD's Mobil & Omera brands are holding 32% market share. Among the three revenue generating units, Manufacturing and Trading Unit contributed 91% of its net revenue in 2012. Strong presence in the market, backed by nationwide supply chain acted as a prime catalyst behind company's overall performance.

MJLBD is exploring frontier markets like Malaysia, Brunei and Myanmar to expand the market share of quality lubricant solution. Meanwhile, it is in the process of having fully owned subsidiary named as Omera Petroleum Limited which will import and market LPG in the country.

Financial Performance

Net Revenue of MJLBD was close to BDT 7,000 mn in 2012. Backed by solely price spiral, this materialized a 16% growth, which was 54% in previous year. However, declining operating costs assisted a slight increase in Operating Profit Margin to 13% from that of 12% in previous year. But, significant decrease in non-operating income lowered Net Profit Margin to 9% from that of 11% in prior year.

Recently, the company has reported net profit after tax of BDT 628.38 million with EPS of BDT 2.64 for the period of nine months (Jan'13 to Sep'13) as against BDT 557.32 million and BDT 2.34 respectively for the same period of the previous year.



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