

Berger Paints Bangladesh Limited (DSE: BERGERPBL)	
Current Price (April 28, 2016)	2,051.4
Total Number of Share (Mn)	23.19
Free Float (%)	5.0%
Annualized PE* – BERGERPBL	19.4x
Trailing PE* – BERGERPBL	28.2x
Annualized PE – Miscellaneous Sector	20.9x

\*Based on 1Q 2016 earnings

Financials (BDT Mn)**	2014	2015	3M, 2016#
Revenue	10,893	12,283	3,991
Gross Profit	4,392	5,371	1,992
Operating Profit	1,605	2,087	858
Net Profit After Tax	1,151	1,493	612
Total Asset	5,633	6,684	7,337
Total Equity	3,572	4,323	4,935

\*\*Year ends on Dec. 31

#Unaudited

Growth (%)	2014	2015	3M, 2016
Revenue	23.8%	12.8%	16.4%
Net Profit After Tax	27.9%	29.7%	45.4%

Financials (BDT Mn)	2014	2015	3M, 2016
Restated EPS	49.6	64.4	26.4
BVPS	154.0	186.4	212.8

Others	2014	2015	3M, 2016
Gross Profit Margin	40.3%	43.7%	49.9%
Operating Profit Margin	14.7%	17.0%	21.5%
Net Profit Margin	10.6%	12.2%	15.3%
ROA	22.7%	24.2%	-
ROE	35.4%	37.8%	-
Stock Dividend	-	-	-
Cash Dividend	220.0%	370.0%	-

Source: Annual Reports of BERGERPBL, DSE, and 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

Berger Paints Bangladesh limited (DSE: BERGERPBL) is the leading paint solution provider in Bangladesh. 95% of the ownership of the company belongs to J & N Investments (Asia) Limited, UK. BERGERPBL's current product offerings range from basic paints to specialized painting solutions and painting accessories. The company has one subsidiary called Jenson and Nicholson Bangladesh Limited (100% ownership) and one associate Berger Becker Bangladesh Limited (49% ownership). The former company produces tin containers and print on tin sheets. The later one is a joint venture producing coil coating.

#### Key Revenue Drivers & Company Insight

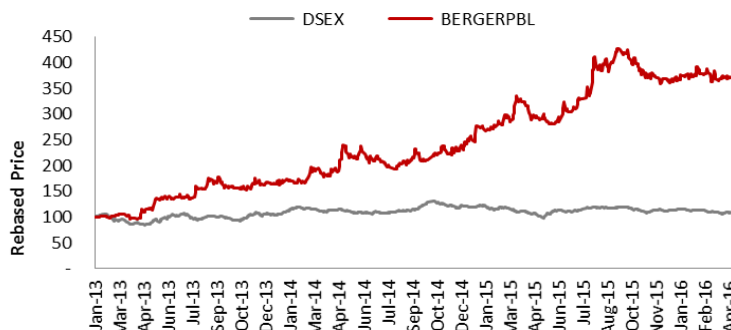
BERGERPBL manufactures and markets paint for home decoration, home protection, industrial usage, textile dyeing and furniture coating. It also produces and sells painting accessories. Among all the products, home decoration and painting remained the main business driver. The company achieved a robust 17.5% CAGR in revenue in last five years. Strong market dominance, sustained demand and continuous investment in capacity building helped the company achieve the top line growth. Currently, over 98% of the company's revenue comes from own manufacturing and the rest from imported product business. The manufacturing business grew at 17.2% in last 5 years. During this period, revenue from import business rose by 19.2% p.a,

#### Financial Performance

Since 2013, the company boosted gross margin, riding on lower input cost. With historical fall in price of primary raw material for pigment, Titanium Dioxide and another significant input oil and solvents, Gross Profit Margin (GPM) rose to 40.3% in 2014 and went further up to 43.7% in 2015. Keeping in line, Operating Profit Margin (OPM) rose to 14.7% in 2014, and 17.0% in 2015. Ultimately, Net Profit Margin (NPM) stood at 10.6% in 2014 and 12.2% in 2015. Margin improvements enabled the company to leverage top line growth of 23.8% in 2014 and 12.8% in 2015 into a bottom line growth of 27.9% in 2014 and 29.7% in 2015.

With depressed commodities price sustaining, the companies GPM hit a new high of 49.9% in 1Q, 2016. Resultantly, NPM soared to 15.3%. During the period, top line grew by 16.4%, while bottom line jumped by 45.4%.

**Recently, the company has reported consolidated net profit after tax of BDT 612.4 Mn with EPS of BDT 26.4 for the period of three months (Jan '16 to Mar '16) as against BDT 421.2 Mn and BDT 18.2, respectively for the same period of the previous year.**



Source : DSE; Research, IDLCIL

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