

Renata Limited (DSE: RENATA)	
Current Price (July 02, 2015)	987.6
Total Number of Share (Mn)	52.9
Free Float (%)	49.0%
Annualized PE* – RENATA	27.4x
Trailing PE* – RENATA	29.3x
Annualized PE – Pharmaceuticals & Chemicals	23.8x

*Based on latest earning disclosure

Financials (BDT Mn)	2013	2014	Q1, 2015** (Unaudited)
Revenue	9,131	11,433	2,892
Gross Profit	4,481	5,715	1,509
Operating Profit	2,459	2,910	732
Net Profit After Tax	1,397	1,687	446
Total Asset	13,034	14,817	14,724
Total Equity	6,538	7,989	8,197

**Year ends on December 31

YoY Growth (%)	2013	2014	Q1, 2015
Net Revenue	16%	25%	12%
Net Profit After Tax	17%	21%	12%

Per Share (BDT)	2013	2014	Q1, 2015
Restated EPS	26.38	31.87	8.43
Book Value Per Share	123.46	150.86	154.80

Others (%)	2013	2014	Q1, 2015
Gross Profit Margin	49%	50%	52%
Operating Profit Margin	27%	25%	25%
Net Profit Margin	15%	15%	15%
ROA	12%	12%	-
ROE	24%	23%	-
Stock Dividend	25%	20%	-
Cash Dividend	75%	80%	-

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

3 years' CAGR	Peers			
	RENATA	SQURPHARMA	BXPBARMA	ACI
Revenue	19%	20%	17%	15%
NPAT	17%	25%	10%	-10%

Source: Financial Statements of RENATA, SQURPHARMA, BXPBARMA and ACI; Research, IDLC Investments Limited.

Terminologies

Free Float : % of total shares not owned by Sponsors/ Directors, and Govt.

Annualized PE: Based on Annualized Earnings of the latest declared quarter

Trailing PE: Based on Latest 12 Months Earnings

Company Profile

Renata Limited started its operation in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Ltd., a subsidiary of Pfizer Corporation, USA. After divestment of Pfizer Corporation, USA in 1993, RENATA took its current name. The company is a manufacturer and marketer of human and animal health medicines as well as nutritional and vaccines.

The company currently has three subsidiaries namely, Renata Agro Industries Ltd., Purnava Ltd. and Renata Oncology Ltd. Renata has shown persistence in acquiring larger market share over the past 12 years.

Key Revenue Drivers & Company Insight

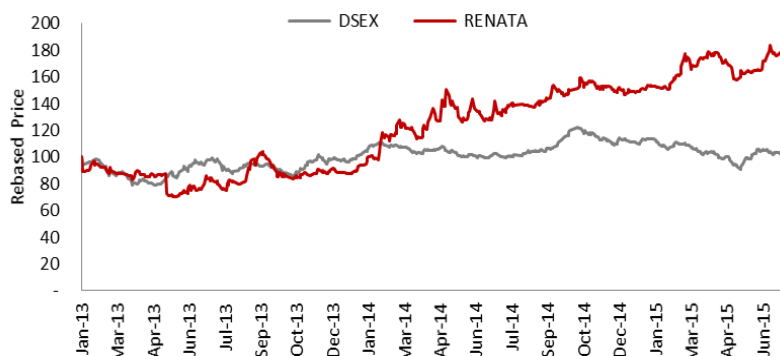
Renata Ltd. renders revenue from pharmaceuticals, animal health business and contract manufacturing. The major contributor of its revenue is pharmaceuticals which contributed 69.86% of the total revenue during 2014. Animal health business and contract manufacturing contributed 15.84% and 11.26%, respectively of its total revenue and the rest came from its subsidiaries, in the same year.

The declining growth rate of the pharmaceutical market in Bangladesh over the past four years reversed in last year. This brought new opportunities for Renata to boost its earnings growth. Moreover, the company's retirement of a corporate bond worth Tk. 100 crores is also expected to affect its earnings positively in the future years.

Financial Performance

During the year 2014, the topline grew by 25% compared to previous year's 16%. Consequently, the bottom line swelled by 21% YoY. Gross Profit Margin increased slightly to 50% in 2014 from last year's 49%. However, the OPM regressed to 25% because of the rise in administration, selling and distribution expenses which resulted from increased advertising expense. The advertising expense was almost 11% of the total selling expense which is 7% higher than that of previous year's. Despite, the NPM remained constant.

Recently, the company has reported consolidated net profit after tax of Tk. 477.26 million with consolidated EPS of Tk. 9.01 for the period of three months (Jan'15 to Mar'15) as against Tk. 403.30 million and Tk. 7.62 respectively for the same period of the previous year.



Source: DSE and Research, IDLCIL

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