

British American Tobacco Bangladesh Company Ltd. (DSE: BATBC)

Current Price (October 27, 2016)	2,516.7
Total Number of Share (Mn)	60.00
Free Float (%)	26.5%
Annualized PE* – BATBC	20.8x
Trailing PE* – BATBC	21.9x
Annualized PE – Food & Allied Sector	23.1x

* Based on annualized earnings of 9M 2016

Particulars (BDT Mn)	2014	2015	9M, 2016** (unaudited)
Net Revenue	35,562	39,895	31,496
Gross Profit	15,768	18,682	14,470
Operating Profit	11,535	13,201	10,664
Net Profit after Tax	6,282	5,874	5,432
Total Asset	27,075	29,591	37,099
Total Equity	11,464	14,610	16,741

**Year ends on Dec. 31

YoY Growth (%)	2014	2015	9M, 2016 (unaudited)
Net Revenue	13.9%	12.2%	8.6%
Net Profit after Tax	27.6%	-6.5%	24.1%

Per Share (BDT)	2014	2015	9M, 2016 (unaudited)
EPS	104.7	97.9	90.5
BVPS	191.1	243.5	279.0

Others (%)	2014	2015	9M, 2016 (unaudited)
Gross Profit Margin	44.3%	46.8%	45.9%
Operating Profit Margin	32.4%	33.1%	33.9%
NPAT Margin	17.7%	14.7%	17.2%
ROA	27.6%	20.7%	-
ROE	61.7%	45.1%	-
Stock Dividend	-	-	-
Cash Dividend***	550%	550%	-

***Sum of interim and final dividend.

Source: DSE; Annual Report of BATBC, 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

British American Tobacco Bangladesh Ltd. (DSE: BATBC) has been in Bangladesh for a long time. BATBC has its head office and the cigarette factory in Dhaka, a green leaf threshing plant in Kushtia, a green leaf redrying plant in Manikganj and a number of leaf and sales offices throughout the country.

The company was listed in DSE and CSE in 1977 and 1996, respectively. At present, 72.9% of its shares are owned by British American Tobacco Group, and the rest part is held by other investors. Currently, less than 1.0% of the shareholding of the company belongs to general investors.

Key Revenue Drivers & Company Insight

The company has a wide range of brand catering low to the premium segments of the market. The company's brands include; Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Scissors, Bristol, Pilot and Hollywood.

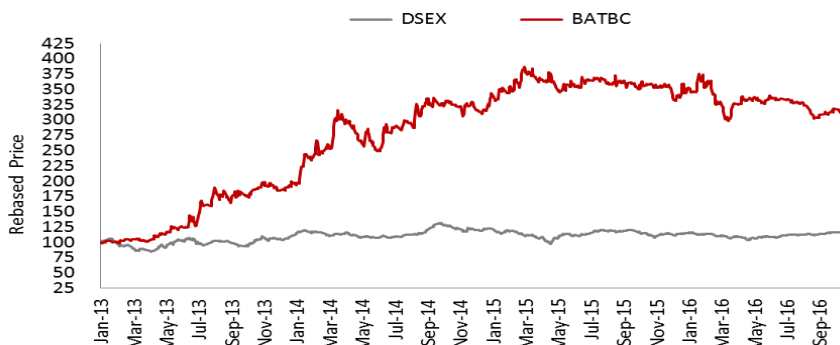
Sale of cigarettes is the source of revenue stream, accounting for 95% of the net turnover, while processed tobacco leaf export accounts for the rest 5%, as on 2015. In 2015, the company sold 42,541 million sticks, registering 9.0% YoY volume growth. At the same time, net revenue from cigarettes sales rose by 14.5% YoY, powered by both price and volume growth. Meanwhile, leaf tobacco export fell by 11.0% YoY in terms of volume and 23.2% YoY in terms of value. Overall, the company achieved 12.2% YoY growth in top line in 2015, compared to 13.9% YoY growth in top line in 2014.

Financial Performance

Keeping up with business growth, profit margins have been improving for BATBC. Gross, Operating and NPAT Margins stood at 46.8%, 33.1% and 14.7% in 2015, compared to 44.3%, 32.4% and 17.7% in 2014. Lower NPAT Margin in 2015 compared to that of in 2014, is due to higher tax payment in the year.

During 9M 2016, the company registered 8.6% YoY growth in the top line and 24.1% YoY growth in the bottom line.

Recently, the company has reported net profit after tax of BDT 5,432 million with EPS of BDT 90.53 for the period of nine months (Jan' 16 to Sept' 16) as against BDT 4,379 million and BDT 72.98 respectively for the same period of the previous year.



Source : DSE, IDLCIL

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