

April 2016

IPO Review on Evince Textiles Ltd.

**Issue Manager:** LankaBangla Investments Ltd.

**Subscription Open:** May 02, 2016

**Subscription Close:** May 12, 2016

**Trading Debut:**

**DSE and CSE trade code:**

**Company Profile:**

- **Incorporation:** June 04, 2013
- **Reporting Period:** Jan-Dec
- **Subsidiary:** Evitex Fashions Ltd.
- **Total Employees:** 1540
- **Nature of the Business:** Manufacturing, Dyeing and Finishing of 100% cotton woven fabric and exporting the same as a deemed exporter.

**Table 1: Utilization of IPO Proceeds**

Details	Amount (BDT mn)	% of total
Business Expansion	139.87	82%
Working Capital	15.43	9%
IPO Expenses	14.7	9%
<b>Total</b>	<b>170.00</b>	<b>100%</b>

- **Principal Product:** The company produces a single product 'yarn dyed woven fabrics' of various specifications, compositions, color and qualities.
- **Products Marketplace:** ETL is a 100% export oriented textile industry. ETL sells its products through Back to Back L/Cs to the local garments manufacturers and exporters who consume the yarn dyed woven fabrics as raw materials of their goods. The garment manufacturers then export their goods to the overseas markets. Therefore, the final destination of the company's products appears to be the overseas market. Evince Textiles Limited ultimately produces yarn dyed woven fabrics for such world renowned brand name as Tesco, T&T, H&M, C&A, Celio, Jack & Jones, ESPRIT, SPRINGFIELD, Bershka, M&S, Tom Tailor, Target and Carrefour.
- **Revenue Contribution:** The Company produces a single product, which is 100% yarn dyed woven fabric in different construction. It makes 100% contribution in the overall revenue.

#### Key IPO Information

Face Value per share (BDT)	10
Offer Price per share (BDT)	10
Lot Size (No. of shares)	500
Lot Size (in BDT)	5000
Authorized Capital (BDT mn)	1500
Pre- IPO Paid-up Capital (BDT mn)	1030
IPO Size (No. of shares in mn)	17
IPO Size (BDT mn)	170
Post- IPO Paid-up Capital (BDT mn)	1200

#### Cons Income Statement Summary (BDT mn)

Details	FY 15	FY 14	FY 13	FY 12
Revenue	2123.83	2337.278	1517.66	1500.84
<i>Growth</i>	<i>-9.13%</i>	<i>54.01%</i>	<i>1.12%</i>	<i>0.08%</i>
Gross Profit	458.93	467.46	396.47	389.92
Operating Profit	361.14	365.73	332.1	322.53
Net Profit	167.73	166.35	148.54	38.21
<i>Growth</i>	<i>0.83%</i>	<i>11.99%</i>	<i>288.75%</i>	<i>-48.55%</i>
Diluted EPS (Pre- IPO)*	1.63	1.62	1.44	0.37
<b>Diluted EPS (Post- IPO)*</b>	<b>1.40</b>	<b>1.39</b>	<b>1.24</b>	<b>0.32</b>

\*Considering Pre-IPO no. of shares 60 mn and Post- IPO shares 80 mn

#### Balance Sheet Summary (BDT mn)

Details	FY 15	FY 14	FY 13	FY 12
Total Asset	3759.85	3281.51	2898.06	2754.78
Shareholder's Equity	1814.38	1637.42	896.21	650.07
Cash & Cash Equivalent	10.73	28.82	19.86	2.76
Total Liabilities	3759.85	3281.51	2898.06	2754.78
Paid- up Capital	1030	1030	440	110.5
Revaluation Reserve	365.47	375.95	386.97	398.58

#### Key Financial Metrics

Details	FY 15	FY 14	FY 13	FY 12
Gross Profit Margin	21.61%	20.0%	26.12%	25.98%
Operating Profit Margin	17.0%	15.65%	21.88%	21.49%
Net Profit Margin	7.9%	7.07%	9.79%	2.55%
RoA	5.18%	5.8%	5.6%	1.64%
RoE	9.24%	10.09%	16.57%	5.88%

#### Latest Quarterly Results

Details (BDT mn)	Q1 2016	Q1 2015
NPAT	36.93	33.1
EPS (Fully Diluted)	0.31	0.28
NAV per share	16.84	
<b>Total</b>	<b>170.00</b>	<b>100%</b>

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