

GlaxoSmithKline Bangladesh Ltd. (DSE: GLAXOSMITH)	
Current Price (December 15, 2016)	1,561.3
Total Number of Share (mn)	12.1
Sponsor holding (%)	82.0%
Free Float (%)	18.0%
Trailing PE – GLAXOSMITH	23.7x
Annualized PE* – GLAXOSMITH	31.8x
Annualized PE – Pharmaceuticals & Chemicals	18.4x

*Based on annualized earnings of 9M, 2016

Financials (BDT mn)	2014	2015	9M 2016 (unaudited)
Net Revenue	7,187	6,699	4,681
Gross Profit	2,711	2,635	1,863
Operating Profit	1,063	1,041	596
Net Profit after Tax	827	831	443
Total Asset	5,028	5,562	5,069
Total Equity	2,254	2,604	2,384

YoY Growth (%)	2014	2015	9M 2016 (unaudited)
Net Revenue	6.1%	-6.8%	-5.7%
Net Profit after Tax	51.4%	0.5%	-7.6%

Per share (BDT)	2014	2015	9M 2016 (unaudited)
Restated EPS	68.6	69.0	36.8
Book Value Per Share (BVPS)	187.1	216.1	197.9

Others	2014	2015	9M 2016 (unaudited)
Gross Profit Margin	37.7%	39.3%	39.8%
Operating Profit Margin	14.8%	15.5%	12.7%
Net Profit Margin	11.5%	12.4%	9.5%
ROA	18.3%	15.7%	-
ROE	40.3%	34.2%	-
Stock Dividend	-	-	-
Cash Dividend	420.0%	550.0%	-

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

Glaxo started its operation in Bangladesh as an importer of products from Glaxo Group Companies in 1949. The company gradually transformed into a fully functioning pharmaceutical products manufacturing firm by late 60's. In 2002, the company was merged with SmithKlineBeecham and subsequently renamed as GlaxoSmithKline Bangladesh Limited. It has been a listed member of DSE since 1976.

GSK Bangladesh's activities include secondary manufacture of pharmaceutical products and marketing of vaccines, pharmaceutical healthcare products, nutrition and oral healthcare products. The pharmaceutical products are targeted to both local and foreign markets whereas the consumer healthcare goods are marketed only locally. In March, 2015 GSK pneumococcal vaccine was introduced in Bangladesh Government's Expanded Programme for Immunisation (EPI).

Key Revenue Drivers & Company Insight

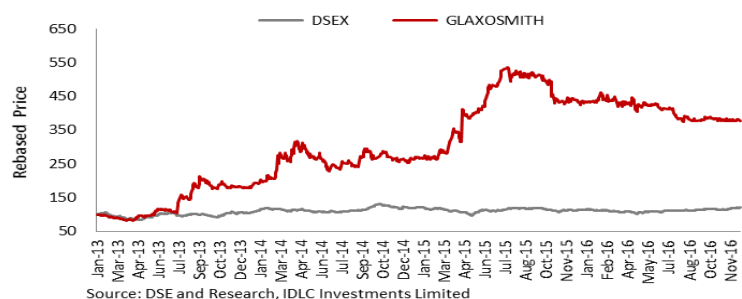
GLAXOSMITH has gradually shifted its focus from pharmaceuticals to FMCG industry over the years. Consumer healthcare products like Horlicks, Boost, Sensodyne etc. were the key revenue drivers for the company with contribution of 67.0% to the total revenue of 2015, while the remaining portion was contributed by pharmaceutical products. During 2015, the revenue of the company decreased by 6.8% YoY due to decline in revenue from Consumer healthcare products. However, the company still managed to hold leadership position in consumer healthcare segment. On the other hand, revenue from pharmaceutical products increased by 4.3% in 2015.

Financial Performance

Despite de-growth in the top line in 2015, the company's bottom line remained flat due to improvement in margins as cost of sales and Opex declined. Moreover, effective tax rate decreased in 2015 due to deferred tax add back of BDT 34.9 Mn. Resultantly, net profit after tax stood at BDT 831.1 Mn in 2015, barely changing than that of 2014.

During 9M 2016, company's revenue and net profit after tax declined by 5.7% and 7.6% YoY respectively, while margins remained flat.

Recently, the company has reported net profit after tax of Tk. 443.0 million with EPS of Tk. 36.77 in 2016 as against Tk. 479.3 million and Tk. 39.79 respectively for the previous year.



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