

M. I. Cement Factory Limited (DSE: MICEMENT)	
Current Price (March 12, 2015)	65.0
Total Number of Share (Mn)	148.5
Free Float (%)	30.0%
Annualized PE* – MICEMENT	18.7x
Trailing PE * – MICEMENT	16.2x
Annualized PE – CEMENT	38.3x

*Based on latest earning disclosure

Financials (BDT Mn)	2013	2014	HY, 2015** (Unaudited)
Revenue	6,830	7,991	3,915
Gross Profit	1,099	1,259	635
Operating Profit	822	937	446
Net Profit After Tax	665	674	259
Total Asset	9,783	11,347	12,439
Total Equity	5,594	5,675	5,489

**Year ends on June 30

YoY Growth (%)	2013	2014	HY, 2015
Revenue	21%	17%	11%
Net Profit After Tax	18%	1%	-23%

Per Share (BDT)	2013	2014	HY, 2015
Restated EPS	4.48	4.54	1.74
Book Value Per Share	37.67	38.22	36.96

Others (%)	2013	2014	HY, 2015
Gross Profit Margin	16%	16%	16%
Operating Profit Margin	12%	12%	11%
Net Profit Margin	10%	8%	7%
ROA	7%	6%	2%
ROE	12%	12%	5%
Stock Dividend	-	-	-
Cash Dividend	40%	30%	-

3 years'	Peers			
	MICEMENT	MEGHNACEM	PREMIERCEM	CONFIDCEM
CAGR	26%	-4%	30%	27%
NPAT	16%	37%	16%	15%

Source: DSE; Quarterly & Annual Reports of MICEMENT, MEGHNACEM, PREMIERCEM and CONFIDCEM; Research, IDLC Investments Ltd.

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

M. I. Cement Factory Limited (DSE: MICEMENT), a local cement producer, was incorporated as a private limited company in December 1994. Initially, its cement production capacity was 600tpd (ton per day). Consistently, the company raised the capacity to 800tpd in 2002, 1400tpd in 2006 and 3000tpd or 1.74 Mn MT in 2011. The company was listed in DSE and CSE in 2011.

MICEMENT has four associate companies which are Crown Power Generation Ltd., Crown Mariners Ltd., Crown Concrete and Building Products Ltd. and Crown Transportation & Logistics Ltd.

Key Revenue Drivers & Company Insight

The Company is a manufacturer and marketer of Ordinary Portland Cement (OPC) and Portland Composite Cement (PCC) with the brand name of 'Crown Cement' which is the key driver of revenue. Besides it is the pioneer of exporting cement. The company has a total capacity of 1.74 Mn MT per annum, whereas it utilized 68.6% of total capacity in 2014, leaving further growth potential in the days ahead. Meanwhile, forward and backward integrations of the company continued elevating the growth platform of it.

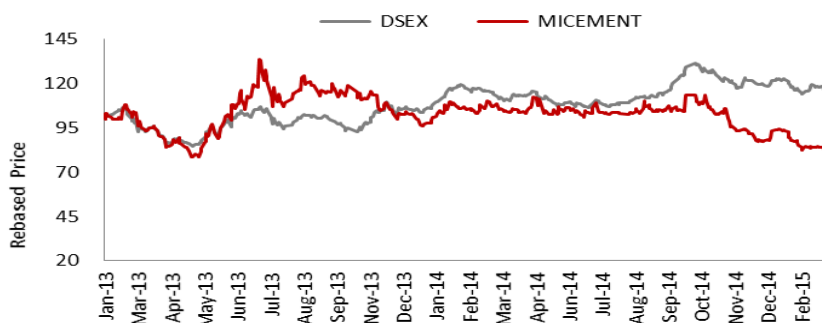
MICEMENT generated a top line of BDT 7,991 Mn in 2014. The company generated 10.3% of total revenue through exporting in 2013, while the percentage came down to 6.4% in 2014. Very lately, the company has decided to establish a fully owned subsidiary company in India with an initial paid up capital of IRS 5.0 Mn.

Financial Performance

Despite political turmoil at the eve of 2014, Revenue grew by 17% as the company started reaping the benefit of added capacity. In the meantime, stable raw materials price in international market assisted maintaining Gross Profit Margin (GPM) at 16%, like 2013. Operating Profit Margin (OPM), too stabilized at 12% level. But, Net Profit Margin (NPM) decreased to 8% in 2014 from that of 10% in 2013, particularly due to loss in exchange rate and increased financial expenses from significant short-term loan. Hence, bottom line growth was a mere 1% YoY in 2014 compared to 18% in 2013.

During HY, 2015 top line growth was 11%, closely in line with industry growth. Though, GPM was stable, OPM declined to 7% due to increased Opex. Besides, amplified financial expenses took toll on NPM and Net Profit growth, declining significantly to 7% and by 23% YoY, respectively.

Recently, the company has reported consolidated net profit after tax (excluding non-controlling interests) of Tk. 258.58 million with consolidated EPS of Tk. 1.74 for the period of six months (July' 14 to Dec' 14) as against Tk. 335.59 million and Tk. 2.26, respectively for the same period of the previous year.



Source: DSE and Research, IDLC Investments Limited

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