

ACI Limited (DSE: ACI)	
Current Price (December 03, 2015)	521.1
Total Number of Share (Mn)	39.8
Free Float (%)	65.0
Annualized PE – ACI*	36.1x
Trailing PE – ACI	27.5x
Annualized PE – Pharmaceuticals	22.9x

* Based on annualized earnings (excluding one-off gain) of 9M 2015.

Financials (BDT Mn)**	2013	2014	9M, 2015 (unaudited)
Net Revenue	22,167	25,822	22,127
Gross Profit	6,598	8,051	6,922
Operating Profit	1,907	2,458	1,659
Net Profit After Tax	103	479	2,450 [¥]
Total Assets	20,155	22,009	26,008
Total Equity	4,040	4,274	6,396

Growth (%)	2013	2014	9M, 2015
Net Revenue	0.9%	16.5%	17.8%
Net Profit After Tax	N/A	364.1%	1454.2% [¥]

Per share (BDT)	2013	2014	9M, 2015
Restated EPS	2.6	12.0	61.5
Restated BVPS	101.4	107.3	160.6

Others	2013	2014	9M, 2015
Gross Profit Margin	29.8%	31.2%	31.3%
Operating Profit Margin	8.6%	9.5%	7.5%
Net Profit Margin	0.5%	1.9%	11.1% [¥]
ROA	0.5%	2.3%	-
ROE	2.5%	11.5%	-
Stock Dividend	20.0%	15.0%	-
Cash Dividend	85.0%	100.0%	-

** Accounting year Jan-Dec. [¥] Includes gain from sale of brands.

3 Years' CAGR	Peers			
	ACI	BXPHERMA	RENATA	SQURPHARMA
Net Revenue	13.9%	12.4%	19.3%	10.5%
NPAT	37.1%	8.4%	16.6%	18.2%

Source: Financial Statements of ACI, BXPHERMA, RENATA and SQURPHARMA; 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

ACI Limited (DSE: ACI) was established as a subsidiary of Imperial Chemical Industries (ICI) in 1968. After liberation, it was converted as a public limited company and renamed to ICI Bangladesh Manufacturers Limited. ICI plc divested 70.0% holding to local management during 1992 and later on registered as Advanced Chemical Industries Limited. At present, sponsors hold 35.0% of its shares. The company was listed in DSE and CSE in 1976 and 1995, respectively.

ACI is one of the leading conglomerates which has diversified business portfolio of Health Care Division, Consumer Brands Division, Agribusiness Division and Logistics.

Key Revenue Drivers & Company Insight

ACI generates most of its revenue from the pharmaceuticals segment accounting to 22.2% of the total net revenue recorded in 2014. Its pharmaceuticals business attained 15.4% YoY growth in 2014 while the market growth was reported to be 11.4% by IMS Health. Moreover, Cerrox CV, a newly launched cephalosporin antibiotics of ACI, was the most successful new launch in the industry as per IMS.

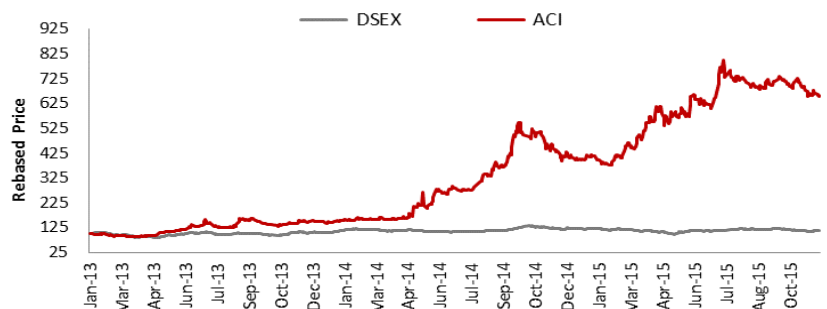
Consumer Brands division has been another revenue driver with 13.9% contribution to the total revenue. Several of its brands like, ACI Aerosol, ACI Mosquito Coil and Savlon are continuing to be the market leaders with 86.0%, 36.0% and 75.0% market share, respectively. Among the other segments, ACI Logistics (Shwapno) and ACI Foods could not yield any profit yet. Notably, accumulated loss of these two segments stood at BDT 4,472.9 Mn and 1,090.0 Mn respectively by December, 2014.

Financial Performance

ACI Limited passed a good year in 2014 with consolidated top line growth of 16.5% YoY. During the year, Gross Profit Margin (GPM), Operating Profit Margin (OPM) and Net Profit Margin (NPM) expanded by 1.4%, 0.9% and 1.4% points, respectively which resulted in 364.1% YoY growth in Net Profit after Tax (NPAT). Pharmaceuticals segment posted NPAT of BDT 950.7 Mn, which was almost double of the consolidated NPAT recorded in 2014.

During 9M 2015, ACI recorded 17.8% YoY growth in net revenue. The company's GPM remained flat while OPM contracted by 1.2% points due to 24.9% YoY increase in operating expenses. Noticeably, finance expenses decreased by 17.3% as the company's loans and borrowings decreased by 18.9% YTD.

Recently, ACI reported consolidated NPAT of BDT 2,548.9 Mn and EPS (with one-off gain) of BDT 64.1 during 9M 2015 as against BDT 249.0 Mn and BDT 6.3 in 9M 2014, respectively. The company also reported consolidated NPAT and EPS (without one-off gain) of BDT 431.0 Mn and BDT 10.8, respectively during 9M 2015.



Source : DSE; Research, IDLC Investments Limited

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