

financing happiness

Bata Shoe Company (Bangladesh) Ltd. (DSE : BATASHOE)	
Current price (October 06, 2016)	1,179.9
Total number of share (mn)	13.7
Free float (%)	30.0%
Annualized PE – BATASHOE*	22.9x
Trailing PE – BATASHOE	17.8x
Annualized PE – Tannery sector	24.6X

* Based on annualized earnings of HY, 2016.

Financials (BDT mn)**	2014	2015	HY, 2016 (Unaudited)
Revenue	8,077	8,523	4,029
Gross profit	3,132	3,428	1,646
Operating profit	1,063	1,246	531
Net profit after tax	701	832	353
Total assets	4,667	5,237	6,163
Total equity	2,571	2,965	3,174

Growth (%)	2014	2015	HY, 2016
Revenue	2.5%	5.5%	8.9%
Net profit after tax	-13.8%	18.7%	28.1%

Per share (BDT)	2014	2015	HY, 2016
EPS	51.2	60.8	25.8
BVPS	187.9	216.7	232.0

Others	2014	2015	HY, 2016
Gross profit margin	38.8%	40.2%	40.9%
Operating profit margin	13.2%	14.6%	13.2%
Net profit margin	8.7%	9.8%	8.8%
ROA	14.7%	16.4%	-
ROE	29.0%	30.0%	-
Stock Dividend	-	-	-
Cash Dividend	280.0%	320.0%	-

** Accounting year Jan-Dec

3 years' CAGR	Peer		-	-
	BATASHOE	APEXFOOT		
Revenue	4.9%	5.2%	-	-
NPAT	7.4%	-	-	-

Source: Financial Statements of BATASHOE & APEXFOOT and 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

Bata Shoe Company (Bangladesh) Limited (DSE: BATASHOE) is the largest company in the local footwear and leather accessories market. The company is operating since 1962. It has two production units which are located in Tongi and Dhamrai. These two units have a capacity to produce 36 mn pairs of shoes per annum.

BATASHOE has recently launched online buying facility to meet the future marketing demand.

Key Revenue Drivers & Company Insight

BATASHOE primarily produces and markets shoes from processed leather and sale it to the local market. It sources basic raw material leather domestically. Other accessories and synthetic raw materials are imported from abroad. The final products are sold mostly to the local market, while a minor portion is exported. The company is also conducting experiment with branded apparel.

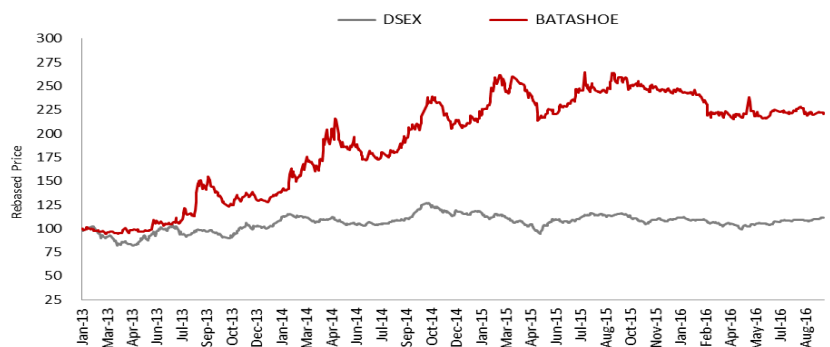
During 2015, revenue grew by 5.5%, riding on 6.2% growth in shoe business. However, 48.9% de-growth in export softened the revenue growth. Alternatively, sales volume growth was almost flat in 2015. Understandably, revenue increase was due to improvement in average product price. Meanwhile, BATASHOE has been consolidating its retail channel for optimization. The company is discontinuing its less profitable stores and focusing on big format profitable stores.

Financial Performance

Revenue growth increased to 5.5% in 2015, compared to 2.5% in 2014. At the same time, Net profit after tax grew sharply by 18.7% in 2015, compared to 13.8% de-growth in 2014. Higher growth in Net Profit was due to margin improvements. Gross, Operating and Net Profit margins stood at 40.2%, 14.6% and 9.8% in 2015.

Growth momentum continued in HY 2016. Revenue grew by 8.9% in HY 2016, and Net profit after tax grew by 28.1%. Margins improvement persisted in HY 2016, compared to HY 2015, with Gross, Operating and Net Profit margins reaching 40.9%, 13.2% and 8.8%, respectively.

Recently, the company has reported consolidated net profit after tax (excluding non-controlling interests) of Tk. 352.76 million with consolidated EPS of Tk. 25.79 for the period of six months (Jan'16 to Jun'16) as against Tk. 275.34 million and Tk. 20.13 respectively for the same period of the previous year.



Source : DSE, IDLC Investments Limited

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