

Olympic Industries Limited (DSE: OLYMPIC)	
Current Price (March 03, 2016)	284.6
Total Number of Share (Mn)	190.4
Free Float (%)	68.5%
Annualized PE* – OLYMPIC	35.8x
Trailing PE – OLYMPIC	39.6x
Annualized PE – Food & Allied	28.6x

\* Based on annualized earnings of HY 2016.

Financials (BDT Mn)**	2014	2015	HY, 2016 (Unaudited)
Revenue	7,922	8,996	5,680
Gross Profit	2,283	2,658	1,735
Operating Profit	1,185	1,431	1,013
Net Profit after Tax	869	1,094	759
Total Assets	5,049	5,764	6,879
Total Equity	2,522	3,382	3,664

Growth (%)	2014	2015	HY, 2016
Revenues	11.7%	13.6%	35.6%
Net profit after tax	41.2%	25.9%	56.2%

Per share (BDT)	2014	2015	HY, 2016
Restated EPS	4.6	5.7	4.0
Restated BV Per Share	13.2	17.8	19.2

Others	2014	2015	HY, 2016
Gross Profit Margin	28.8%	29.5%	30.5%
Operating Profit Margin	15.0%	15.9%	17.8%
Net Profit Margin	11.0%	12.2%	13.4%
ROA	19.9%	20.2%	-
ROE	40.9%	37.1%	-
Stock Dividend	35%	20%	-
Cash Dividend	20%	30%	-

\*\* Accounting year Jul-Jun

3 years' CAGR	Peer	
	OLYMPIC	BANGAS
Revenue	14.4%	13.3%
NPAT	33.0%	43.4%

#### 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 last 12 months earnings

#### Company Profile

Olympic Industries Limited (DSE: OLYMPIC) was incorporated as Bengal Carbide Limited in 1979. Later on, in 1982, it commenced Battery manufacturing. Then, the company started its biscuit and confectionary production unit in 1996. Subsequently, it diversified its business into ball point pen production in 1998. In 2008, OLYMPIC had amalgamation with Tripti Industries Limited. In 2012, the company executed supply agreement with GlaxoSmithKline for the production of Horlicks brand biscuits.

The company shifted its business focus to Biscuit & Confectionary products which is currently the primary revenue line. Now, OLYMPIC is a manufacturer and marketer of Dry Cell Battery, Biscuit & Candy, Confectionary and Ball pen items. At present, the company is running 7 Biscuit production lines.

#### Key Revenue Drivers & Company Insight

In 2015 OLYMPIC's top line was BDT 8,996 mn, where 95.1% of total revenue came from Biscuit & Confectionary unit. Revenue grew by 13.6% YoY in 2015, as volume sales rose by 11.5% YoY and average revenue per metric ton increased by 3.8% YoY. Commencement of operation of the 6<sup>th</sup> and 7<sup>th</sup> biscuits line of the company during the year played a major role in volume boost up. It also enabled the company to launch a new biscuit product "Nutty".

OLYMPIC's production capacity of Battery, Biscuit & Confectionary and Ball pen was 117.8 mn pcs, 93,536 MT and 147.6 mn pcs, respectively. The company utilized its capacity by 34.5%, 70.2% and 28.3%, respectively in 2015. Revenue from batteries contributed 3.3% of the company's top line. But, battery sales growth reported a downfall of 10.9%. Additionally, Ball pen contributed 1.6% to the top line, but sales decreased by 27.8% than that of 2014.

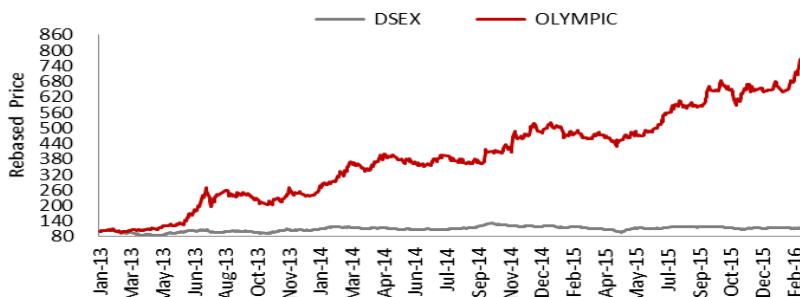
However, the company has now decided to discontinue the production of ballpoint pens, cereal bars and chutney at their respective units, as well as expanding biscuits production lines.

#### Financial Performance

During 2015, revenue grew by 13.6% YoY while bottom line growth was 25.9%. Gross Profit Margin (GPM) expanded to 29.5% because of increase in the sale of higher margin products and better procurement. In addition, higher economies of scale helped restrict operating expenditure and boost Operating Profit Margin (OPM) to 15.9% in 2015. Ultimately, Net Profit Margin (NPM) grew to 12.2%.

In HY 2016, the company recorded robust revenue growth of 35.6% YoY. Accompanied with margins improvement, high top line growth fueled an even higher bottom line growth of 56.2% YoY.

**Recently, the company has reported net profit after of Tk. 758.8 mn with consolidated EPS of Tk. 4.0 for the period of six months (July'15 to Dec'15) as against Tk. 485.8 mn and Tk. 2.6, respectively for the same period of the previous year.**



Source : DSE; Research, IDLCIL

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