

Linde Bangladesh Limited (DSE: LINDEBD)

Current Price (23/07/2014)	1357.20
Total Number of Share (mn)	15.2
Free Float (%)	40.0%
Annualized PE* – LINDEBD	34.8x
Trailing PE* – LINDEBD	32.7x
Annualized PE – Fuel & Power	13.5x

* Based on earnings of Q1, 2015

Financials (BDT mn)	2013	2014	Q1, 2015*
Net Revenues	4,056	3,984	914
Gross Profit	1,506	1,584	363
Operating Profit	879	823	199
Net Profit After Tax	739	620	148
Total Assets	3,508	3,806	4,046
Total Equity	2,459	2,607	2,755

* Year ends on Dec. 31

Growth	2013	2014	Q1, 2015
Revenue	6.3%	-1.8%	-0.7%
Net Profit After Tax	53.1%	-16.1%	7.9%

Per Share (BDT)	2013	2014	Q1, 2015
Restated EPS	48.5	40.7	9.8
Book Value Per Share (BVPS)	161.6	171.3	181.1

Others (%)	2013	2014	Q1, 2015
Gross Profit Margin	37.1%	39.7%	39.8%
Operating Profit Margin	21.7%	20.7%	21.8%
Net Profit Margin	18.2%	15.6%	16.2%
ROA	22.0%	17.0%	-
ROE	31.8%	24.5%	-
Stock Dividend	-	-	-
Cash Dividend	310.0%	310.0%	-

Source: DSE; Annual Report of Linde Bangladesh Ltd.; Research, IDLC Investments Ltd.

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

Linde Bangladesh Limited started its operation in Bangladesh in 1973 under the Companies Act 1913. It was listed in 1976 and 1996 in DSE and CSE respectively. Subsidiaries of the Company include Bangladesh Oxygen Limited and BOC Bangladesh Limited. It is itself a subsidiary of BOC Group Limited of United Kingdom which is fully owned by Linde AG of Germany.

The Company's chief operations include manufacturing and supplying industrial and medical gases, welding products and equipments and ancillary equipments. Revenue of the company also comes from rental from cylinders used by customers and installation of vacuum evaporators in customers' premises.

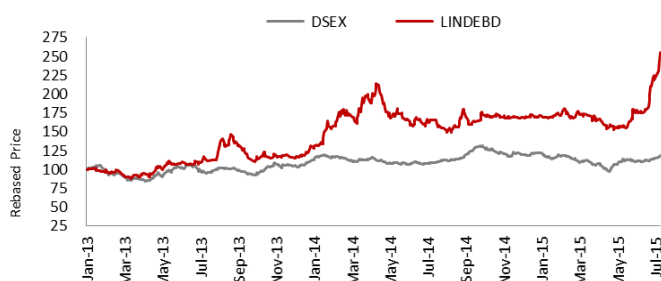
Key Revenue Drivers & Company Insight

The Company's revenue is generated by selling wide range of products and services which falls under three major segments Bulk, PG&P (packaged gas and products) and Healthcare segment. In 2014, the PG&P segment contributed 80.4% while Bulk and Healthcare segments contributed 8.8% and 10.8% respectively in the total revenue. There was a marked revenue growth in Bulk and Healthcare segments. Although the Bulk segment was 1.0% below the revenue target, the overall performance was better than that of last year's. The Healthcare segment's revenue increased by 14.0% in 2014 from previous year.

Financial Performance

The top line experienced a negative growth of 1.8% for the year ending 2014, mainly due to decreased demand for the Company's products and services. The demand shrank because of the slowdown in the country's real estate, ship breaking and ship building sectors. However, decrease in raw and packaging material cost and also fuel and power cost by about 10.0% and 20.0% respectively caused the Gross Profit Margin (GPM) to increase slightly to 39.7% in 2014 from 37.1% in 2013. In 2014, Linde's Operating Profit Margin (OPM) and Net Profit Margin (NPM) fell to 20.7% and 15.6% respectively which resulted from higher cost that incurred from cross border trucking of products to overcome the short fall in production.

Recently, the company has reported net profit after tax of BDT 148.47 million with EPS of BDT 9.76 for the period of three months (Jan '15 to March '15) as against BDT 137.65 million and BDT 9.05 respectively for the same period of the previous year.



Source : DSE; Research, IDLCIL

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